



Why reducing inequality increases child wellbeing

Kate

Pickett & Richard Wilkinson

Professors of Social Epidemiology

Riga, Republic of Latvia, Nov 2018

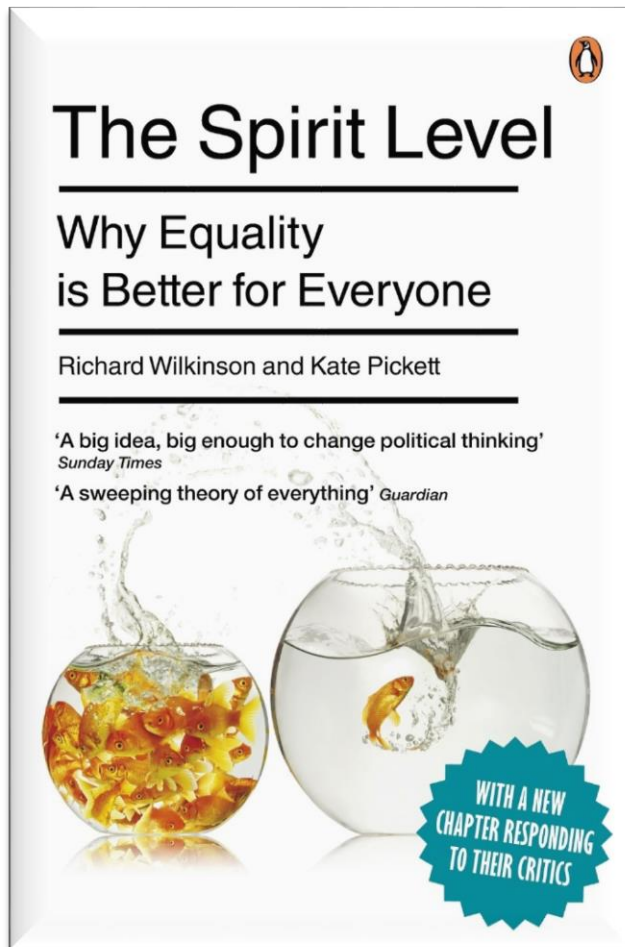


How Inequality Damages Wellbeing

Richard Wilkinson

Emeritus Professor of Social Epidemiology

1st International Employment Congress, Vitoria-Gasteiz

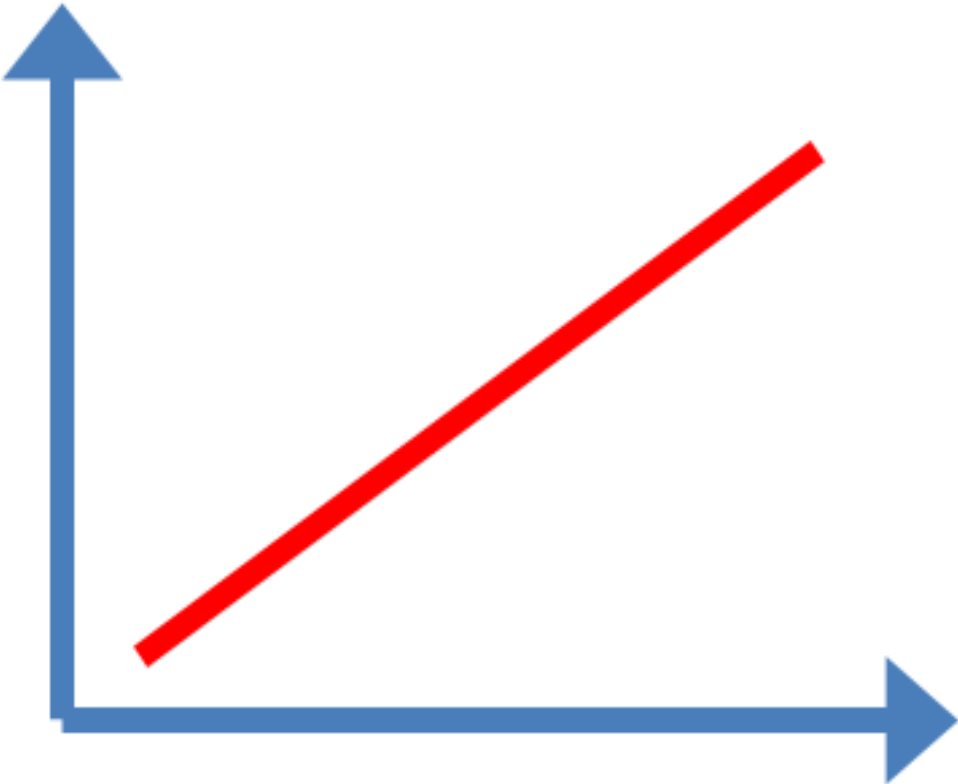


Income inequality

The naïve view: Inequality only matters if it creates poverty or if income differences seem unfair.

A more accurate view: Inequality brings out features of our evolved psychology to do with dominance and subordination, superiority and inferiority. That affects how we treat each other and feel about ourselves. Inequality increases status competition and status insecurity. It increases anxieties about self-worth, and intensifies worries about how we are seen and judged – whether as attractive or unattractive, interesting or boring etc...

Problems

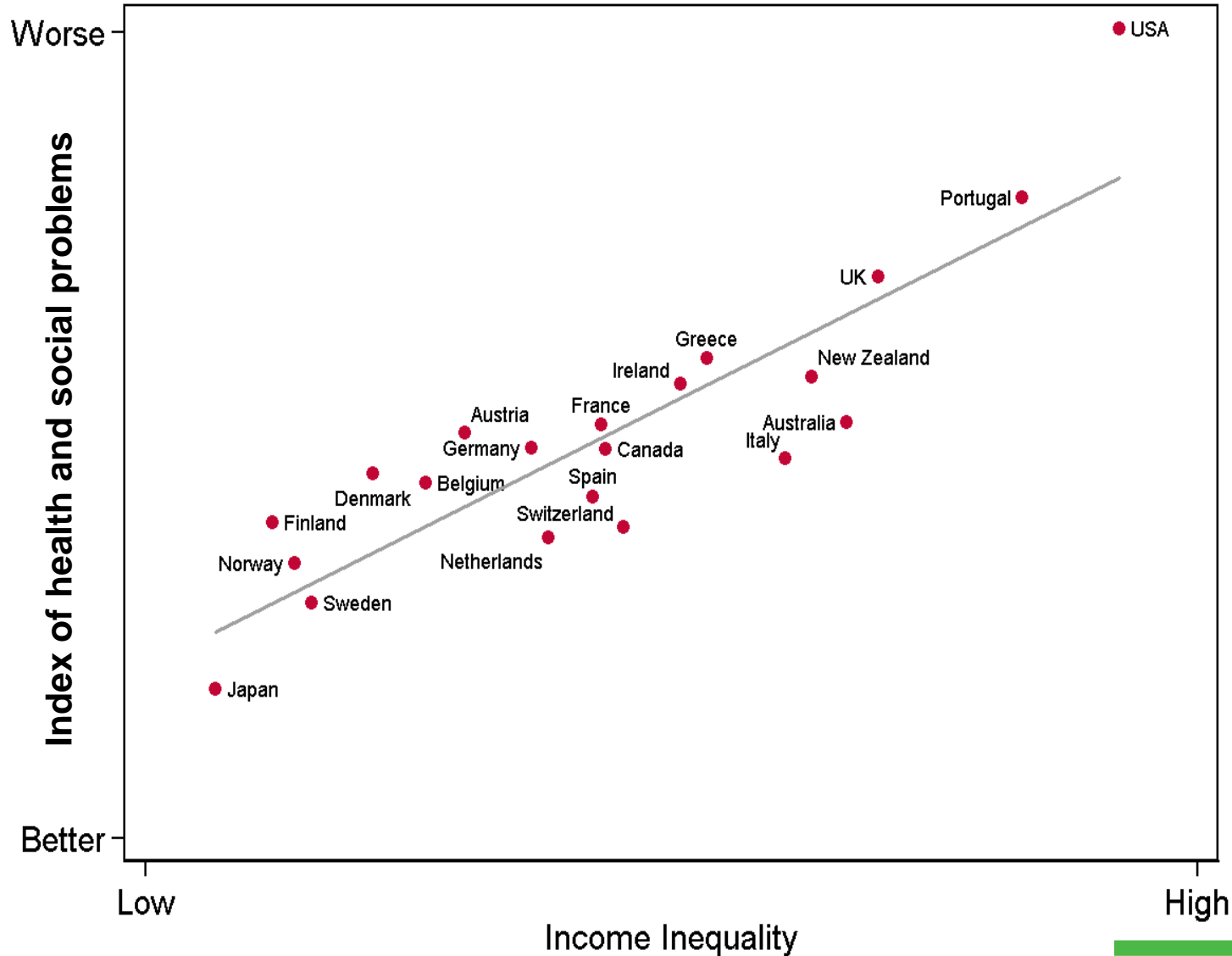


**Income
inequality**

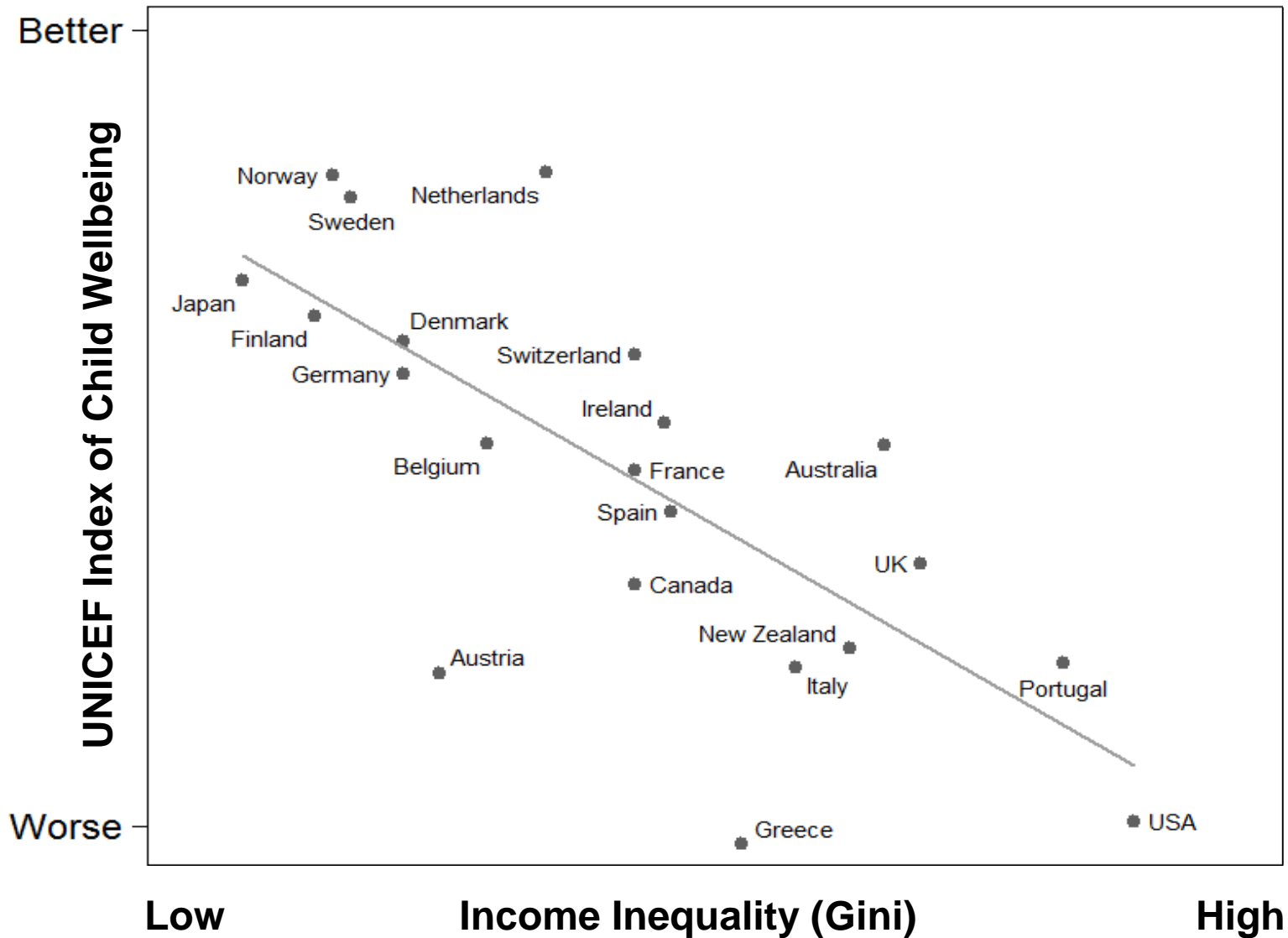
Health and social problems are worse in more unequal countries

Index of:

