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The COVID-19 pandemic has been hardest for underprivileged people, such as these children studying in an improvised classroom.

Tackling inequality takes social reform

In separate books, leading economists explore the wide-ranging changes needed to produce a more just society. **By Richard Wilkinson and Kate Pickett**

The cold war rivalry between capitalism and communism ended not because the problems of capitalism had been solved, but because communism had failed as a solution. Still, the rivalry was good for capitalism. From the end of the First World War until around 1980, differences in the incomes of people in rich countries shrank. Welfare systems became increasingly generous and capitalism developed a more human face. But when the Soviet Union and

Eastern European countries ceased to be an economic threat to Western capitalism, the rival system that had made capitalism more

[A Brief History of Equality](#)

Thomas Piketty
Belknap (2022)

[The Origins and Dynamics of Inequality: Sex, Politics, and Ideology](#)

Jon D. Wisman
Oxford Univ. Press (2022)

compassionate disappeared, allowing market systems to become harsher. Top tax rates for high earners were reduced, trade unions were weakened and income gaps widened.

Income inequality continues to trend upwards. Since 1995, almost 20 times as much of the increase in global wealth has gone to the richest 1% of people as to the poorest 50%. The global charity Oxfam estimates that 8 men now own the same amount of wealth as the world's poorest 3.6 billion people. But do these

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grotesque levels of inequality really matter? And if they do, who do they harm, and why?

Two books attempt to tackle these questions and lay out plans for far-reaching reform. The first comes from French economist Thomas Piketty, and the second from US economist Jon Wisman. Both argue that making the world a better place requires a reduction in inequality, and that inequality persists because of ideological beliefs, including that social position reflects innate ability, that the highest incomes are a payment for talent and that the economic system is too delicate to be tampered with. But there are important differences in what these authors think drives inequality and on what can be done to reduce it.

In *The Origins and Dynamics of Inequality*, Wisman takes seriously both the Marxist criticism of the market and the failure of communism. But his solutions to inequality are partly shaped by his view that economic inequality is driven by sexual competition and the aphrodisiac properties of status, wealth and power. He quotes Saint Augustine on the sins of lust for money, power and sex, and says it wasn't until Charles Darwin that it became clear that the first two are driven by the third.

This perspective leads Wisman to argue that inequality can be reduced by taming the forces of sexual competition or, at least, by uncoupling them from money and power. In his view, the 'mating game' should instead be about gaining recognition for achievements in fields such as poetry, science, art or sport, or even through generosity or environmental credentials. He quotes US psychologist Geoffrey Miller, who says that finding better ways to manage human sexual competitiveness should be at the explicit core of social policy.

Routes to economic equality

Piketty is also progressive – and has a stature approaching that of a latter-day John Maynard Keynes. His widely acclaimed *Capital in the Twenty-First Century*, published in 2013, demonstrated how economic inequality had historically arisen because the rate of return on capital, from which rich individuals derive their wealth, normally exceeds the economic growth rates on which most people's incomes depend.

In *A Brief History of Equality*, Piketty shows that greater equality is part of the long arc of historical progress. Between 1780 and 2020, he says, most regions and societies shifted towards greater equality, if not of income, then of rights and recognition – expansion of the right to vote, equality before the law, gender and racial equality, women's property rights and more. Research by others has shown how new institutions and social, economic and political norms move together; for example, societies with smaller overall income differences, such as Scandinavian countries, also tend to have smaller gender differences in pay and political representation. This is not

enough, however – societies still need to tackle inequities in people's abilities to flourish, for example in education or governance.

At heart, both these authors approach their subject from an emphatically economic perspective. Both accept the market as a necessity but want to remove its most inegalitarian and antisocial results by changing the context in which it operates. Rather than doing away with private ownership of the productive system, both want to democratize it with forms of employee ownership and autonomy. Capitalism, they each argue, can be transformed by much more progressive taxation,

“Inequality is a defining challenge of these times.”

more generous welfare and expanding forms of employee ownership of companies. Piketty explains that the twentieth century demonstrated that having “almost confiscatory tax rates” for the highest incomes – at times exceeding 80% in the United Kingdom and the United States – contributed to the long decline in inequality before 1980. Policies such as these could, as Wisman says, “eliminate the core source of exploitation that Marx identified within capitalism”.

Harms of inequality

Why do both authors see the degree of inequality as the defining issue of history and as the challenge of our times? There is a striking absence of discussion, in both books, of the harm that inequality does. Perhaps this is a reflection of how, as an academic discipline, economics has failed to see the key psychosocial processes through which inequality makes itself felt. By contrast, a large body of research from other disciplines, including our own field of epidemiology, shows that inequality needs to be understood in more than monetary and structural terms.

Inequality needs to be seen as a social relationship. It places us in a hierarchy, ranked one above another, and – crucially – determines the social distance between us. Instead of encouraging the public spiritedness, cohesion and trust that can flourish in a community of near-equals, big material differences make class and status more important, exacerbating feelings of superiority and inferiority. As a result, people become more conscious of their status. The social structure ossifies and social mobility declines. In short, inequality is a social stressor.

That explains why more-unequal societies have worse physical and mental health, more antisocial behaviour – including higher homicide rates and more people in prison – and lower levels of child well-being and development. Inequality is not just an economic

condition; it gets under our skin and into our minds, shapes our behaviours and fundamentally undermines our collective well-being and flourishing. It causes chronic stress.

Similarly, primatologists have shown that subordinate status is damaging to the health of monkeys; it would be unethical to reproduce these experiments with human participants, but the findings mirror observations relating to people with a low social status. Piketty and Wisman travel further than most beyond the narrow boundaries of mainstream economic thinking, but the discipline needs to grapple with the psychological and sociological implications of the subject of inequality to truly understand the interplay of social and economic forces.

Although they are missing some of the human costs of inequality, Piketty and Wisman do agree on one wider harm: inequality greatly impairs our ability to minimize climate change and the cascade of problems it entails. Not only does it intensify status-related consumption, it also increases the political power of wealthy individuals, who cause the most environmental pollution while being affected by it the least.

Piketty ends by showing that tackling inequality is crucial to the kinds of power politics that will make or break efforts to tackle the climate emergency and other environmental crises. He foresees that political hostility will increase towards the high-income countries and individuals most responsible for the environmental crisis. In particular, he points to the likely shift of prestige and influence from the United States to China if the former ceases to be the standard bearer for democracy and the latter is able to remind the world that, despite human-rights abuses, it bears little historical responsibility for carbon dioxide emissions, slavery or colonialism. Piketty predicts that to limit the growing influence of China's authoritarian socialism, Western powers must abandon their hypercapitalist ideology and transition to a participative market socialism that is post-colonial, responsive to low- and middle-income countries, and able to respond effectively to the environmental crisis.

So inequality matters. It matters for people, and for the planet. It matters for all of us, and not just those at the sharp end of poverty and deprivation. Inequality is, as world leaders and thinkers such as Piketty and Wisman point out, a defining challenge of these times. If we want more than just a more equitable distribution of resources, if we want sustainable prosperity for the world, we ignore these important and readable books at our peril.

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