

June 30, 2010

Dear Friends,

I am taking a detour from my usual notes to you on Iraq, Afghanistan and Somalia to call to your attention one of the most significant of the 200 or so books I have perused in the last year. It is called by a title that sounds odd in American English, *The Spirit Level*. That is what the English call the tool that American carpenters know as a level.

I admit that I started out favorable to the book because the title hit a point I used to make to my history students: writing history is like carpentry. There are just three important things, the tools, the materials and the design. So a book title that announces a simple theme seemed to me likely to cut through academic jargon.

The authors are Richard Wilkinson and Kate Pickett. Wilkinson is a professor emeritus of medicine at the University of Nottingham who, unusually, also did a degree at the London School of Economics on economic history, while Pickett is professor of epidemiology at York University. Their book was published by Penguin this year. In it, they lay out a simple but bold thesis: it is that “equality is better for everyone.”

What is particularly valuable about *The Spirit Level* is that it provides detailed “hard” information, derived from such sources as the US census and a number of independent studies by UNICEF, WHO and various foundations on the effects of excessive disparity of wealth and status.

Intuitively, I assumed that poor people suffered from bad health and lived shorter lives than the affluent, but my impressions were rarely backed up by hard data. Nor was I aware how pervasive in all aspects of our lives was the impact of great disparity. What is particularly striking about the book is that the authors provide simple but telling graphs to show by countries and by states in the USA the effects. The range is astonishing: violence, imprisonment, drugs, life expectancy and health – of course – but -- surprisingly also -- obesity, educational performance, consumer satisfaction, the position of women in society, social trust, propensity to recycle waste and grant aid, mental disease and even incidence of cancer.

The authors dive into their argument on the first page: “We talk as if our lives were a constant battle for psychological survival, struggling against stress and emotional exhaustion, but the truth is that the luxury and extravagance of our lives is so great that it threatens the planet.”

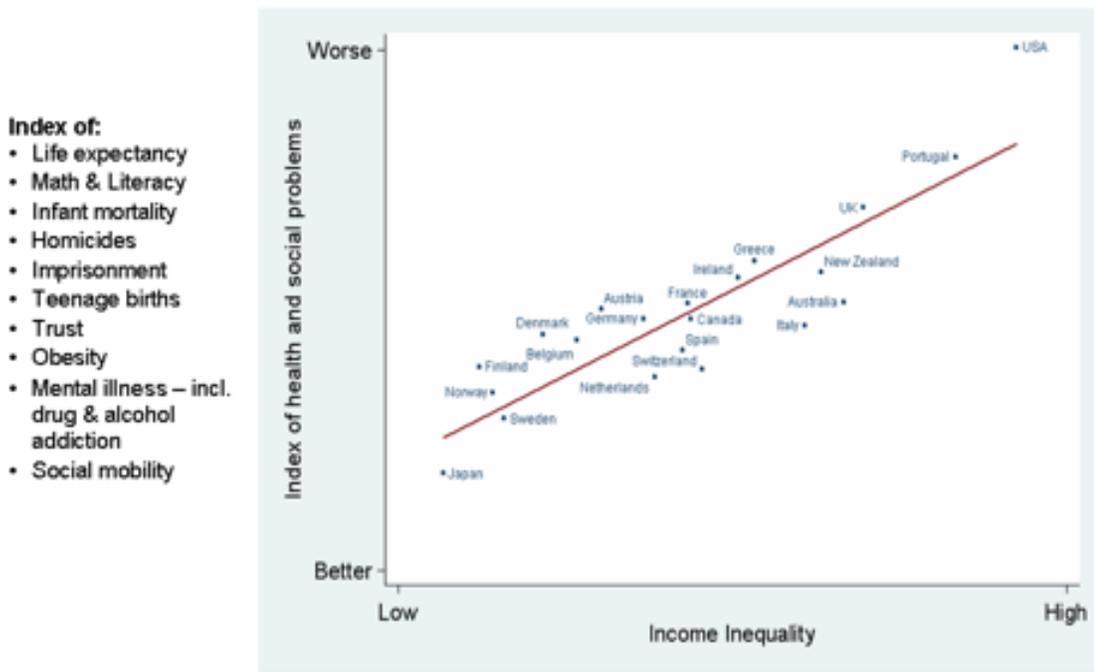
We are constantly warned that we are destroying the future of our grandchildren by the rate of our use of the Earth’s resources. Some are still denying it, but as each year passes, it is increasingly evident. Is our level of consumption even personally beneficial, they ask? By almost any measure, our profligacy does not seem to be making us happy. Apparently, a growing number of people are beginning to feel (according to a study financed by the Merck Family Foundation) that “‘materialism’ somehow comes between them and satisfaction of their social needs.”