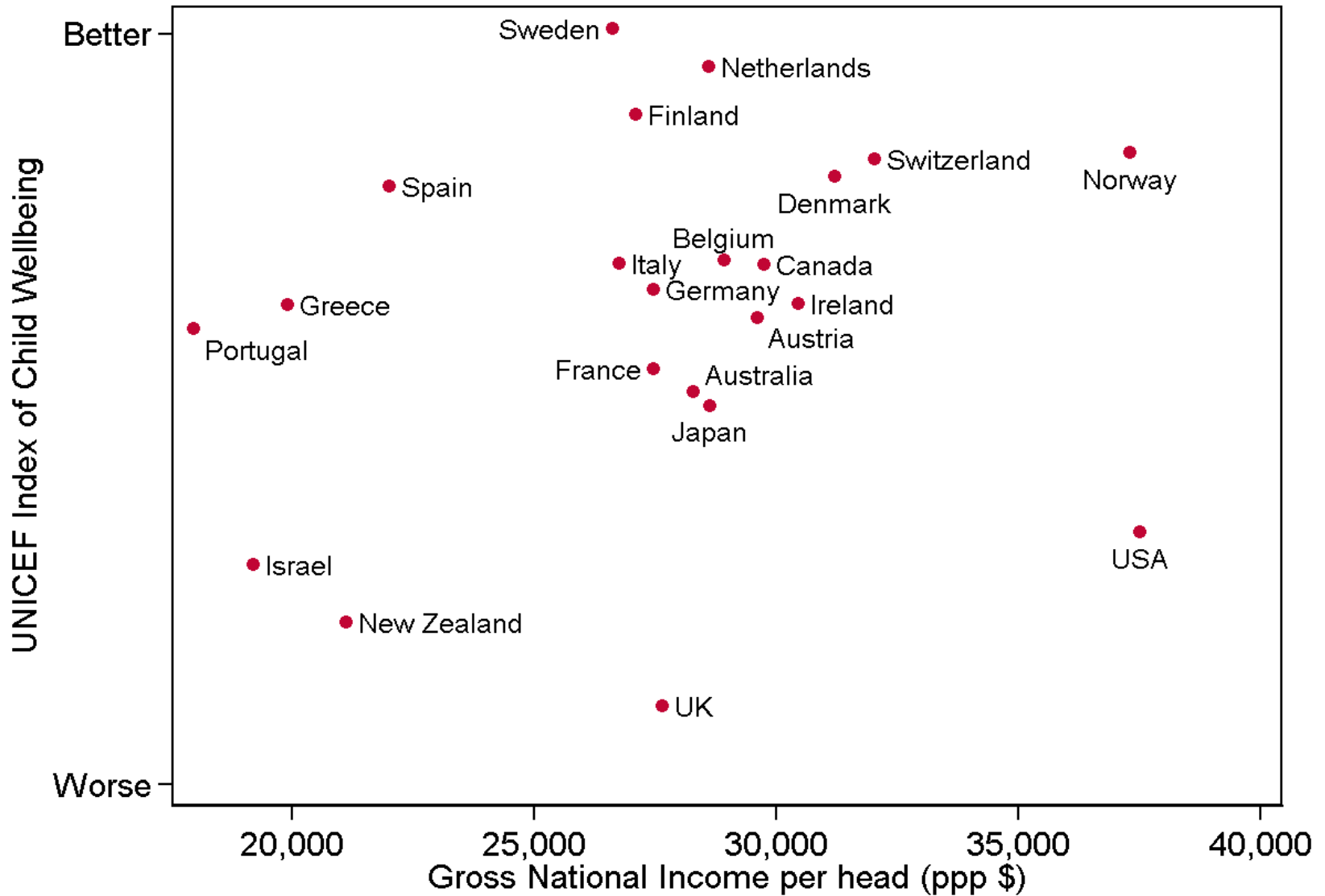
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility



Child Wellbeing is lower in more unequal countries



Child Wellbeing is not related to National Income per head



Child outcomes found to be worse in more unequal societies

- **In rich countries**

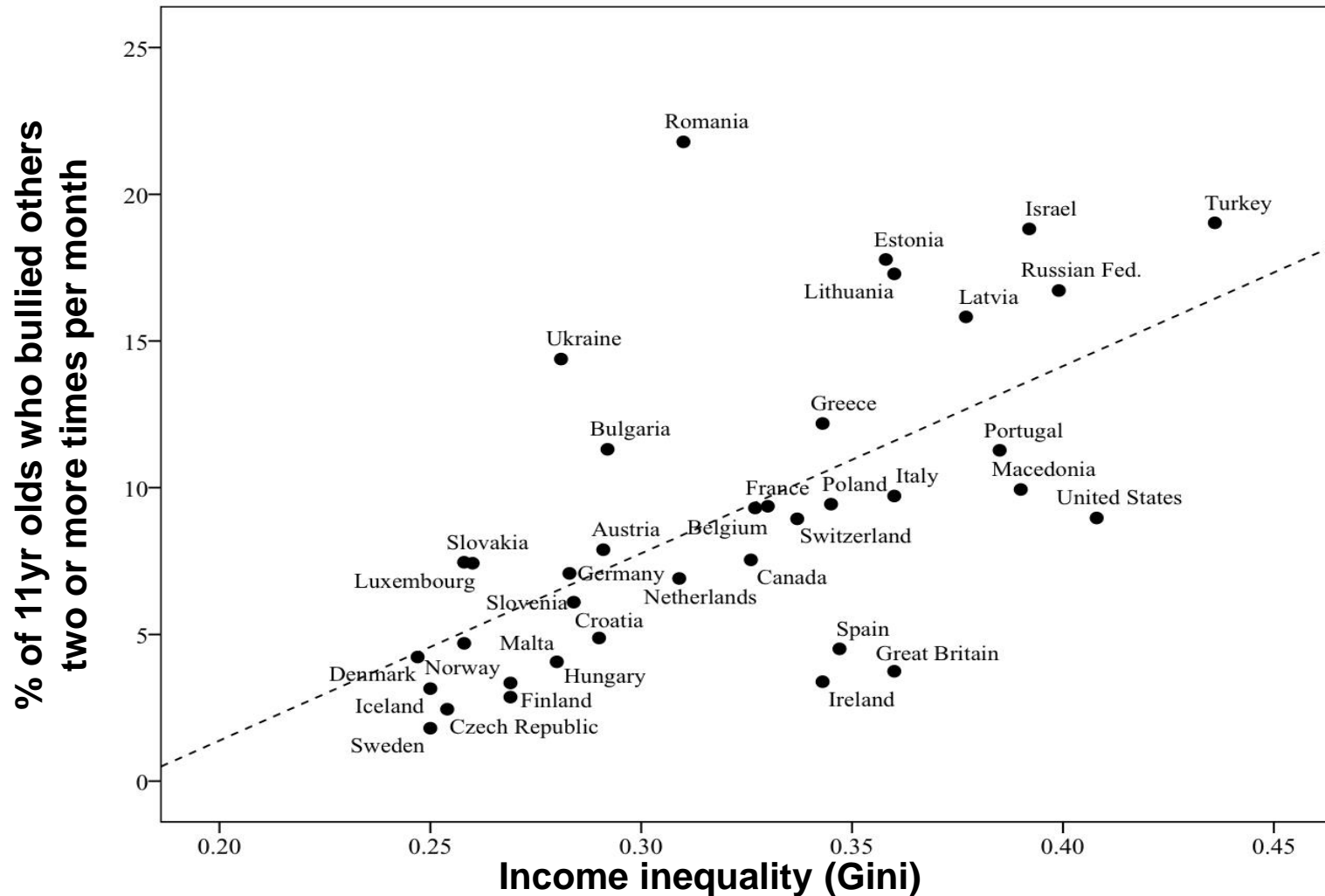
- Infant mortality
- Low birth weight
- Overweight
- Maths & literacy scores
- Teenage births
- Child Conflict & Bullying
- Social mobility
- UNICEF Index of Child Wellbeing

- **In US states**

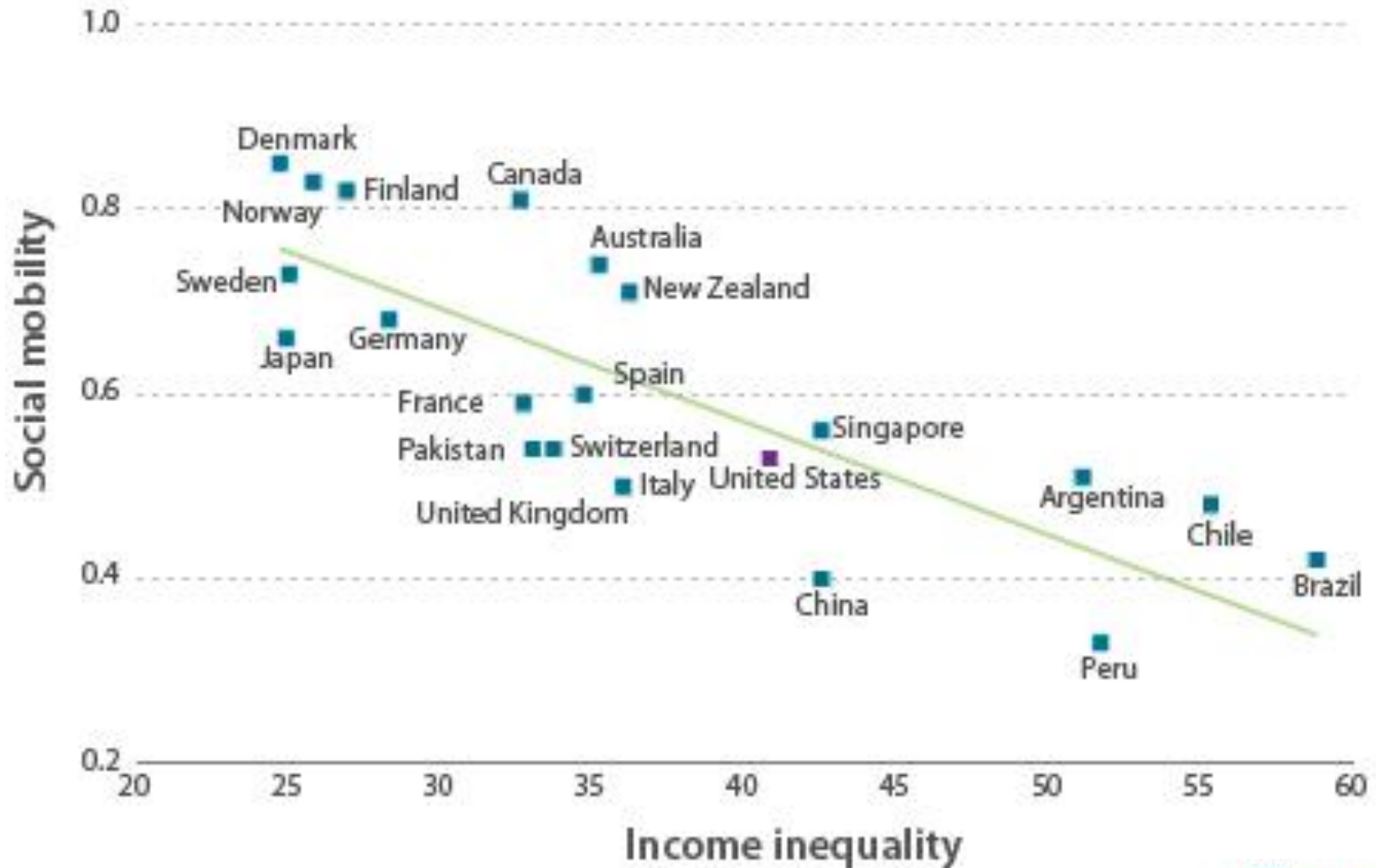
- Infant mortality
- Low birth weight
- Overweight
- Maths & literacy scores
- Teenage pregnancy
- Mental health problems
- Juvenile homicides
- High School drop outs

School bullying is much more common in countries with bigger income differences.

11-year-olds in 37 countries ($r = .62$)

