

Unequal Europe

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It might be worth pausing a moment and rewinding, to remind ourselves of what the evidence was telling us about inequality

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We have been immersed in the Covid-19 pandemic for a long time now. Those days in early 2020 when, here in Europe, we were watching the news coming out of a previously unheard of city in China and wondering whether this was going to be another brief flare-up of an epidemic, or something more serious, feel like a lifetime ago. At the time of writing this piece, in the late summer of 2021, with a death toll of almost four million worldwide, we are still in the midst of it (WHO 2021). While more than two and a half billion doses of vaccine have been administered across the globe, that still leaves over half of the world's adult population unprotected, and with the ever-present threat of new variants and uneven restrictions on movement and mixing, we clearly have some way to go.

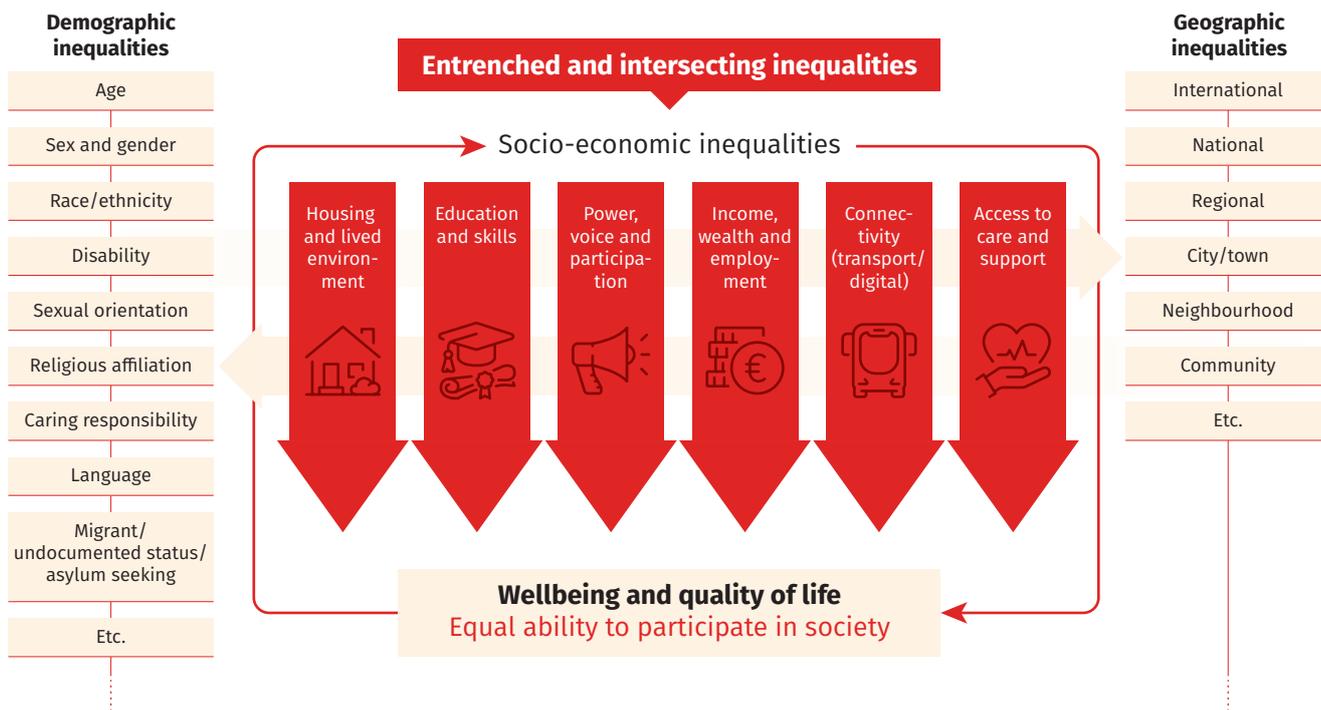
From even the earliest days of this crisis there has been a chorus of voices calling for post-pandemic societal change on a grand scale. There has been talk of needing a 'new normal', 'building back better' and 'bouncing beyond'. There are commissions meeting to discuss transformation, new economic thinking, sustainable equality, and the creation of a healthier, safer and fairer world. All levels of government, from local to international, are talking about recovery and resilience. And although it is clear there is an urgent desire to do this kind of envisioning and planning before it is too late and we miss the opportunity to create a better world (as many feel we missed the opportunity offered by the global financial crisis of 2008), it might be worth pausing a moment and rewinding, to remind ourselves of what the evidence was telling us about inequality and the damaging impact it was having even before Covid-19 struck.

