

The Spirit Level – Why More Equal Societies Almost Always Do Better

By Richard Wilkinson and Kate Pickett

A Summary

This well-received book was published in 2009. It is based on years of international research and the work of these two eminent United Kingdom epidemiologists. The research is based on international comparisons of inequity within countries, backed up by comparisons between the 50 states of the USA. This summary goes through the basic premise of the book, how it relates to our political and social environment, and some commentary on what it might mean for future social wellbeing planning in New Zealand.

At an international level, social wellbeing is related to average income, but only to a certain minimum level necessary to met all the necessities of life. Refer to Slide 3 which compares life expectancy with average income across a large number of countries.

Once you reach this minimum level of average income in rich countries including NZ, the more important factor becomes inequality within countries rather than income differences between countries (see Slide 4). Slide 5 ranks 23 rich countries in terms of their inequality as measured by the ratio of the top 20% earners and the bottom 20% earners. NZ ranks 18 out of 23 with Australia, UK, Portugal, USA and Singapore being ranked lower. The top ranking nations are Japan, the Scandinavian countries of Finland, Norway, Sweden and Denmark, and then western European countries and Canada.

So the authors' argument is that differences between countries in social wellbeing problems collectively are directly related to income inequality (Slide 7) and not average income (Slide 8), and this is supported by comparisons between the states in the USA (Slides 9 and 10). The book then examines a number of individual social wellbeing indicators across health, justice, education and welfare, and shows that the same argument applies at that level as well.

Focusing on child wellbeing, (Slides 11 and 12), the relationship remains true. We would expect that NZ would have poor levels of child wellbeing as an unequal country and that is true. In fact our level of child wellbeing is even worse than what would be predicted, ranking us 21 out of 22 countries, and ahead of only the UK. My explanation for this even worse performance than expected is that we give child wellbeing a low priority in NZ, and commit much fewer resources to children in comparison to older people and adults. For instance, national superannuitants consistently show lower levels of hardship than children. We have received regular reports from United Nations rapporteurs on this issue, but successive governments seem to ignore them. Slide 18 shows our high infant mortality rates, much higher than expected even given our high income inequality.

Looking at other health measures, NZ has high rates of mental illness (Slide 15); obesity (Slide 19) and teenage births (Slide 22). Our life expectancy is what you would predict, given our high income inequality i.e. lower than most rich countries but higher than the USA and Portugal (Slide 17).

Moving on to education, our average maths and reading scores are actually much higher than would be expected from our high income inequality (see Slide 20).

In the crime and justice sector, NZ has high rates of drug use (Slide 16); incarceration (Slide 27); but low rates of homicide (Slide 24). The levels of incarceration in NZ have increased markedly in the past 5 years since the basic research in this book was completed. I understand out rates are now below just the USA (and perhaps Singapore). Our Maori rates are much higher than the non-Maori population, similar to the USA where the African-American imprisonment rates are much higher than their white population. The introduction of the three strikes rule in NZ will further increase our rates, although it is not as harsh a measure as in California, where in 2004, 360 inmates were serving a life sentence for shoplifting.

The homicide rate is low in NZ and dropping (despite what you might believe given our media's focus on high profile murders). However our suicide rate is higher than you would expect, even given our high income inequality. Suicide rates do not follow the pattern argued in this book for a number of reasons. It is only recently in the UK and I think NZ that the suicide rate has followed the social gradient of increasing with deprivation. It also depends on the culture and psyche of a country. Often there is a reciprocal relationship between homicide and suicide, and NZ follows this trend. In aggressive societies such as the USA, violence is externalised as homicide, including mass killings in schools and shopping malls. In less aggressive societies, violence is internalised as suicide. But this is a complex issue.

In countries with high income inequalities, there tends to be lower social mobility (Slide 29), even though the population with lower incomes still have high aspirations. Levels of aspiration in young people from lower income households tend to be higher where the level of inequality is higher. (Being on a benefit is not a "lifestyle choice" for most!)

New Zealand has followed a similar pattern to the USA and UK (but not Australia) in that inequalities in income increased markedly in the 1980's/early 1990's with the free market policies under Reaganism, Thatcherism and Rogernomics/Ruth Richardson's "Mother of all Budgets" (see slides 33 and 34). In fact, it was Richard Wilkinson who discovered when researching the increase in income inequalities in the UK in that period, that New Zealand had experienced the greatest increase worldwide. In New Zealand, inequalities and the associated hardship of the bottom 20% of income earners, plateaued during the late 1990's, decreased in the early 2000's, but have since tended to widen again. With the world wide recession as well, there have been marked increases in recent years of youth unemployment, use of food banks, and some other negative social measures.

There need to be some limitations placed on the interpretation of the content in this book. The data used in the research is form around the late 1990's/ early 2000's (see slide 37) so is quite dated. One might expect though that the recent impact of the world wide recession and the policies of governments to counter it, are likely to demonstrate that the general tenet of the authors will be demonstrated again with more recent data. There is also the danger of over-interpreting the data to try and fit an all-encompassing global theory, when the relationship between inequalities and social wellbeing is more complex.

You could gain the impression that it is very difficult to change these patterns over a relatively short period of time. However changes do occur in one lifetime. For instance since World War II, Japan has become more equal and the USA more unequal, which is now reflected in how they occupy the extreme ends of the

inequality spectrum. Inequalities are preventable to a large degree through government policy, reinforced by local actions. High inequalities reduce the social wellbeing of the whole society, not just the “have nots”, and take effect throughout the social gradient. The low social wellbeing as measured across a whole population, is not just because of the very low social wellbeing of the poor. For instance, if you take the death rates just of white Americans, they still do worse than the population of most other developed nations.

The impacts of this high inequality are big. Across whole populations, rates of mental illness are five times higher in the most unequal compared to the least unequal societies. Similarly, in more unequal societies people are five times as likely to be imprisoned, six times as likely to be clinically obese, and murder rates may be many times higher.

In summary, here are two quotes from the book that illustrate the problem, and the inadequate response from societies through their governments.

Different Problems – Common Roots

The health and social problems which we have found to be related to inequality tend to be treated by policy makers as if they were quite separate from one another, each needing separate services and remedies. We pay doctors and nurses to treat ill-health, police and prisons to deal with crime, remedial teachers and educational psychologists to tackle educational problems, and social workers, drug rehabilitation units, psychiatric services and health promotion experts to deal with a host of other problems. These services are all expensive, and none of them is more than partially effective. For instance, differences in the quality of medical care have less effect on people's life expectancy than social differences in their risks of getting some life-threatening disease in the first place. And even when the various services are successful in stopping someone reoffending, in curing a cancer, getting someone off drugs, or dealing with educational failure, we know that our societies are endlessly recreating these problems in each new generation. Meanwhile, all these problems are most common in the most deprived areas of our society and are many times more common in more unequal countries.

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The Policy Failure

Rather than reducing inequality itself, the initiatives aimed at tackling health or social problems are nearly always attempts to break the link between socio-economic disadvantage and the problems it produces. The unstated hope is that people – particularly the poor – can carry on in the same circumstances, but will somehow no longer succumb to mental illness, teenage pregnancy, educational failure, obesity or drugs.

Every problem is seen as needing its own solution – unrelated to others. People are encouraged to take exercise, not to have un-protected sex, to say no to drugs, to try to relax, to sort out their work-life balance, and to give their children ‘quality’ time. The only thing that many of these policies do have in common is that they often seem to be based on the belief that the poor need to be taught to be more sensible. The glaringly obvious fact that these problems have common roots in inequality and relative deprivation disappears from view.

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