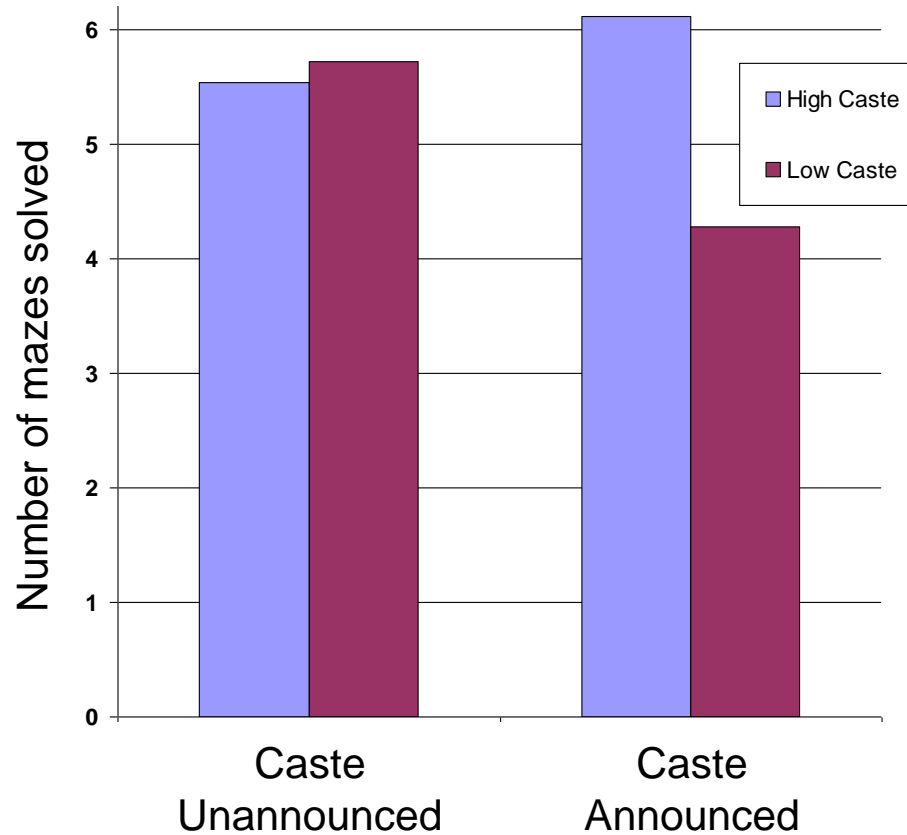


Where income inequalities are larger, there is less social mobility



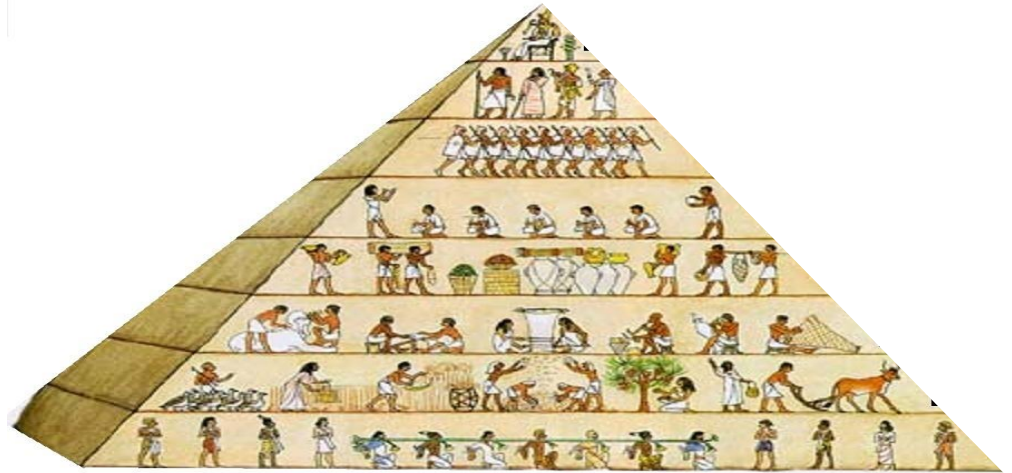
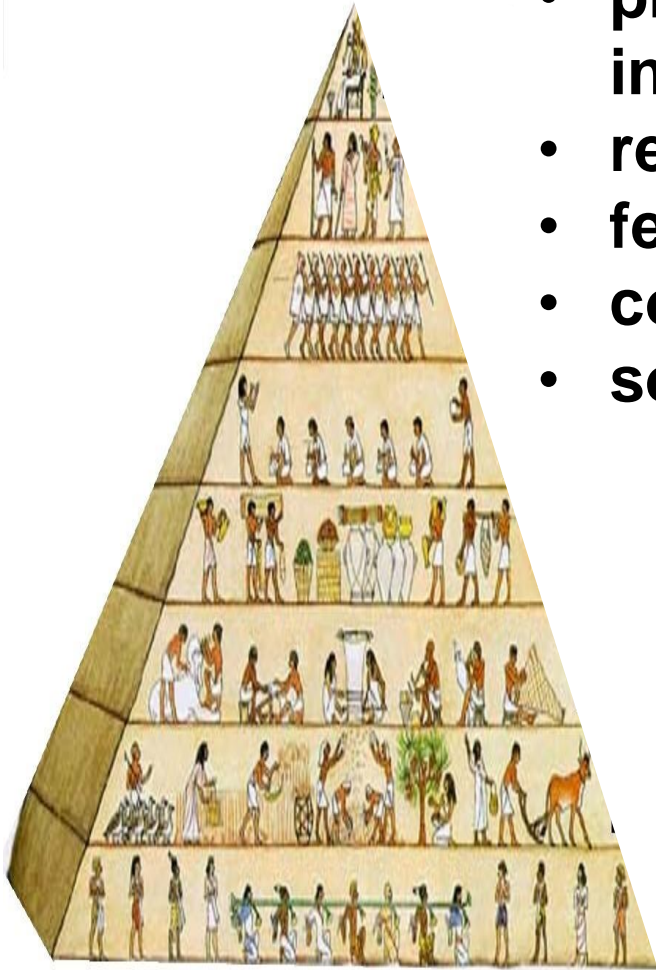
Stereotype Threat

The effect of caste identity on children's performance

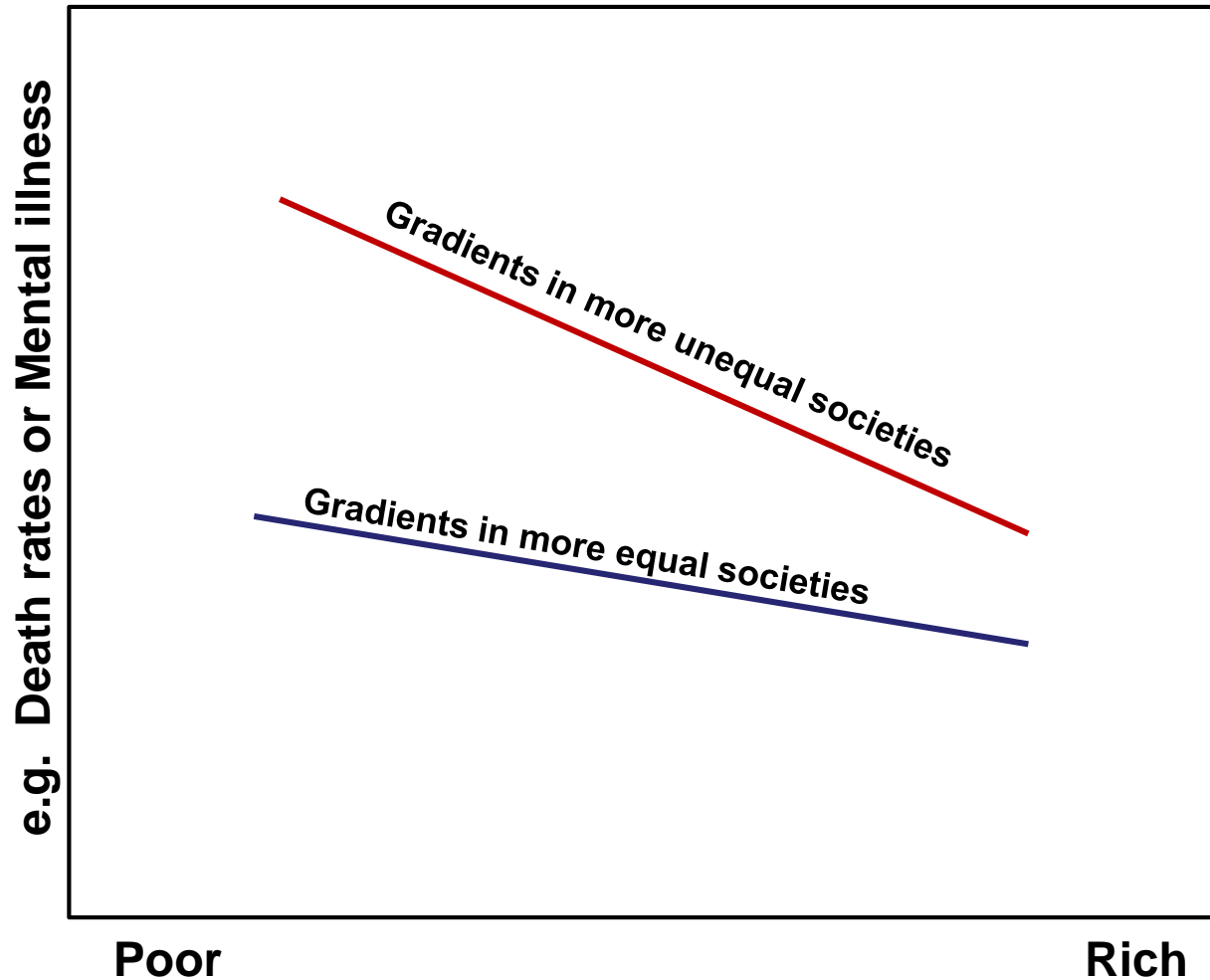


Bigger material differences create bigger social distances and increase social class differentiation:

- problems related to social status increase,
- residential segregation increases,
- fewer interclass marriages,
- community life weakens,
- social mobility declines.



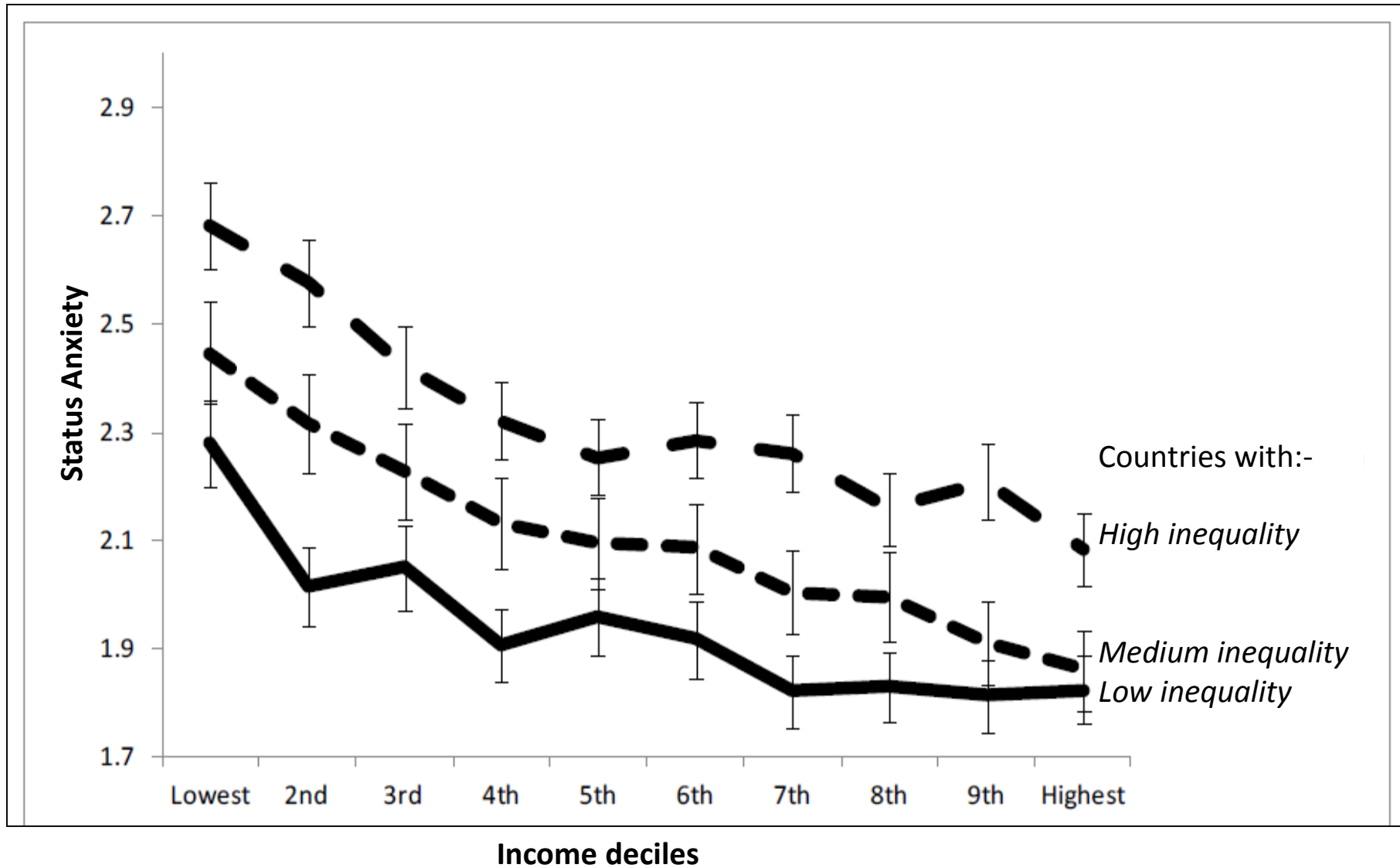
Health and social problems have steeper social gradients in more unequal societies