What we knew before the pandemic

There is now a very robust body of research – coming from a range of disciplines including epidemiology, sociology, criminology and more – that links economic inequality to a wide range of health and social problems. All the problems which are more common at the bottom of society, that in other words show what we call a 'social gradient', get even worse with greater inequality. In our books *The Spirit Level* (2010) and *The Inner Level* (2018), Richard Wilkinson and I reported on our own research and that of many colleagues across the world, showing associations between income inequality and health: shorter life expectancy, higher death rates and levels of chronic disease, increased obesity, more mental illness, and poor child wellbeing. We also showed how more unequal societies suffer from more violence, including homicides, domestic violence, child maltreatment and bullying. Children and young people do less well in school in unequal societies, have lower chances of social mobility, and show higher rates of dropping out and teenage births. Drug and alcohol abuse, gambling, 'status consumption' and consumerism also rise with inequality, while civic and cultural participation decline. Social comparisons become toxic, status anxieties increase, and some are consumed by depression and anxiety, while others respond with self-enhancing narcissism. Societies which tend to do well on any one of these measures tend to do well on all of them, and the ones which do badly, do badly on most or all of them.

Inequality has always been regarded as divisive and socially corrosive, but for some time now this has been more than an intuition; the data have not only shown that these are wide-ranging effects but also that the differences between societies are large, that even small differences in the amount of inequality matter and, although the poor are affected the worst, that inequality affects almost everybody. Those politically opposed to egalitarianism responded to the growing body of research by saying that there was no evidence of causation, only of correlation. This is a tactic familiar to public health researchers – it is what the tobacco industry did when faced with research on the harmful effects of smoking, what the oil companies have done in response to evidence of climate change, and how the food and drink conglomerates resist the evidence that their products fuel the obesity epidemic (Oreskes and Conway 2010; Freudenberg 2014). To counteract this resistance, we undertook a systematic review of the evidence within a causal framework used by epidemiologists and, considering the evidence as a whole, concluded

Figure 0.1 Model of interacting inequalities



Source: Greater Manchester Independent Inequalities Commission (2021).

that the associations are indeed causal (Pickett and Wilkinson 2015). The body of evidence strongly suggests that income inequality affects a population’s health and social wellbeing and therefore that narrowing the income gap would improve it.

Another development in inequalities research in recent years has been the growing attention paid to intersecting inequalities: the ways in which different kinds of inequalities interact to increase the stresses and pressures that people experience in their day-to-day lives. The Greater Manchester Independent Inequalities Commission, which I chaired in 2020-2021, developed a framework for thinking about these intersecting and interacting inequalities and their consequences (see Figure 1).

The framework takes into consideration the deep divisions between groups: inequalities between men and women, between ethnic groups, between those with disabilities and those without; inequalities related to sexual orientation, language and religion; inequalities related to migration status; and more. There are also deep inequalities between places: between neighbourhoods, for example, or between cities and towns, between countries and regions. We can think of these as ‘horizontal inequalities’: inequalities between groups of people with different characteristics or who live in different places.

