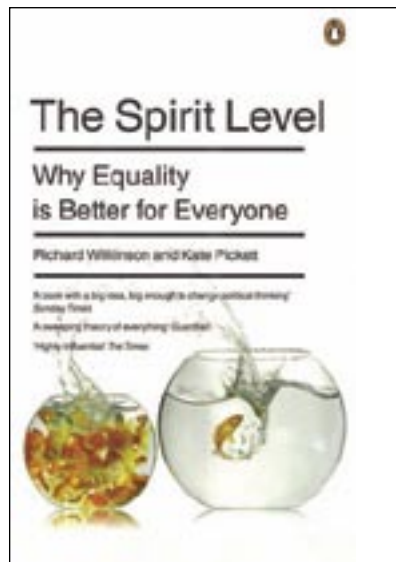


The Spirit Level

Why More Equal Societies Almost Always Do Better

Reviewed by **Ivan Turok**

Richard Wilkinson and Kate Pickett
Allen Lane: London
2009. 340 pp



The challenge of inequality is one of the most fundamental facing the country. Recent research by Haroon Bhorat at UCT suggests that South Africa may have become the most unequal society in the world. The Gini co-efficient increased from 0.64 in 1995 to 0.69 in 2005. Moreover, the richest 20 percent of the population now accounts for 75 percent of total expenditure. The main reason for the rising inequality is that people at the top end of the distribution – mostly whites – have gained most from recent economic growth.

While this may be regarded as a serious moral concern, does it really matter for wider social and economic reasons? From a meritocratic perspective, where people are rewarded for their hard work and investment in education and training, some degree of inequality may be fair and beneficial if it reflects individual skill and effort. But even in this account, inequality is detrimental if it results from inherited wealth or unjustified discrimination based on factors such as race and gender. From the perspective of market economists, inequality provides

incentives to individual enterprise and risk-taking, which is deemed to underpin an efficient and prosperous economy, thus improving society as a whole through higher incomes and opportunities for all.

For Wilkinson and Pickett, these arguments are outweighed by the serious social costs of inequality. They argue that the social context of poverty is crucial, including the subjective feelings and attitudes of poor people relative to wider norms and standards. People are poor mainly in relation to the wider society, not independently of their social environment. The authors show that the social and economic distance or stratification between groups is more important than the absolute level of income in determining well-being. This is because health and welfare are influenced by “psychosocial” factors – whether people feel valued and respected by others, in control at work and in their domestic lives, and enjoy strong friendships. Reinforced by gaps in material wealth and consumption, large differences in social status damage self-esteem and contribute to a range of stress-related diseases, obesity, addictions and even violent crime. Many of these costly problems are not confined to the poor, but apply across society as a whole. It is well known that poverty harms those who suffer from insecurity and poor diets, but Wilkinson and Pickett show that it creates greater anxiety and depression, poorer social relationships, worse health and higher mortality for society *overall*. Hence, they argue that greater equality makes everyone better off.

This is a fascinating and well-researched book that should be read by all cabinet ministers and corporate bosses. Wilkinson and Pickett’s evidence that inequality is socially corrosive is strong and persuasive. The relationship between equality and *economic* outcomes may be more complex and certainly requires further scrutiny. The policy implications of these findings also need much greater analysis and public debate. Increasing employment and improving basic education are certainly part of the response because of the multiple benefits for individuals, communities and the economy. And yet, in an increasingly globalised economy, governments claim to have less freedom to introduce more direct forms of redistribution.