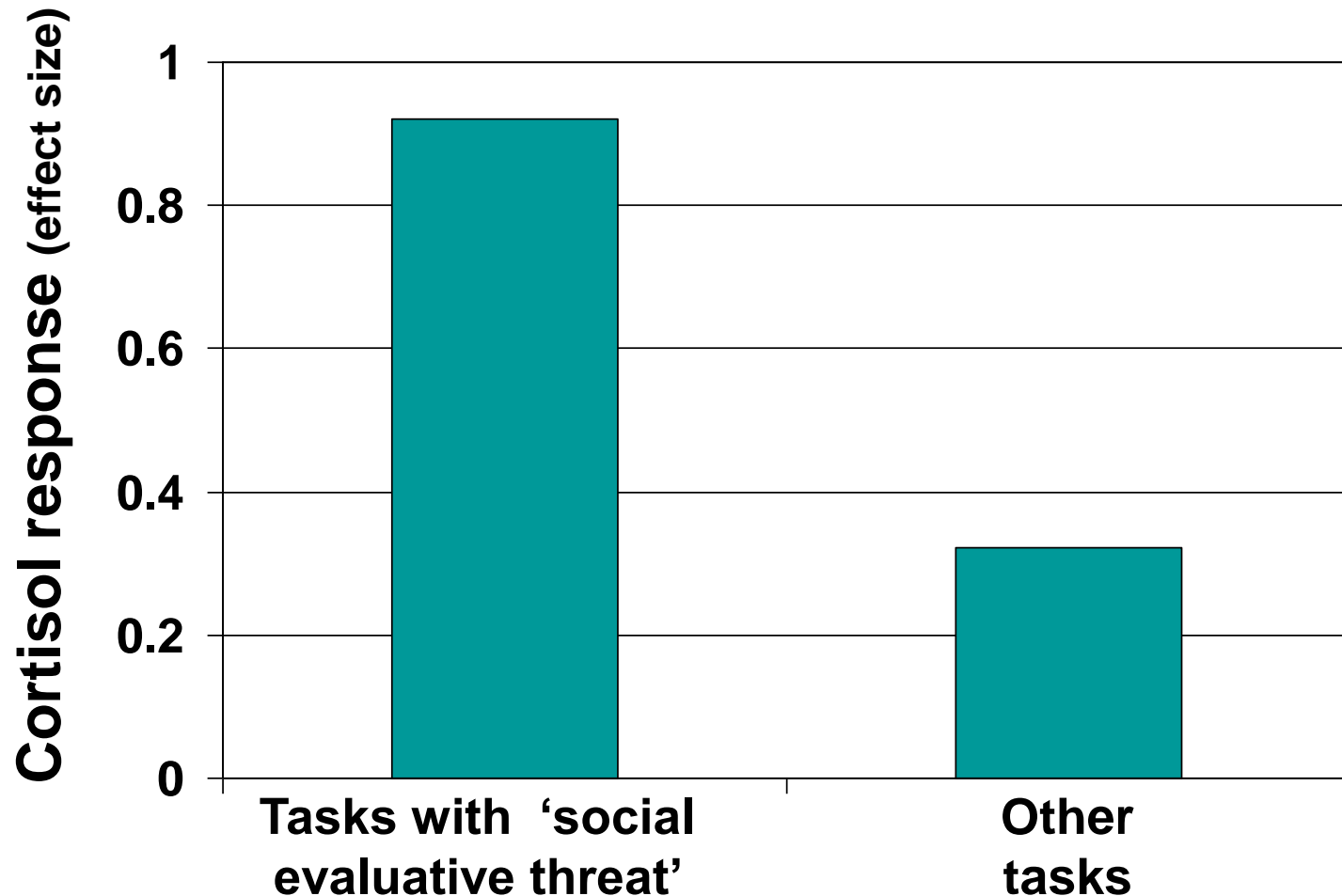
Robert Walker *et al.*
**Poverty in global
perspective**
Journal of Social Policy
2013; 42, 215-233



Status Anxiety across income deciles for high, medium and low inequality countries



What kinds of stress cause the biggest rise in stress hormones?



Dickerson SS, Kemeny ME. Acute stressors and cortisol responses. *Psychological Bulletin* 2004; 130(3): 355-91.



Photo by kind permission of Matt Stuart

Mental Health Foundation Survey, UK 2018

74% of adults (83% of 18-24 year-olds) felt so stressed they were overwhelmed or unable to cope sometime in the past year.

32% of adults (39% of 18-24 year-olds) had suicidal feelings as a result of stress.

16% of adults (29% of 18-24 year olds) had self-harmed as a result of stress.

The Dominance Behavioural System

Johnson SL, Leedom LJ, Muhtadie L.

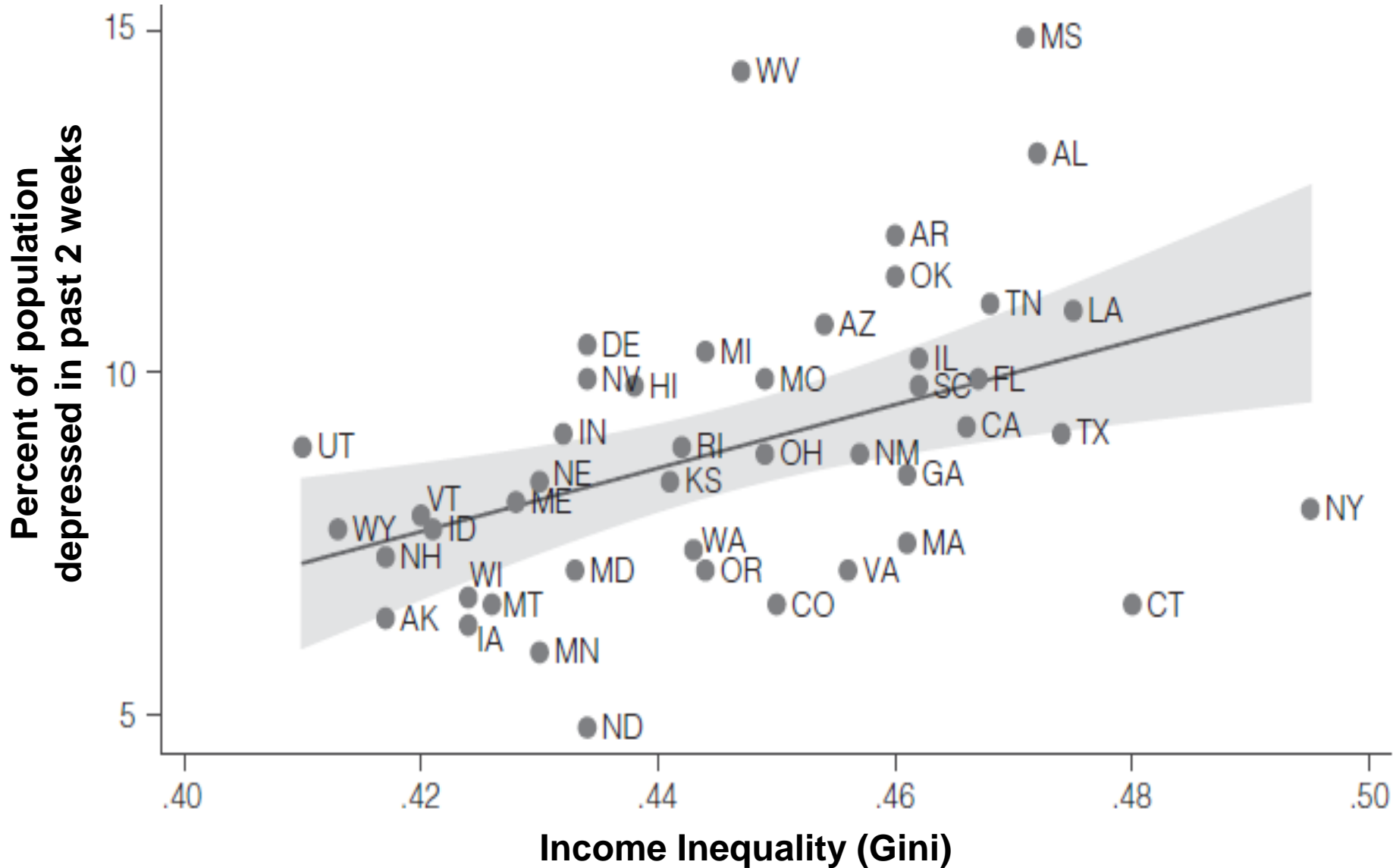
The Dominance Behavioral System and Psychopathology.

Psychological Bulletin, 2012; 138(4): 692-743.

Findings:-

- **Anxiety and depression are related to subordination, to submissiveness and to the desire to avoid subordination.**
- **Disruptive behavior disorders, mania and narcissistic traits are related to inflated self-perceptions of power or a heightened focus on achieving social dominance and recognition**

Depression is more common in more unequal states



Messias E, Eaton WW, et al. . Economic grand rounds: Income inequality and depression across the United States: an ecological study." Psychiatric Services, 2011; 62(7): 710-2.