Then there are the inequalities running across societies from top to bottom, what we can call the ‘vertical inequalities’: the inequalities of income and wealth, the disparities in access to power and resources. The scale of these vertical inequalities is a measure of the social hierarchy, which exacerbates all the horizontal inequalities. There are many kinds of vertical inequalities, but they can all be seen through two main lenses: the first is that of power, i.e. not having agency or control over the things that matter to you, such as your working environment or safety, or not being able to influence or participate in decisions that affect you, your family and your community; and the second is that of resources, i.e. not having access to assets or wealth (such as being able to own a home), not having enough income, or not having access to services or resources like healthcare, green spaces, public transport and decent housing.

The inequalities experienced by, for instance, women and girls compared to men and boys, or between different ethnic groups, are further widened by these vertical inequalities between the rich and powerful at the top and the poor and disempowered at the bottom. As an example, in societies with bigger differences between rich and poor, women are less enfranchised and have less power, resources and prestige than women in societies where those differences are smaller. And because inequalities intersect, it does not make sense to think that one kind

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Narrowing the income gap would improve populations’ health and social wellbeing.”



Workers in low-paid jobs have often been unable to shield themselves from infection.

matters more than another. We would not be happy with a situation where there was no gender pay gap but everybody had very low pay. The interactions and intersections between vertical and horizontal inequalities produce self-perpetuating and intergenerational cycles of inequality which systematically disadvantage particular groups. This affects people in different ways, and inequalities can be compounded based on overlapping identities such as sex, race, migration status, class, disability, age and sexual orientation.

What the pandemic has shone a light on

Despite many claims and an emerging worldwide myth of Covid-19 as an 'equal opportunity disease' (a 2019 paper in a peer-reviewed medical journal asserted that 'the disease cuts across social class, race, and other socioeconomic classifications. It is... "class-less"' (Ibekwe and Ibekwe 2020)), the pandemic has highlighted how inequalities undermine public health and society. In fact, Professor Clare Bambra and her colleagues at the University of Newcastle have argued that we are experiencing a 'syndemic': a confluence of the Covid-19 pandemic with pre-existing health and socio-economic inequalities that has increased the magnitude of the negative effects of the disease (Bambra et al. 2020). More people have become sick, more people are sicker than they would otherwise have been, and more people have died, because of those pre-existing patterns of inequality.

Workers in low-paid jobs have often been unable to shield themselves from infection, either because their work was considered essential and they were unable to shelter at home or because they could not afford not to go to work. Although legislation mandates that employers protect the health and safety of their workers, there have been many instances of employers failing to clean and sterilise work spaces, failing to implement or enforce social distancing guidelines, failing to provide necessary personal protective equipment, requiring employees to work even when they were experiencing symptoms of Covid-19, or keeping workplaces open even in the face of outbreaks and while knowing that employees had been exposed at the workplace (Trades Union Council 2020). Overcrowded housing conditions have compounded these risks, creating social gradients of exposure, and those lower down the social ladder have been much more likely to have underlying health conditions, making them more vulnerable to serious illness and

even to dying if infected with Covid-19. Finally, those with fewer resources have been less able to absorb the economic shocks of the pandemic and more likely to fall into poverty, debt and unemployment (Marmot and Allen 2020).

It is also becoming clear that inequality issues have underpinned political and policy responses to the pandemic. A growing body of research links greater income inequality to higher excess deaths from Covid-19 (Elgar et al. 2020, Mollalo et al. 2020, Oronce et al. 2020, Davies 2021). Countries led by women leaders have done better, tending to be societies with a stronger focus on social equality, and more receptive to political agendas that place social and environmental wellbeing at the heart of national policymaking (Coscieme et al. 2020).

Power and democracy are at the heart of the inequality problem

A powerful body of research evidence means that we can now trace the pathways through which inequality damages wellbeing (Wilkinson and Pickett 2017). More equal countries are not completely free of the vertical inequalities of income and wealth, but the social hierarchy does not exert so tight a grip on their populations. In more unequal societies we feel the social judgements of others more keenly, because rank and privilege matter more, and so self-doubts and insecurities about how we are seen by others and whether we are respected are felt more deeply. The outward trappings of wealth become measures of inner worth, while income, status and social position are assumed to be indicators of intelligence and ability. Bigger differences in material circumstances also lead to greater social distances, and levels of trust and social capital decline.