Everywhere we look, we see the measure of “success” to be growth. Every government seeks to increase its gross national product and fears to fail to do so. Only if GNP increases can domestic peace be maintained because only thus can people have hope for the future. This has been true in the past, but, Wilkinson and Pickett argue, it no longer is: “Economic growth, for so long the great engine of progress, has, in the rich countries, largely finished its work. Not only have measures of wellbeing and happiness ceased to rise with economic growth but, as affluent societies have grown richer, there have been long-term rises in rates of anxiety, depression and numerous other social problems...important gains are made in the earlier stages of economic growth, but the richer a country gets, the less getting still richer adds to

the population’s happiness. In these graphs the curves for both happiness and life expectancy flatten off at around \$25,000 per capita...”

Central to their thesis is that it is not the level of wealth (GNP per capita) that is crucial. It is not absolute wealth or poverty that is crucial, they argue. In the Kennedy administration, we aimed to increase the GNP per capita of countries we were aiding. I certainly agreed and did my best to effect it. Wilkinson and Pickett downgrade this. What is crucial, they argue (and quote Adam Smith in support) is perception of relative deprivation and the sense of the stigma of poverty within and among societies. Thus, the 12.6 percent of Americans below the poverty level, while living at a level of wealth beyond the dreams of Asian villages, are relatively deprived and it is that which matters. They plot this out in the following graph:

Health and Social Problems are Worse in More Unequal Countries



Source: Wilkinson & Pickett, *The Spirit Level* (2009)

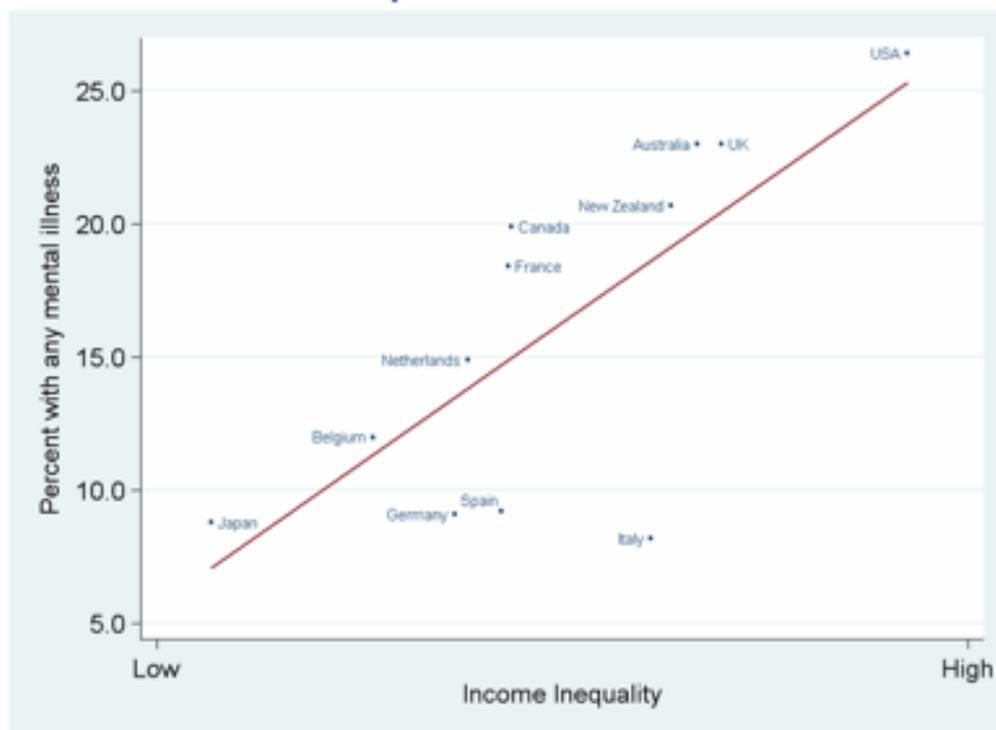
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This is what one of the projects of the Adlai Stevenson Institute showed during my tenure as president. Institute Fellow Clyde Ross showed that inhabitants of Chicago’s Lawndale lived in a slum where physically they were better off than most Africans and Asians, but they exhibited all the characteristics of slum dwellers. But once they took charge of their lives, made their own decisions, and thereby gained a measure of self-respect – overcoming the stigma of poverty – their lives changed. Poverty itself was not the determinative feature. Ross could not raise their income. But in comparison with what happened to other people, in President Johnson’s social welfare program, “Urban Renewal,” their lives were uplifted. Whereas Urban Renewal may have improved their housing, it emphasized their relative deprivation as recipients of charity and, by pulling them out of their admittedly substandard neighborhoods, destroyed their already fragile ties with one another. Ross’s project improved the lives of several thousand people on some eight blocks of the city at a cost of less than \$100,000 dollars. It transformed their lives by helping them to empower themselves.