NOT PRETTY
ENOUGH

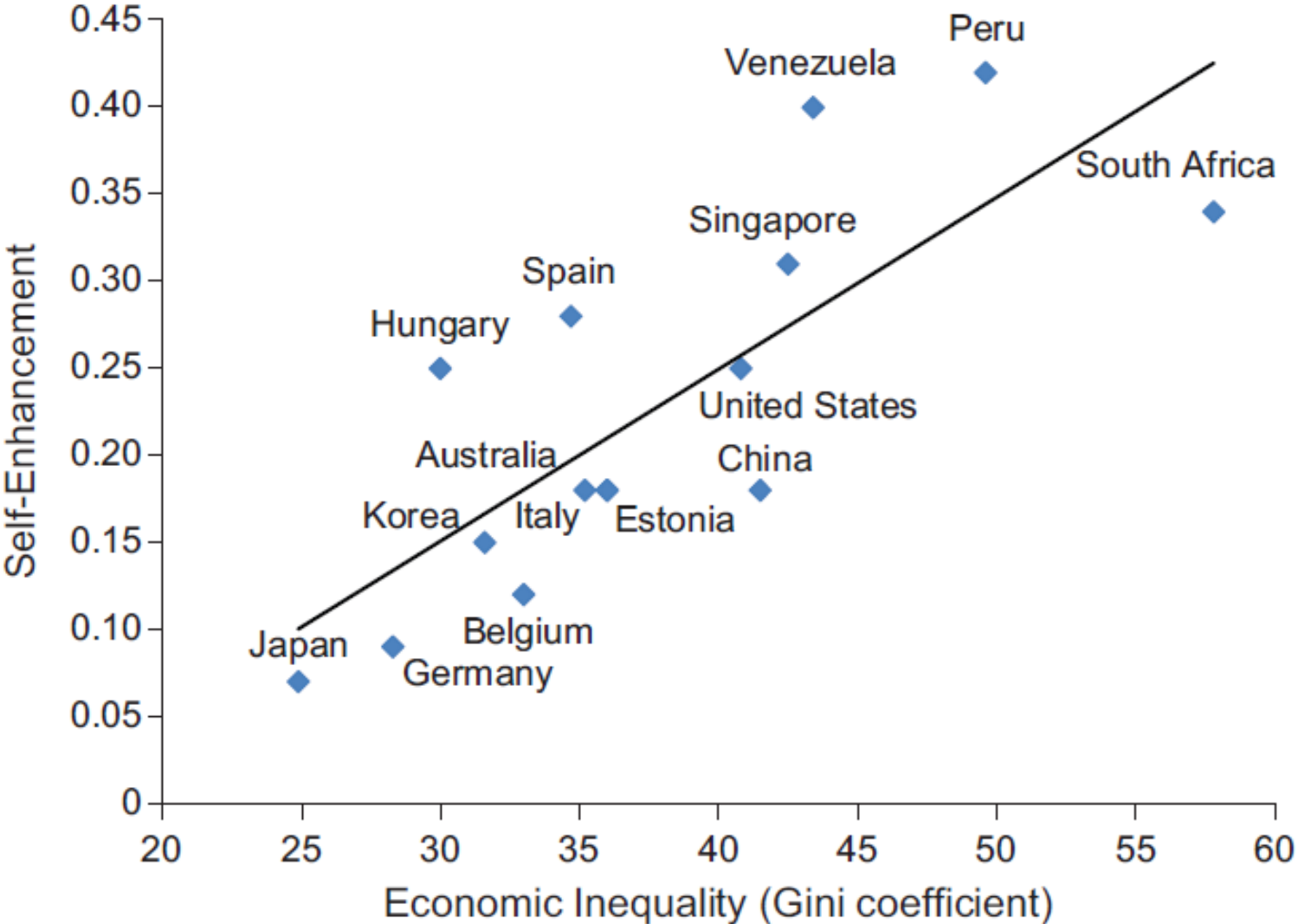
NOT SMART
ENOUGH



NOT GOOD
ENOUGH

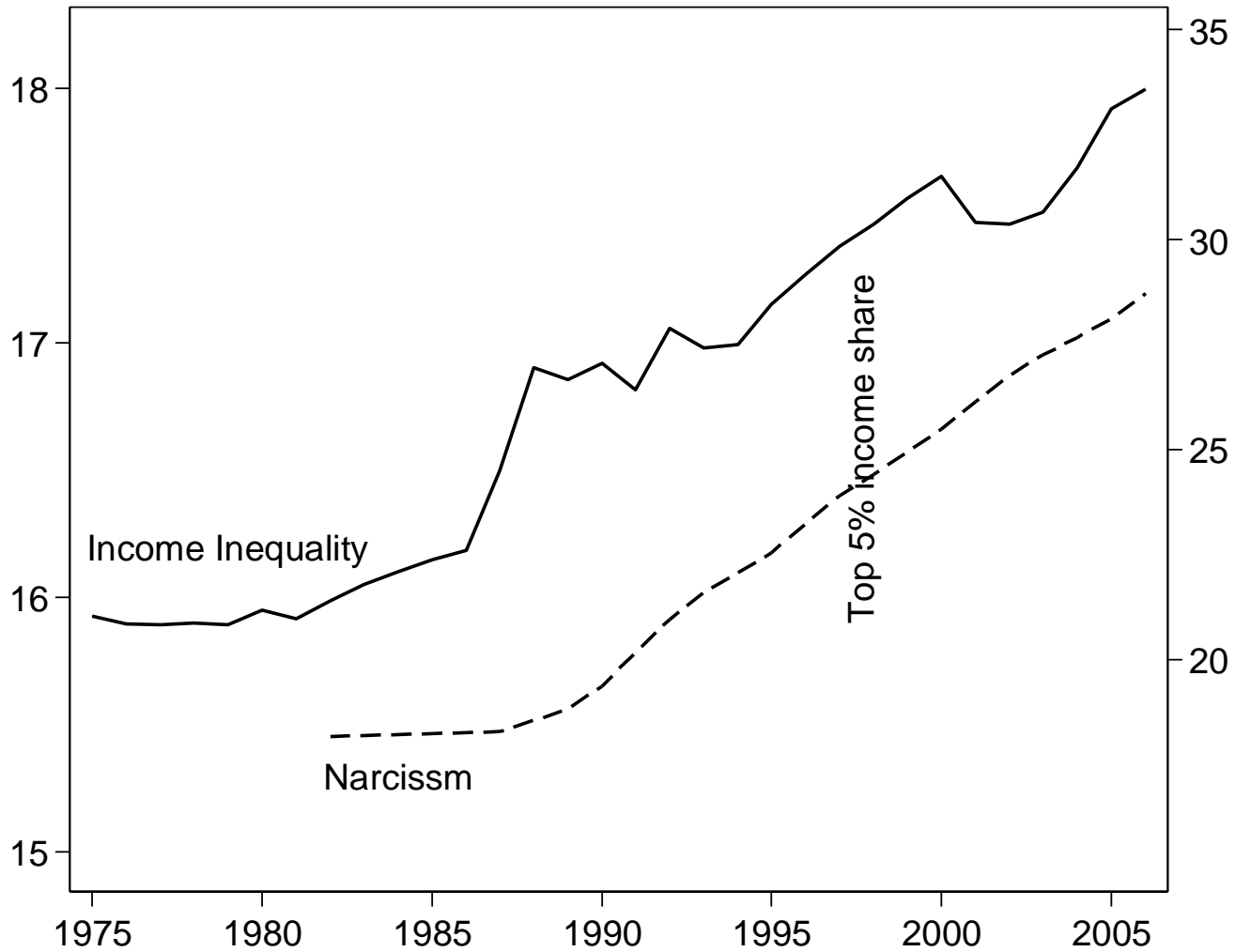
NOT FUNNY
ENOUGH

Self-enhancement increases in more unequal societies

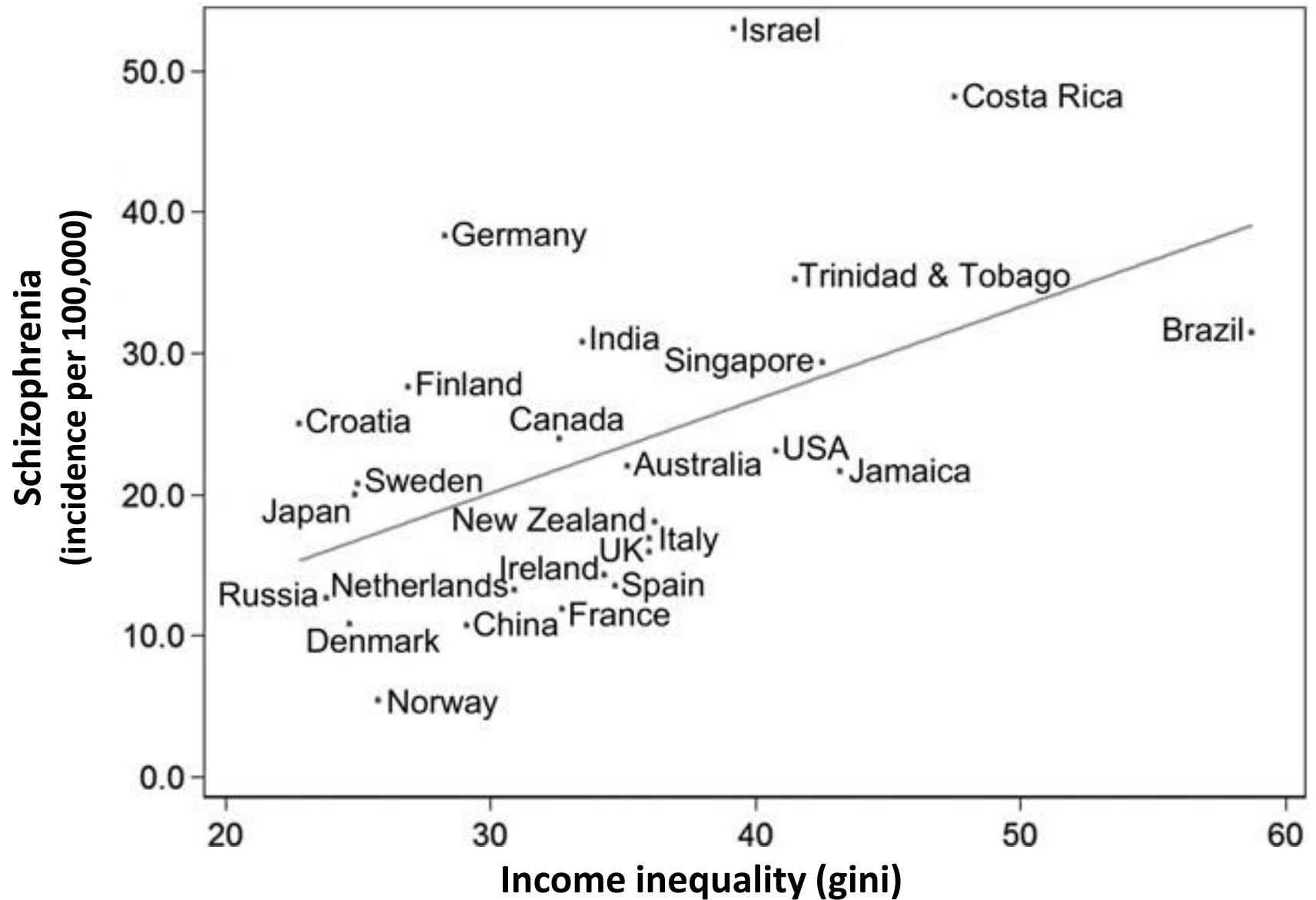


Loughnan S, et al. Economic Inequality is linked to biased self-perception. *Psychological Science*, 2011; 22: 1254

US college students became more narcissistic as income inequality increased



Schizophrenia is more common in more unequal countries



Inequality increases conspicuous consumption and consumerism

- **People in more unequal areas of the USA are more likely to buy high status cars**

Bricker J., et al. Signaling Status: The Impact of Relative Income on Household Consumption. Finance and Economics Discussion Series, Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, Washington, D.C. 2014

- **People in more unequal US states and more unequal countries are more likely to buy status goods**

Walasek L, Brown GDA. "Income Inequality, Income, and Internet Searches for Status Goods. Social Indicators Research: 1-14. 2015. Walasek L, Brown GD. "Inequality and status seeking. Psychol Sci. 2015; 26(4):527-33

Conspicuous consumption...in China





LOUIS VUITTON

MAISON FONDÉE EN 1854
PARIS

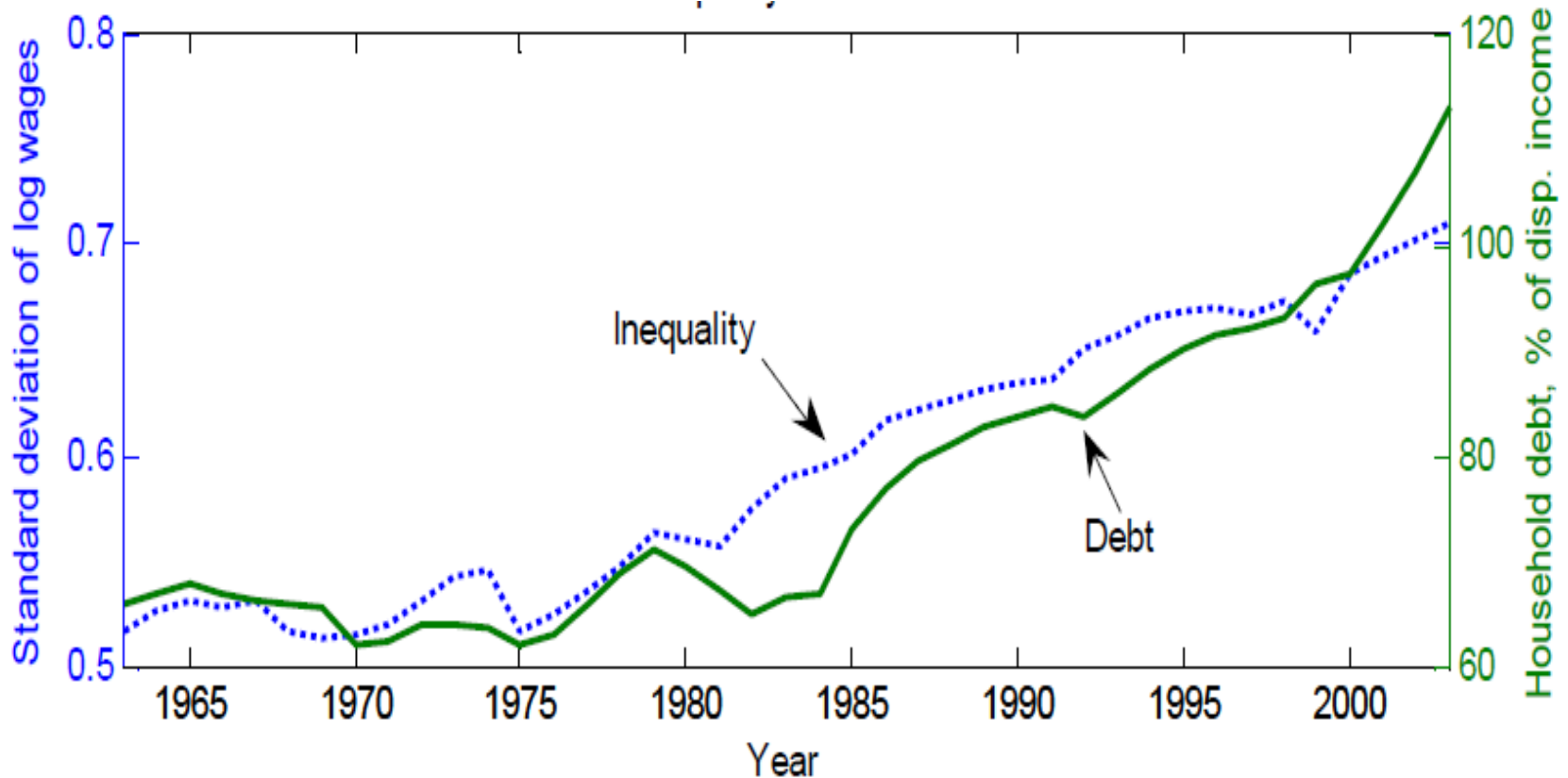


CHANEL

GUCCI

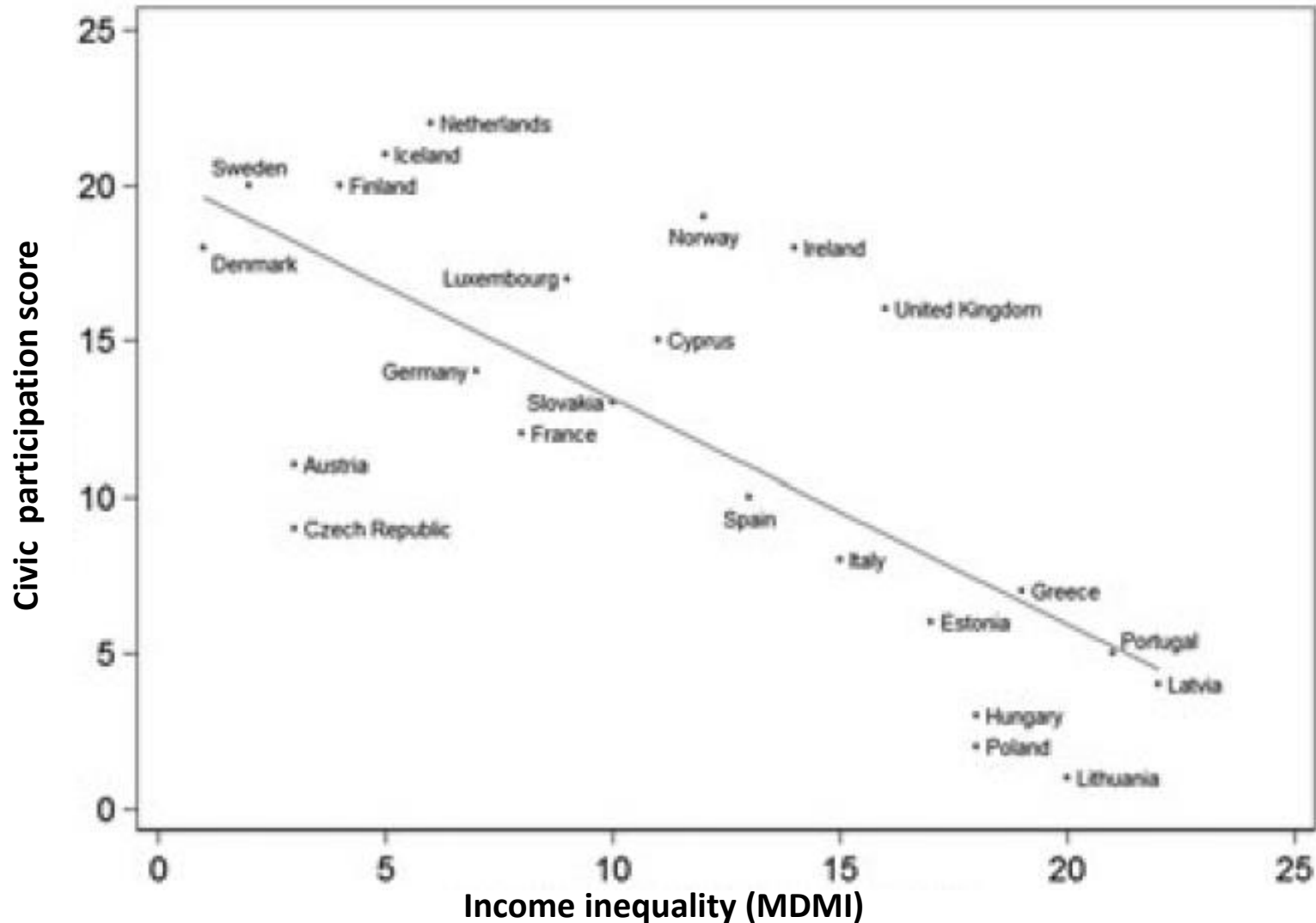
BROWN THOMAS

Household Debt and Income Inequality USA



Iacoviello M. Household Debt and Income Inequality, 1963–2003. *Journal of Money, Credit and Banking* 2008;40(5):929-65.