And with a greater number of people in more unequal societies feeling undervalued and disrespected, and as if they do not count for much, the foundations of civic and cultural participation are thus undermined. People are less likely to vote, to be active in civic and political life, or to volunteer or participate in community activities. Inequality strikes at the very heart of democracy, alienating and discouraging those most affected by it from voting and campaigning for change.

And what of work? Paid work has long been reified by the political right as the path to economic prosperity and self-fulfilment. It is seen as the foundation of self-respect, success and service to one's family, community and country. Those



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who cannot, or will not, work, and those who labour for no pay, are stigmatised and vilified. And while well-paid, meaningful and dignified work is indeed beneficial for individual and societal prosperity and wellbeing, for too many people work and the workplace are where their experiences of inequality are felt most keenly.

Professor Danny Dorling of the University of Oxford has written about how the weekend is in fact when people feel most free from the pressures and stresses of inequality, because they are free from the hierarchy of the workplace and the tedium and purposelessness of many jobs:

For many, greater equality happens at the weekend, which may be partly why we look forward to it so much. It is during the weekend that you are freer to choose how to use your time and, with family and friends, everyone is treated much more equally. During the week you are told where to sit in school, or which lectures to attend, or you have to obey your employer, or desperately search for work, or otherwise justify not being in paid employment... For those of us who do not have to work during it, the weekend is an equality that we have won (Dorling 2017: 198-199).

Giving power to the people and reforming capitalism

There are numerous ways to tackle inequality and, no doubt, multiple strategies are needed to produce deep and lasting change. Some of the strategies need to focus on reducing opportunities for rentier capitalism and tackling wealth capture and top incomes with financial transaction taxes, wealth taxes and progressive income taxes, while also boosting low incomes with proper living wages and perhaps a universal basic income. Some kind of basic income floor could strengthen social protection in fragile economic times, empower citizens and foster greater wellbeing. Moreover, simultaneously tackling both the top and bottom ends of the scales of income and wealth distribution could create public sanction for more widespread radical reforms. Richard Wilkinson and I have written that if:

...progressives want to counteract the anger that has been fuelling right-wing populism, and gain support for the changes needed to realise their vision of a socially just and equal society, they need to convince citizens that they will no longer be left behind, excluded or voiceless. Because greater

equality is so enabling for social solidarity, it has been prioritised when governments need to get people to pull together in difficult circumstances. Pioneering social researcher, Richard Titmuss, described after the Second World War how the public cooperation needed for the war effort was fostered deliberately by the introduction of egalitarian policies. Income differences were reduced by taxation, essentials were subsidised, luxuries taxed, and food and clothing were rationed (Pickett and Wilkinson 2021: 37-38).

There is clearly a growing mandate for post-pandemic progressive transformations. Improving the world of work through forms of economic democracy and policies that promote fairness at work could help societies to take a major step forward in human emancipation, transforming the widespread painful experience of hierarchy, including discrimination and lack of respect and recognition, as well as the injustices of low pay and lack of job security. Embedding fairness and democracy into the workplace will not only lead to smaller income differences and help to future-proof greater equality against the changeable policies (including tax regimes) of future governments; research also shows that companies with more democratic models of governance have higher productivity. Economist Will Hutton, President of the UK Academy of Social Sciences, believes that 'ownership reform should be front and centre of our economic and political debate' and that the company 'driven only by the desire to maximise shareholder value has had its day' (Hutton 2021).

Important policy steps towards an economic democracy revolution include substantial employee representation on company boards and remuneration committees (with a higher proportion in larger companies, increasing over time to majority control), increasing employee ownership through the annual transfer of shares to employee-controlled trusts until they have majority control, incentivising employee ownership, co-operatives and alternative business models, and creating public awareness of companies that meet democratic company standards, such as Living Wage accreditation or 'fair work' charters.