But to go back to *the Spirit Level*, outside of such “cases” as Lawndale, what happens when social disparity is diminished? As Wilkinson and Pickett point out, in England, public health improved during the general decline in living standards during the Second World War. Then, people were forced to share what they had through rationing, when the symbols of social inequality were relatively scarce and when taxation and wage control evened out the differences between rich and poor. Then, after the War, both the United States and England made efforts at leveling society. But “Sometime around 1965-70 America reversed course and started becoming both less just economically and less well connected socially and politically.”

So taking as a base line the early 1950s, they point up results of this new trend in mental health. Basing themselves on some 269 surveys involving 52,000 people, they show that after 40 years, in 1993, the average college student -- presumably a relatively well off, young and healthy adult -- was more “anxious than 85 per cent of the population at the beginning of it and, even more staggering, by the late 1980s the average American child was more anxious than child psychiatric patients in the 1950s.” The trend, they found, has continued: In Britain one in ten children between 5 and 16 “are estimated to be mentally ill...[while in] the USA, 6 per cent of children have been diagnosed with Attention Deficit Hyperactivity Disorder [ADHD]...In a national survey, almost 10 per cent of children aged 3-17 had moderate or severe difficulties in ‘the areas of emotions, concentration, behaviour, or being able to get along with other people.’” And for adults: “In 2005, doctors in England alone wrote 29 million prescriptions for anti-depressant drugs, costing over £400 million to the National Health Service. In the USA, one in four adults have been mentally ill in the past year and almost a quarter of these episodes were severe; over their lifetime more than half will suffer from a mental illness. In 2003, the USA spent \$100 billion on mental health treatments.”

The Prevalence of Mental Illness is Higher in More Unequal Rich Countries



Source: Wilkinson & Pickett, *The Spirit Level* (2009)

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Figures such as these so shocked me – and raised such doubts -- that I found myself constantly flipping to the 27 pages of reference notes at the end of the book and the detailed pages of data sources. Both were impressive.

How other than mental health – or perhaps a separate manifestation of it – can we detect the trends of insecurity. Look, they suggest, at obesity. I had thought of that a problem brought about by fast foods, the “McDonald Syndrome.” But, while the availability of junk food and the emphasis on speed are obvious, why do people gobble it down? And why do some of us try so hard to win “the battle of the bulge?” The authors point out the irony that “...for the first time in history, the poor are – on average – fatter than the rich.” Could this be a sort of manifestation? Rather than speculate, the authors simply lay out the facts: “In the USA, in the late 1970s, close to half the population were overweight and 15 per cent were obese; now three-quarters of the population are overweight, and close to a third are obese...” If this is a sort of social statement, it comes at a high price since the trend toward obesity is “widely expected to lead to shorter life expectancies for today’s children.”