Participation in local groups and voluntary organisations is lower in more unequal societies

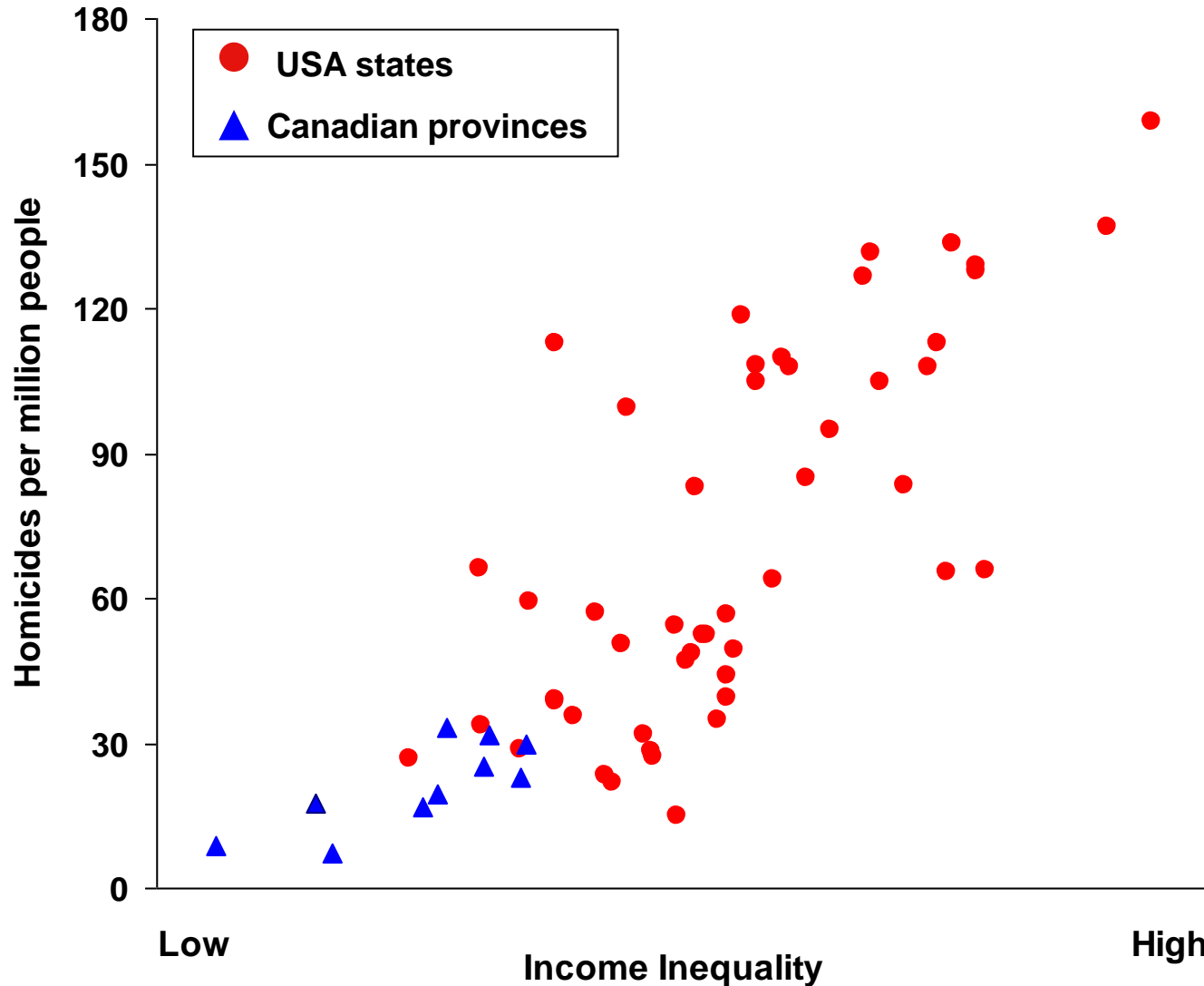


Lancee B, Van de Werfhorst HG. Income inequality and participation: A comparison of 24 European countries. *Social Science Research*. 2012; 41(5):1166-78.

People in more unequal countries trust each other less



Homicide rates are higher in more unequal US states and Canadian provinces



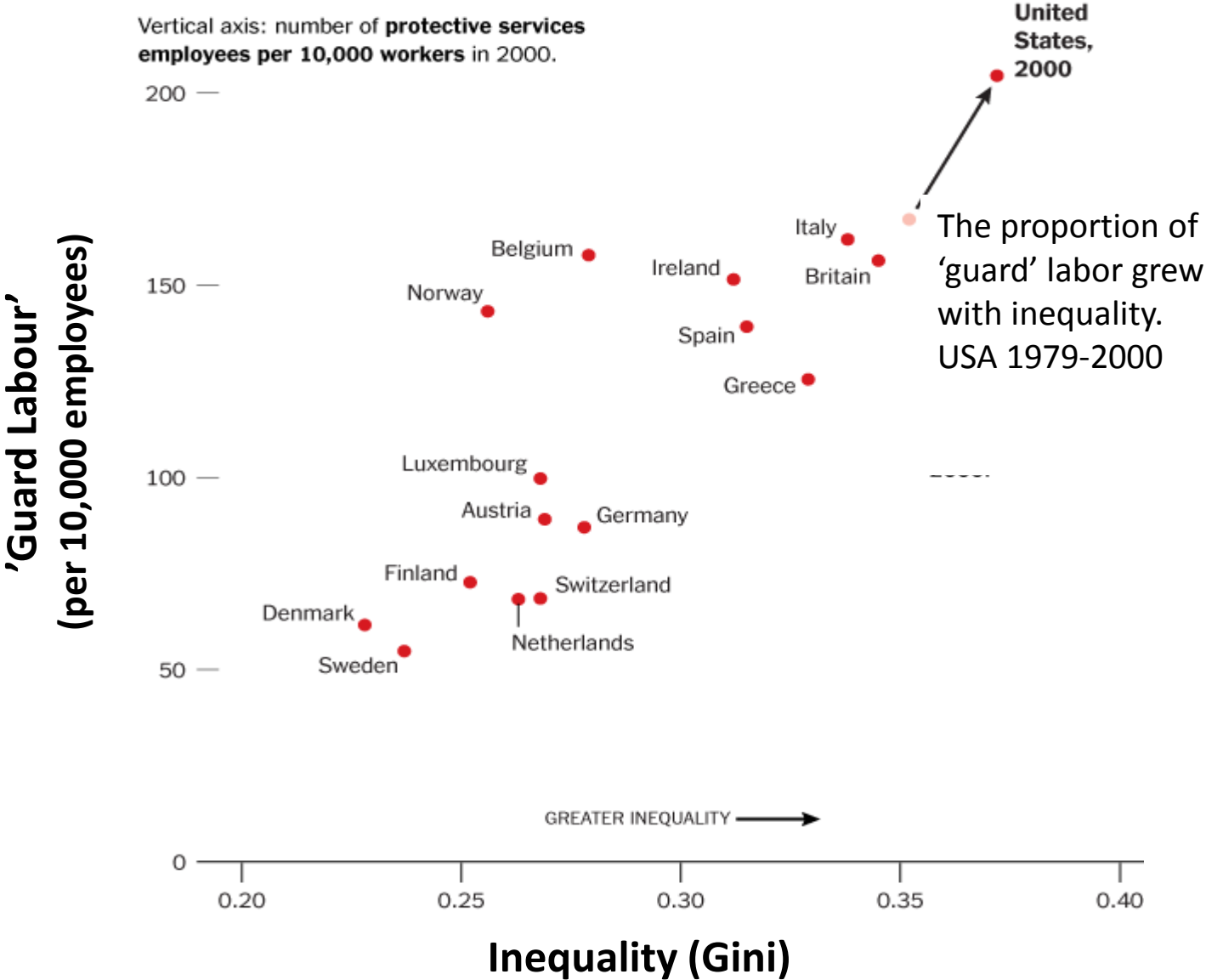
Cuernavaca, Mexico



'Armed Response' - Pretoria, South Africa.



Societies with wider Income differences need more “guard labor”





The Jekyll & Hyde of Public Health?

- **Social status** (dominance hierarchies, pecking orders) are orderings based on power, coercion and privileged access to resources – regardless of the needs of others.
- **Friendship** in contrast, is based on reciprocity, mutuality, social obligations, sharing and a recognition of each other's needs.

Companion

Spanish: Compañero;

French: Copain

from the Latin “Con” (with)

and “Pan” (bread)

- someone with whom you eat bread

“Gifts make friends and
friends make gifts”

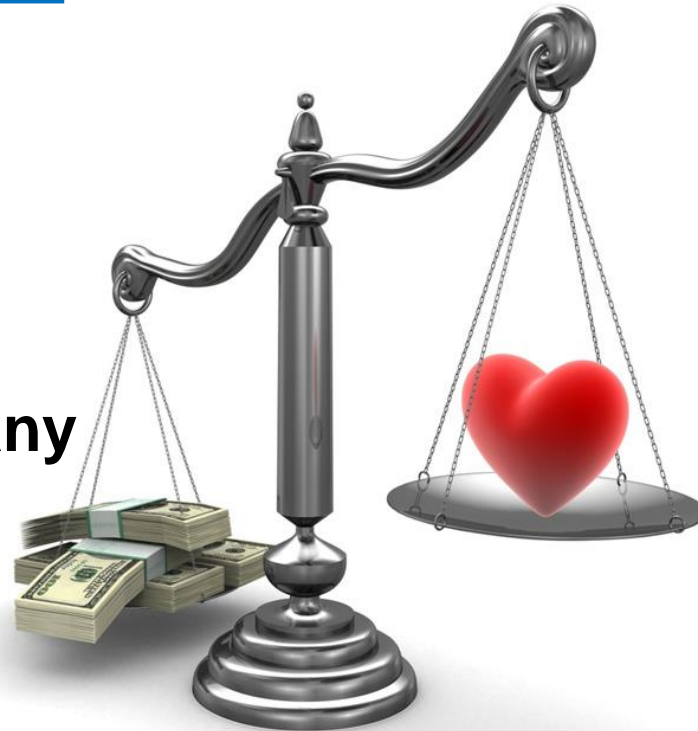


Marshall Sahlins, *Stone Age Economics* (1974)

What can be done?

Income differences before tax

- Stronger Trade Unions
- Increase company democracy - employee ownership etc
- Promote more directors from within companies