Of course, a fresh public recognition and valorisation of trade unions and support for unionisation in sectors of the economy that are new or have not traditionally been unionised is also needed. It is not enough to have applauded the health, care and other key workers who helped to get us through the pandemic. We need to back up that appreciation with better wages

and more job security. Ironically, although the value of care, hospitality and retail services in our lives has been highlighted by the pandemic, these are sectors traditionally characterised by low pay and precarity (Living Wage Commission 2014). Among various innovative approaches to post-pandemic policy, Professor Emeritus Susam Himmelweit of the Open University has called for a ‘care-led recovery’, underpinned by investment in social infrastructure to accompany the investment in more traditional forms of infrastructure (Himmelweit 2021).

Inequality is also at the heart of the climate crisis

We are facing more than one crisis, of course. In the midst of the calls for a post-pandemic transformation towards a ‘new normal’, the pre-pandemic campaigns for post-GDP economics, circular economies and green new deals are battling on. Dealing with inequality will be a necessary part of tackling the climate crisis. As just one example of how perceived injustice can block the public acceptability of sustainability policies, the French *gilets jaunes* movement of protest against a proposal for an additional tax on petrol which was perceived as unfair came after years of increasing discontent with growing inequality and a perception that government and taxation was biased in favour of the rich (Wilkinson and Pickett 2020).

Because community life is much stronger in more equal societies and people are much more likely to feel they can trust each other, greater equality makes achieving sustainability more possible. Acting collectively for the good of humanity as a whole and of the planet is more likely if populations are more public-spirited and have a stronger sense of the public good.

Just as big an obstacle to sustainability is consumerism and over-consumption which, driven by the status competition that is intensified by inequality, creates pressures and demands for ever higher incomes and leads people to see sustainability as a threat to living standards rather than as an opportunity for a more fulfilling and balanced way of life.

Where do we go from here?

Alongside the deep suffering caused by Covid-19, many communities also witnessed a rise in neighbourliness, sociability and a desire to take care of one another. Even in societies with strong

national health and social security systems, community-based mutual aid has provided important support for the sick, the shielded and the vulnerable. When we set that solidarity next to the new appreciation of health and care sector workers and the key workers who kept the streets safe, the lights on, the rubbish collection going and the supermarkets stocked, it feels like a basis for a revolutionary recovery and for building that ‘new normal’ world.

In Britain, polls suggest that only about one in ten of us would actually like life to go back to the ‘old normal’ (RSA and Food Foundation 2020). That feels like a strong mandate for change. And what people want is not just stronger health and public services and better treatment and pay for essential workers; they also want a more compassionate society that cares for people struggling with their mental or physical health, that gives people a better work-life balance and more control over their work (including where and for how long they work), and that cares about the environment. These are all hallmarks of a more equal, more egalitarian society.

We know all the damage that is caused by inequality – the pandemic has brought that into sharper focus than ever. We also know how to embed greater equality into society through greater economic democracy and by devolving more power and control over decision-making to those most affected by inequality. The global financial crisis, the Covid-19 health crisis, and the climate crisis have only strengthened the popular mandate for change. Now is the time for action.

Across Europe, indeed all over the world, there are places and institutions already committed to instigating positive change. Creating a wellbeing economy that meets everyone’s needs within the planetary boundaries – that is, fair, sufficient and ecologically sustainable – need not be a distant or far-fetched utopia. The Wellbeing Economy Governments partnership (WEGo), for instance, is a collaboration between national and regional governments with a shared ambition of building ‘wellbeing economies’, and there are many other examples of good practice. There are also firms doing the right things for their workers, their communities and the environment.

We know what we need to do, and we know that this is the time to do it. Let us begin by taking every action we can, big or small, to dismantle the structures of economic inequality – and look forwards to the benefits.



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