“Within the USA, there are no states with levels of adult obesity lower than 20 per cent. Colorado has the lowest obesity prevalence, at 21.5 per cent, compared to 34 per cent in Texas, which has the highest.” What the authors believe is significant is not that people in Colorado lead more active outdoor lives or have fewer McDonald’s but that income inequality is far lower in Colorado than in Texas and that, in some way we cannot precisely measure, people in Texas manifest their insecurities by eating while people in Colorado, for some reason less insecure, do not need to. “People,” they argue, “who are chronically stressed tend either to over-eat and gain weight, or under-eat and lose weight. In a study in Finland, people whose eating was driven by stress ate sausages, hamburgers, pizza and chocolate, and drank more alcohol than other people.” Intuitively, I would have expected this, I found it a weaker argument than their view of life expectancy, but there is more.

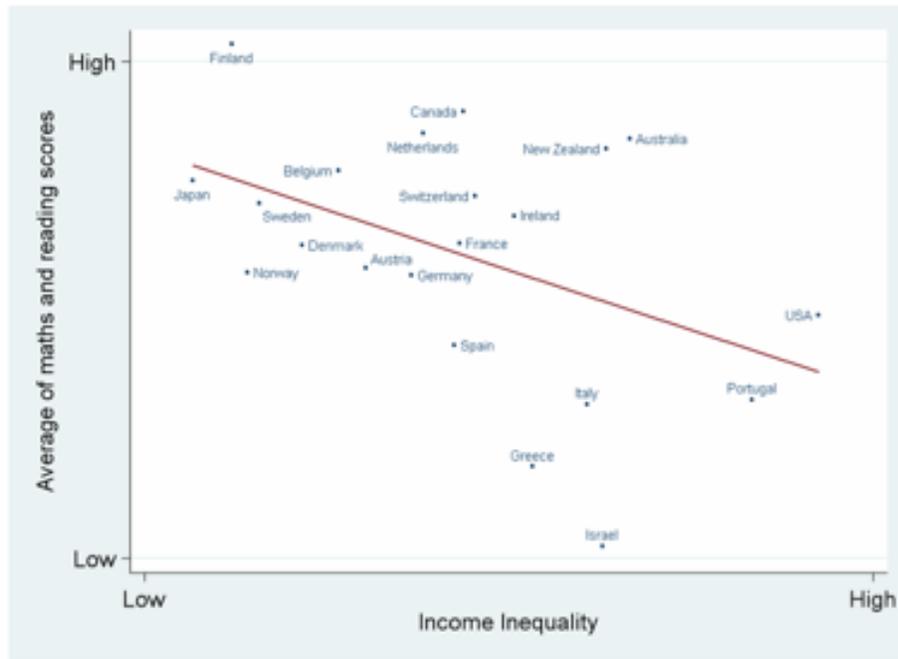
Looking at life expectancy, after all, we need not probe the way people think. Death is impervious to desire. So the figures are incontrovertible. We learn that “... black men in Harlem [which in absolute terms is a rich, developed “nation”] were less likely to reach the age of 65 than men in [one of the world’s poorest nations] Bangladesh.” And in the 1980s, Japan [which is one of the least unequal of all developed countries] had the highest life expectancy of all developed countries and the USA [which is the most unequal of all developed countries] had slipped down the league and was well on the way to its current position as number 30 in the developed world.”

What about education? Like many people I am stunned by how bad our public school system is. I have dealt with doctoral candidates at the University of Chicago who could not write correct English and who had trouble reading. I myself, a child of Texas and a product of a military high school in New Mexico – two very unequal states – had to go into a remedial reading program when I entered Harvard. I pulled out of it; many don’t.