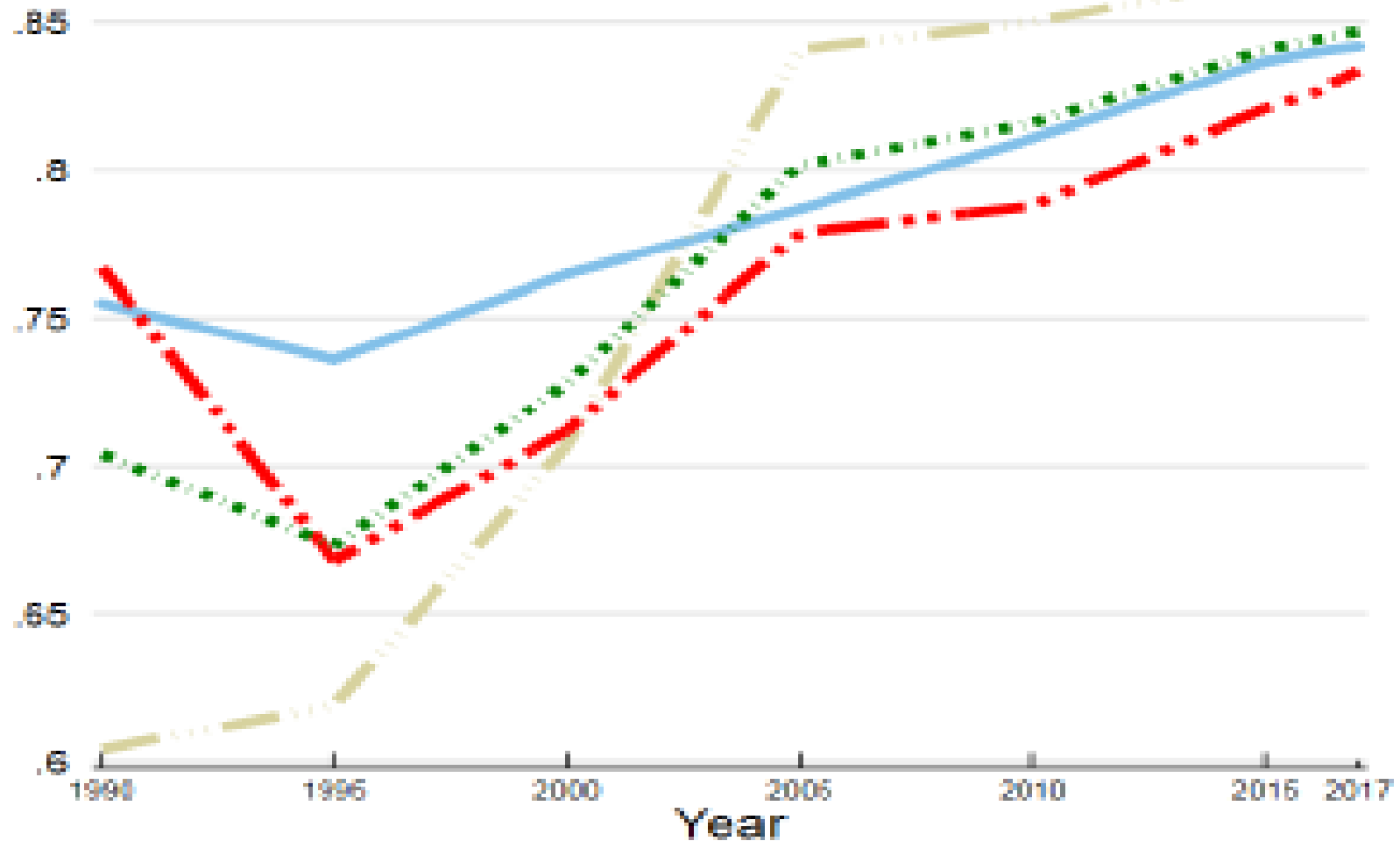


Taxes & benefits

- Stop tax avoidance
- End tax havens
- Make taxation progressive again

Sustainability needs greater equality

Latvia's Human Development Index score 1990-2017

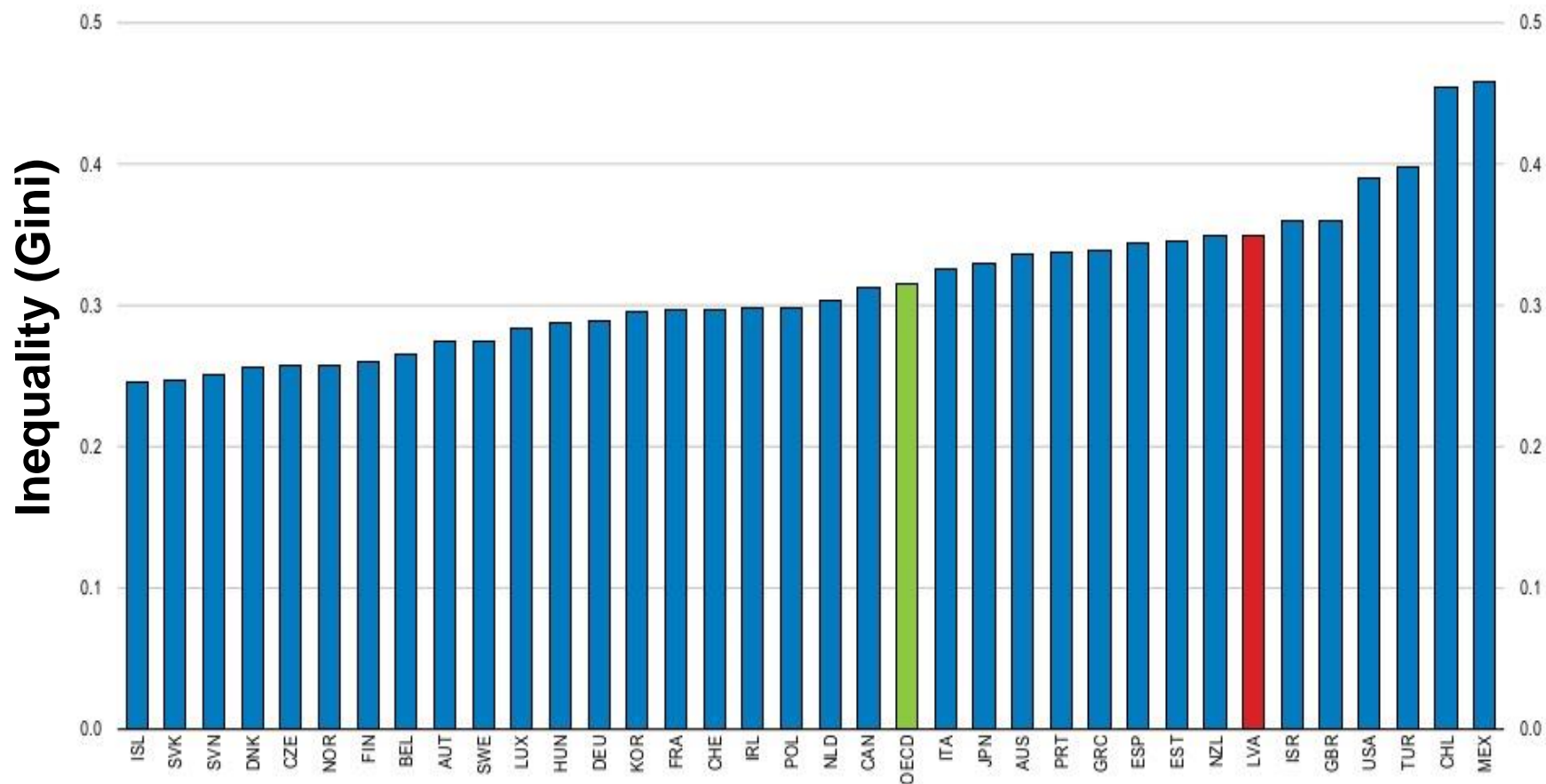


— Life Expectancy ··· Education - - - GNI per capita
····· HDI



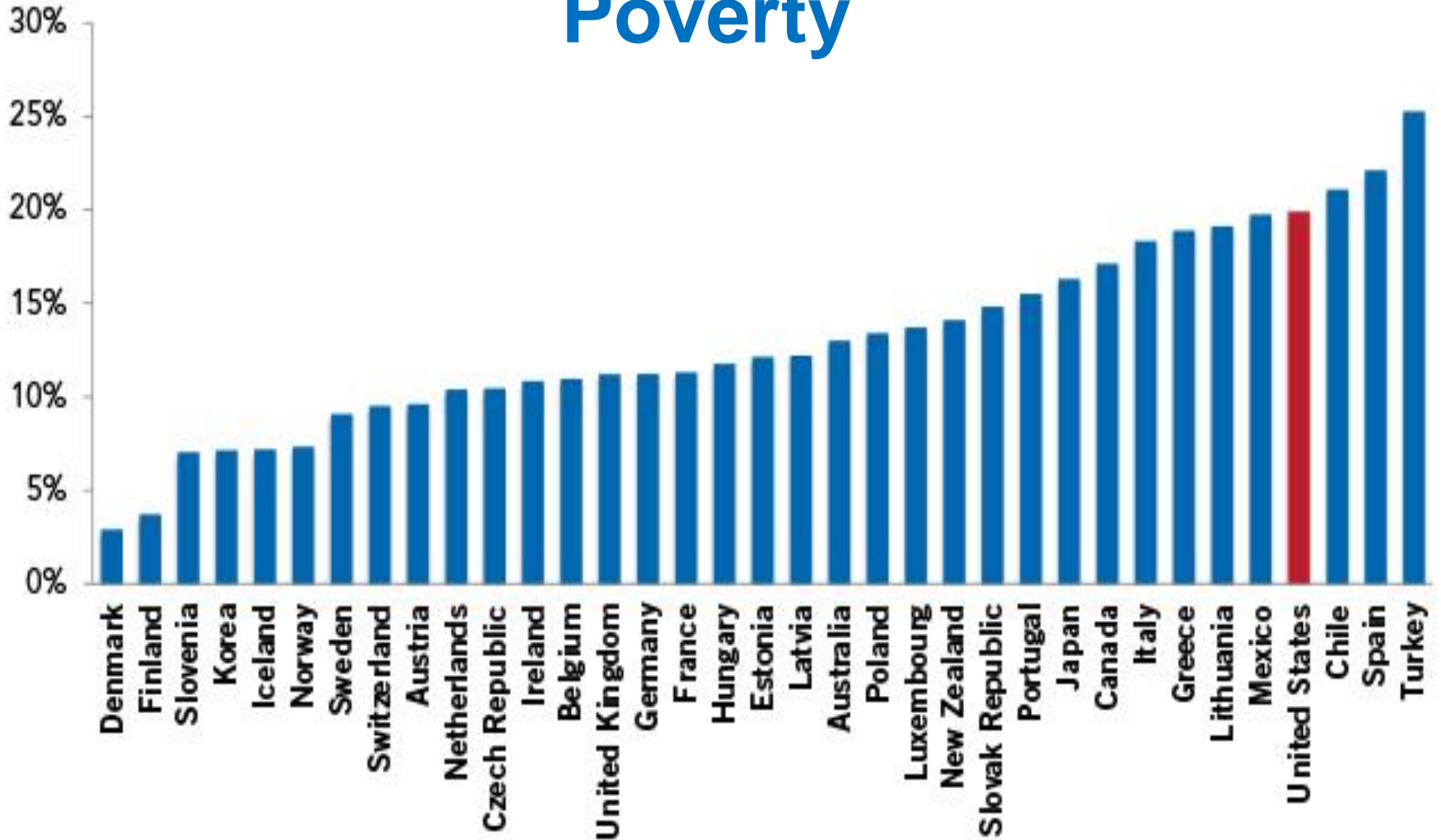
Income inequality remains high

Gini coefficient, scale from 0 (perfect equality) to 1 (perfect inequality), 2015 or latest available



Source: OECD (2017), OECD Social and Welfare Statistics (database).

