

*“How greater equality aids the transition to sustainability”*

**Richard Wilkinson**

I want to make three main points and then suggest some policies:

**1.) *The change to sustainability needs to be seen as fair if it is to gain public cooperation and support.***

This is an obvious point but one which I think is more important than many people recognise. Parallels are sometimes made between the task of making the transformation to sustainability and the rapid redirection of production and resources in war-time. Richard Titmuss wrote the volume on *Social Policy* in the British Government’s official *History of the Second World War* (1950). He was also father of social policy as an academic discipline and the first Professor of Social Administration and Social Policy at LSE. He knew first-hand how societies can transform better than anyone.

In his essay *War and Social Policy*, Titmuss said that because “the cooperation of the masses was...essential [to the war effort], inequalities had to be reduced and the pyramid of social stratification...flattened.”(Titmuss, 1958) As a result of this recognition, the war was marked by far reaching policies designed to make people feel the burden of war was fairly shared. Income differences were rapidly reduced by taxation, essential goods were subsidised, luxuries were taxed, and rationing was introduced for food. Even royalty (including the present queen at her wedding in 1947) wore ‘austerity’ clothing. This was how a war time government went about getting public participation and support for the war effort.

The same idea arises in other contexts where a major coordinated effort is essential. For instance, Ernest Shackleton, during his exploration of Antarctica – over a century ago – is said to have “loosened some traditional hierarchies to promote camaraderie” and distributed “the ship’s chores equally among officers, scientists, and seamen.”

The effectiveness of reductions in inequality is now supported by a large research literature showing that societies with smaller income differences between rich and poor have stronger community life, people are much more likely to trust each other, they are more public spirited, more honest, and levels of violence – usually measured by homicide rates – are much lower.

A successful response to the Climate Emergency will need a raft of egalitarian policies to gain public cooperation. That is my first point. Without greater equality, a large segment of public opinion may oppose well intentioned environmental policies – just as the Gilets Jaunes’ opposed the French government’s plan to raise fuel taxes. Fairness in environmental policies is made even more important because the environmental footprint of the rich is so much greater than the poor and the affluent are such a large part of the problem internationally.

**2.) *My second point springs from the evidence that inequality is a powerful driver of consumerism.***

Among the most important obstacles to sustainability are the very high levels of consumption among the affluent.(Wiedmann et al., 2020) Because inequality increases the importance of status and class, it increases status competition so that people in more unequal areas spend more on status consumption – research shows they are more likely to buy flashy cars and clothes with fashion labels than do people on similar incomes in more equal societies.(Walasek and Brown, 2015) With more inequality money becomes more important: it is how we communicate our status. As the evidence shows, inequality

increases the 'pressure to consume'. As a result, people spend more than they can afford, get into debt, and bankruptcy rates rise.(Frank, 2013)

This is not simply a minor influence: inequality makes a very substantial contribution to consumption: when the effect of economic booms and slumps have been taken out of the picture, trends in household debt closely follow trends in inequality.(Iacoviello, 2008)

Inequality increases the belief that some people are worth much more than others and so adds to our insecurities about self-worth, so that we all become more worried about how we are seen and judged. Status anxiety and status competition also increase.(Layte and Whelan, 2014) My second point is therefore that if we are to reduce consumerism, we must reduce the inequality which intensifies status competition.

**3.) My third point is that the much stronger community life and social cohesion found in more equal societies makes people more public spirited, more aware of the common good and so more willing to act on environmental issues.**

This is shown in many different research studies. People in more equal societies recycle a higher proportion of their waste materials, they use bicycles for a higher proportion of their journeys, carbon emissions are lower for every \$100 GNP, and business leaders attach a higher priority to environmental issues than their counterparts in more unequal countries.

To deal with the environmental crisis we need people to act for the common good as never before, and greater equality predisposes people to do that, hence more equal societies are further along the road to transformation.

**Policies to reduce inequality**

Reducing inequality means reducing differences in pre-tax market incomes as well as redistributing through taxes and social security benefits. We need to redouble international efforts to deal with tax havens and tax avoidance – by both companies and the rich. It also means extending democracy into the economic sphere: legislating for stronger employee representation and increasing incentives to the formation of employee owned companies and cooperatives. More democratic companies tend not only to have smaller income differences, but to have higher productivity and usually to be more social responsible. Companies with the largest income differences between the CEO and production workers tend to perform less well than companies with smaller income gaps.(Marshall and Lee, 2016)

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