And, like many critics of our educational system, I hammer away at poor teaching, low pay and low social status for teachers and trivial text books. I deplore the emphasis on the physical plant -- most “reformers” think that all we need to do is to build better school houses -- since the best part of my education was in medieval buildings. But the authors brush aside all these criteria and show that average maths and literacy scores both internationally and among the American states are directly related to income inequality. Japan, Sweden, Denmark and Norway, which are among the least unequal societies score far higher than the US. Then, domestically where cultural, ethnic and other factors presumably have less effect than among countries, New Hampshire, Vermont, Minnesota, North Dakota and South Dakota score much higher than California, Alabama, Mississippi and Louisiana which are the most unequal among the American states. In Mississippi, Louisiana and Kentucky more than 1 in 4 drop out of high school. These trends seem set, the authors believe, in childhood and are directly related to family status

rather than being conditioned by teacher pay, textbook quality or school facilities.

Educational Scores are Higher in More Equal Rich Countries



Source: Wilkinson & Pickett, *The Spirit Level* (2009)

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Like most people, I immediately focus on heroin and other drugs. Surely they are enormously harmful to our society and are prevalent in the school environment. But we are also subject to drugs that are internal to our bodies. They are a result of our evolution and in certain circumstances make for survival. “When we feel threatened, helpless and stressed, our bodies are flooded by the hormone cortisol [hydrocortisone]...” It is thought to give us a burst of energy that enabled our ancestors to jump out of the way of an oncoming predator. But it has a secondary effect which, under the circumstances of today, when we are less concerned with the attack of leopards, “inhibits our thinking and memory...” When we are stressed and affected by cortisol, we are less able to learn and remember less of what we should have learned.

Not only internal nor external drugs but also other results of insecurity and/or quest for status are evident. Propensity to violence and criminal activity, particularly among the young are much in our thoughts these days. We have reason to be apprehensive: The USA which is the most unequal society has a murder rate of “64 per million, more than four times higher than the UK (15 per million) and more than twelve times higher than Japan, [the most equal] which has a rate of only 5.2 per million.”

Why is America so violent? Pointing to our inequality and our emphasis on “keeping up with the Joneses,” the authors stress the supreme importance of our feelings of worth and social respect. They say that it is less important how we got the way we are than the fact that we did.

I would argue that process is important because, in evolutionary terms, it is relatively recent. For over 95 per cent of our evolutionary experience, our species lived in clans, which numbered only about a hundred closely related individuals who hunted and gathered together and shared what they got. Then around 5,000 years, or 200 generations, ago, our ancestors underwent a cultural and social revolution. Soon they had to live adjacent to large numbers of people whose actions and attitudes were not conditioned by kinship (as I describe in my book *Neighbors and Strangers*). They had to find a new system to explain and enforce a way of living contiguous to “strangers.” Generally speaking, the answer they evolved included hierarchies.