Percent of Children in Poverty

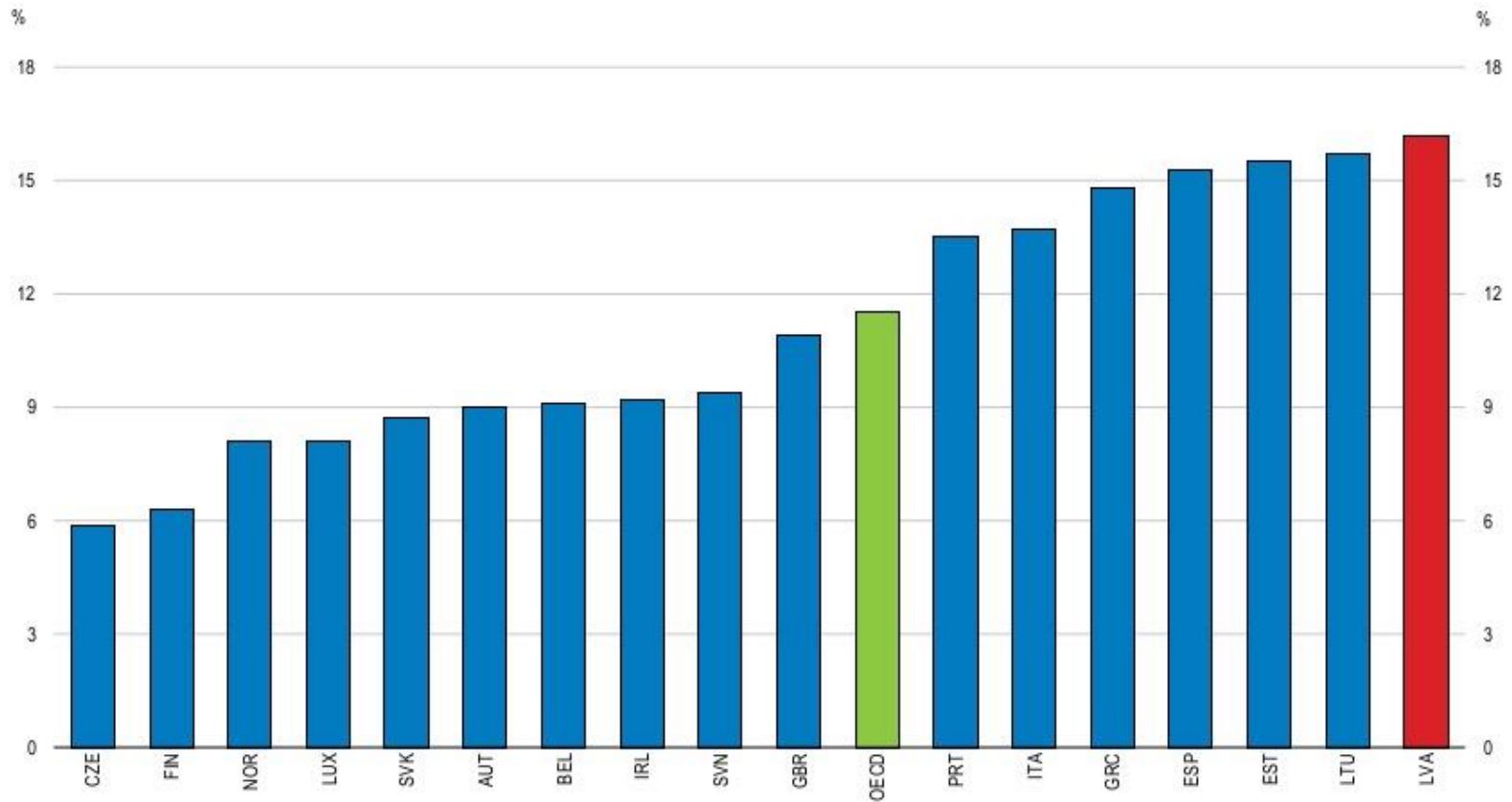


OECD 2016



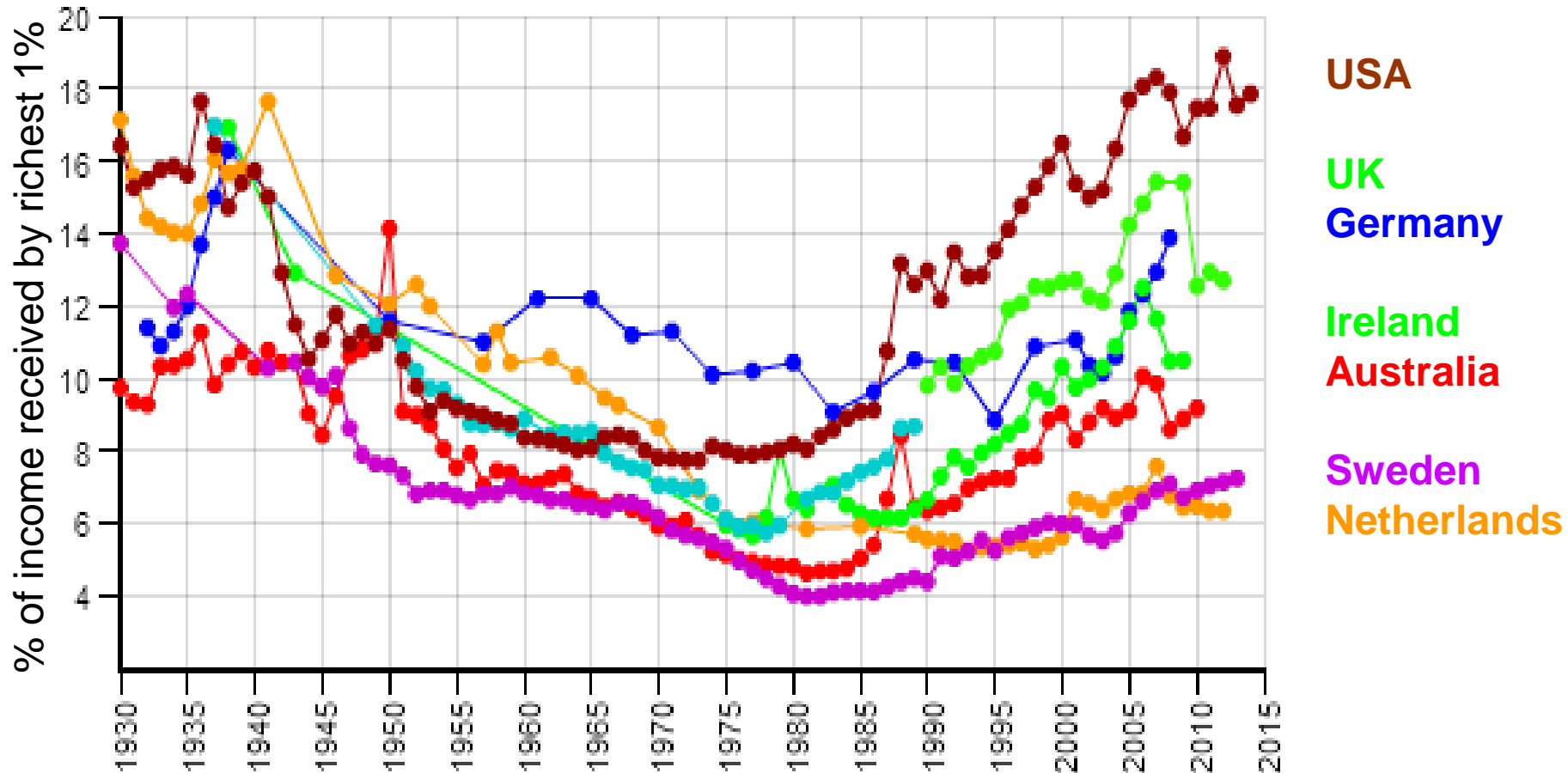
Poverty is high

Share of population with disposable income below the poverty line, 2015 or latest



Source: OECD (2017), OECD Social and Welfare Statistics (database).

Percent of all income going to top 1% 1930-2014



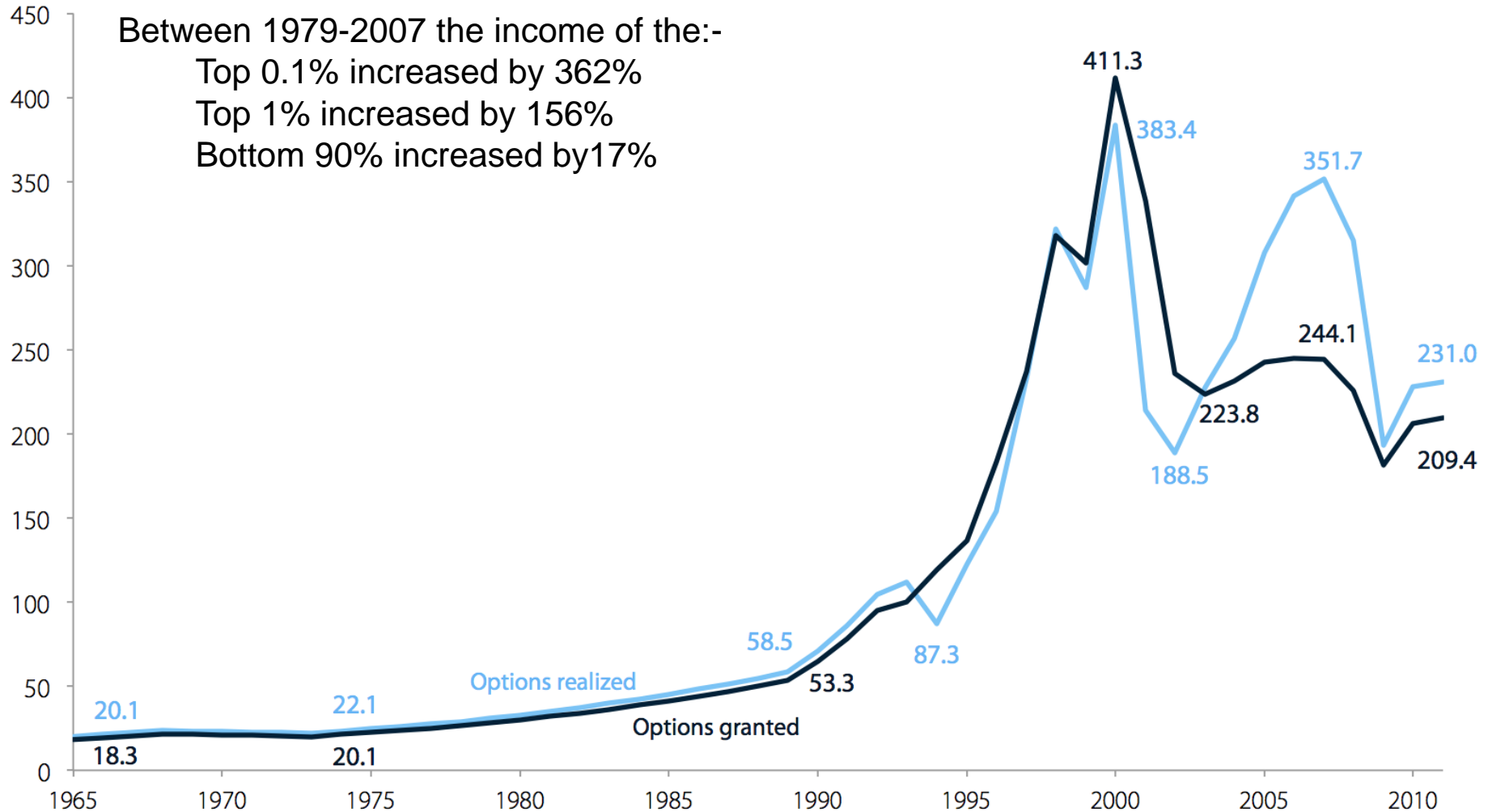
Source: World Top Incomes Database

Trade Unions membership (% workforce) and Share of Income going to top 10% (USA, 1918-2008)

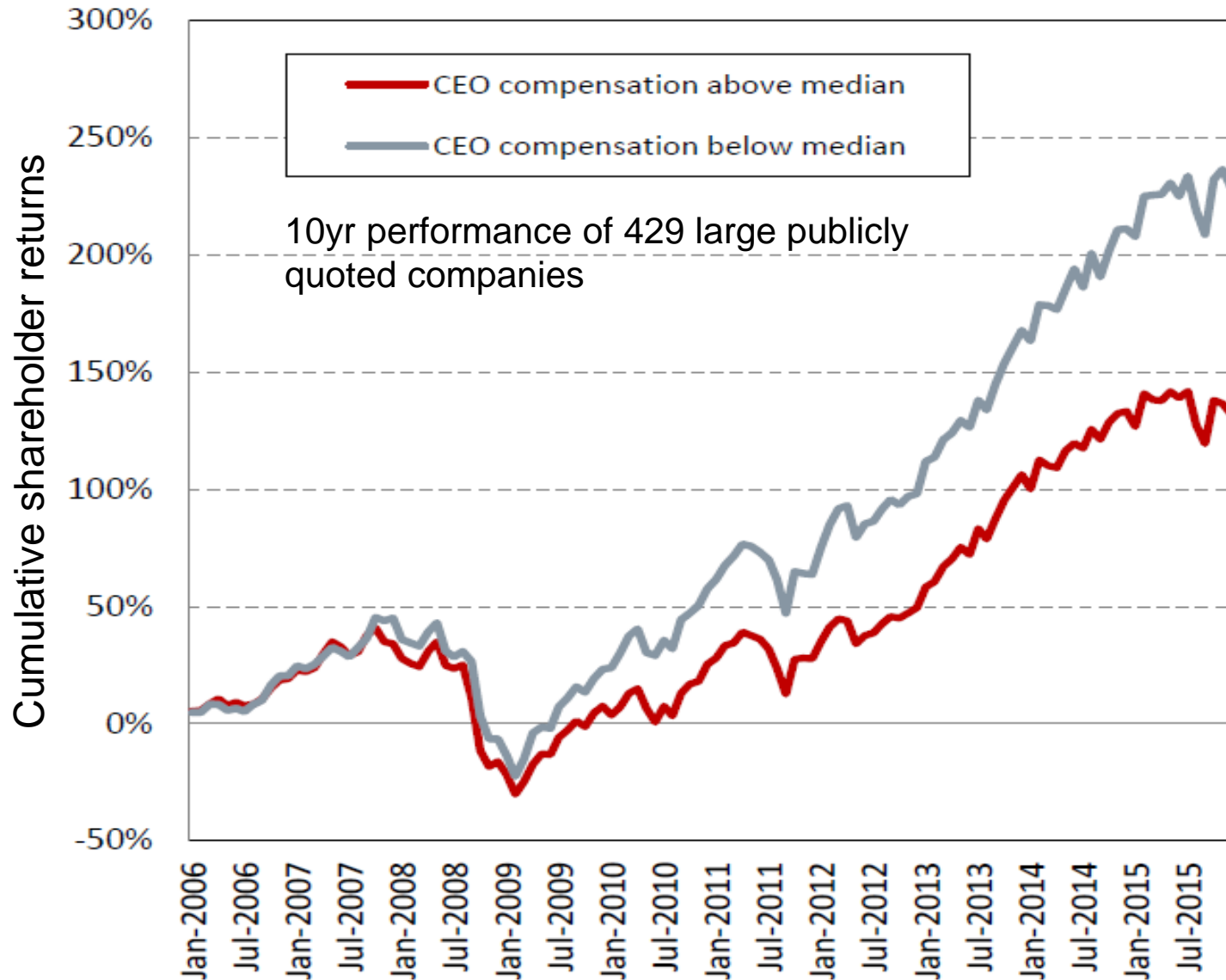


Colin Gordon's analysis of Historical Statistics for the US, unionstats.com, Piketty and Saez 2003, and World Top Incomes Database. Economic Policy Institute, Washington DC.

Changing ratio of CEO pay to average pay of production & non-supervisory workers in top 350 US companies



Companies paying CEOs above the median performed less well than those paying below the median



Economic democracy:-

- **“turns companies from being pieces of property into communities”**
- **reduces pay ratios within companies**
- **transforms the experience of work**
- **redistributes wealth & reduces unearned income**
- **improves productivity**
- **makes companies more environmentally & socially responsible**

Boards can include employee, community and consumer representatives

The Effects of Income inequality

EVIDENCE OF CAUSALITY

Pickett KE, Wilkinson RG. Income inequality and health: a causal review. *Social Science & Medicine* 2015;128: 316-26

THEORY & PSYCHOSOCIAL PROCESSES

Wilkinson RG, Pickett KE. The enemy between us: The psychological and social costs of inequality.

European Journal of Social Psychology, 2017; 47, 11-24.

<http://dx.doi.org/10.1002/ejsp.2275>