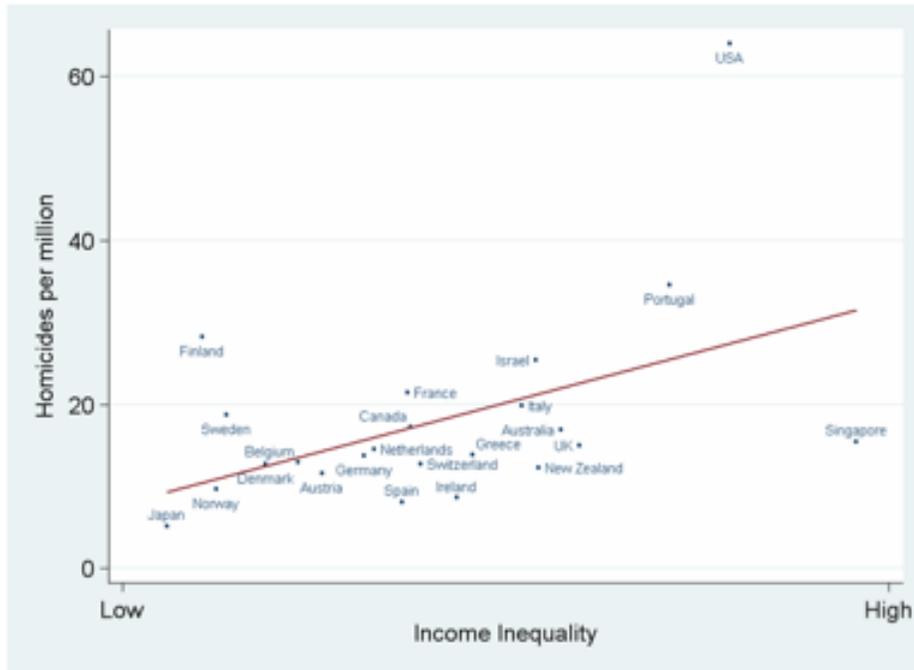
Nearly everywhere and most of the time, hierarchies were a means of keeping order. The “pecking order” among humans was usually accepted. It was “right” that kings ruled over nobles and nobles ruled over everyone below them. Religious orders, merchants and soldiers fell into this system. Only rarely was it disputed and usually was disputed not as a system but by individuals trying to benefit from enhanced positions in it. It manifested itself in property and in distribution of produce as well as in such symbols as dress appropriate to the particular hierarchy. (It is ironic that one of things we today find unacceptable, the veil for women, was a symbol of high social status in both Asia and Europe: peasant women were not veiled; noble women were.)

In Europe, hierarchy was one of the casualties of the French Revolution, although Napoleon soon reintroduced a new version of the *L'ancien régime* and the successors of such firebrands as Garibaldi soon found the old ways attractive. Even in such “democracies” as England rigid hierarchy was unchallenged for generations. The lowest rung on the world’s society ladder, slavery, was long in dying and was resurrected, under a new name, almost before it was dead.

In my lifetime, in suburban America, people struggled with hierarchy not as a means of keeping order but as an obstacle to be overcome. “Keeping up with the Joneses” became a serious challenge, particularly after the introduction of big “picture windows” made it possible for the neighbors to see whether one had a luxurious set of furniture in the living room and moving the garage up from behind the house to a position nearly on the street advertised those who had (or did not have) shiny new cars. If such exposure did not ensure that one kept on buying more, newer, bigger and better, built-in obsolescence ensured that the old had quickly to be replaced.

Then, particularly after the Second World War, the quest for more and better and bigger and brighter than “the Joneses” else found a new accelerator: much of our thought is stimulated by advertising that portrays “rich” as beautiful and desirable and “poor” as ugly and shameful. So desperate is our desire to be esteemed by others that to gain respect and to move up the scale we all struggle. Some of us do it in socially acceptable ways — working and saving — while some do it in criminal ways. The difference between the two ways is partly a matter of the social level at which the competition takes place and, as a corollary, the intensity or simplicity of the competition.

Homicide Rates are Higher in More Unequal Rich Countries

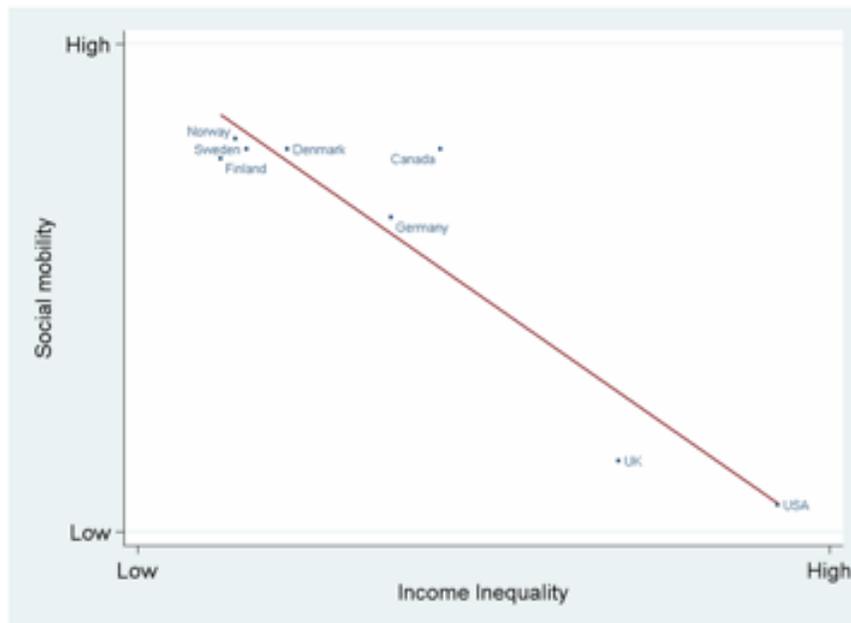


Source: Wilkinson & Pickett, *The Spirit Level* (2009)

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Among the issues that surprised me was the decline in upward mobility which is, after all, the American dream. As the authors illustrate, it is far lower in the USA than in Norway, Sweden, Finland, Denmark, Canada and the UK.

Social Mobility is Higher in More Equal Rich Countries



Source: Wilkinson & Pickett, *The Spirit Level* (2009)

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So where are we headed? The authors point out that “income inequality in Britain and the United States...are now not far short of 40 per cent greater than they were in the mid-1970s.... In 2007 chief executives of 365 of the largest US companies received well over 500 times the pay of their average employee, and these differences were getting bigger...Among the Fortune 500 companies the pay gap in 2007 was close to ten times as big as it was in 1980.”

They did not cite it, but a figure that has haunted me on the accumulation of wealth comes from my study of the factors leading to revolution. When I first went to Egypt just after the Second World War, I found that less than one half of one percent of landlords owned the same amount of Egypt’s only significant resource, land, as the lower 30 per cent. (Doreen Warriner, *Land and Poverty in the Middle East*, London: the Royal Institute of International Affairs, 1948, page 35). In America in 2005, as Tony Judt recounts (in *Ill Fares the Land*, New York: Penguin, 2010, page 14) “the wealth of just one family, the founders of Wal-Mart “was estimated at about the same (\$90 billion) as that of the bottom 40 percent of the US population: 120 million people.” Are we on the way toward unsustainable social order as Egypt was? That is perhaps the most disturbing question Americans face today.

One answer is that of the “Tea Party” right-wing populist movement: abolish government and let everyone do the best he can on his own. To this, Wilkinson and Pickett reply that these people are digging the grave of their movement. “If you fail to avoid high inequality, you will need more prisons and more police. You will have to deal with higher rates of mental illness, drug abuse and every other kind of problem. If keeping taxes and benefits down leads to wider income differences, the need to deal with the ensuing social ills may force you to raise public expenditure to cope.” Thus, accomplishment of the objectives of the Tea Party radicals is likely, ironically, to force the creation of yet more state intervention in all our lives.

To my surprise, Wilkinson and Pickett came up with a totally non-revolutionary answer. It was to attack the issue of environmental sustainability and social sustainability together. Obviously, although no politician in the rich, industrial part of the world would dare say so, we must cut back on our profligate waste of the world's resources. But if governments tread this dangerous ground at all, they will do so only under desperate imperatives and in largely indirect ways -- as happened in England during the Second World War. One traditional way is progressive taxation. A second, innovative suggestion is to adapt the carbon credits scheme to manifestations income inequality: since on average the very wealthy produce about ten times the carbon emission of a poorer person, he could be allowed to buy "tradeable carbon credits" which poorer people, needing less, would have sold back to a "carbon bank." This would transfer wealth to the poor while enabling the rich to continue their lifestyle. Hardly a solution, but perhaps a viable policy. The British actually made a test run of such a scheme in 2007.

In conclusion, as you can see, I found Wilkinson's and Pickett's book a disturbing wake-up call and a profoundly important document. Trying to buy *The Spirit Level* at Kramer's book store in Washington, I encountered what I should have expected: following the sales clerk past piles of books that are the modern equivalent for readers of Roman circuses, I watched him squat to rummage on the lower shelf of a case in the far end of the room. "Ah," he said, "We *do* have a copy. I thought I was going to have to order it for you."

I urge you to find a copy and read it.

With best regards, Bill