

Hosted by the International Inequalities Institute
The Equality Effect: improving life for everyone

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THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

'Income inequality is the defining challenge of our time' (2013)

Barack Obama, then US President

'Divide the pie correctly' (2014)

Xi Jinping, China's Paramount Leader

'Working for a just distribution of the fruits of the earth... is a commandment' (2015)

Pope Francis

'Inequality is sexist' (2016)

Christine Lagarde, head of the International Monetary Fund

'Rising inequality threatens the world economy' (2017)

700 experts at the World Economic Forum in Davos

When world leaders of all persuasions make such stark, unambiguous statements, you would be forgiven for thinking we live in a world in which greater equality is being given the highest priority.

Unfortunately the rhetoric and the reality often do not match up.

The Equality Effect delivers the overwhelming evidence behind these pronouncements, including groundbreaking new research on the correlation between equality and environmental progress.

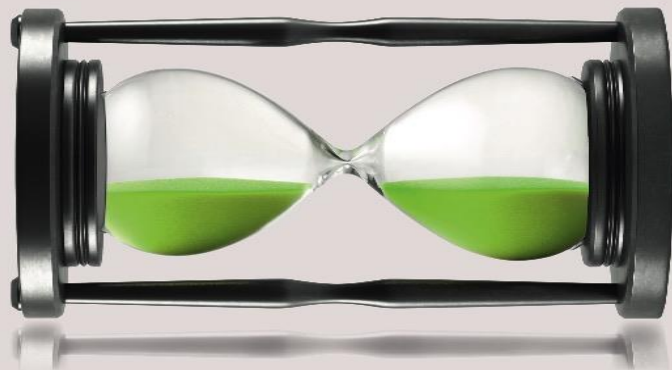
Backed by statistics throughout and with a sprinkling of witty illustrations, Danny Dorling demonstrates where greater equality is currently to be found, and how we can set the equality effect in motion everywhere.

THE EQUALITY EFFECT
DANNY DORLING

New Internationalist

THE EQUALITY EFFECT

Improving life for everyone



DANNY DORLING

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Owen Jones

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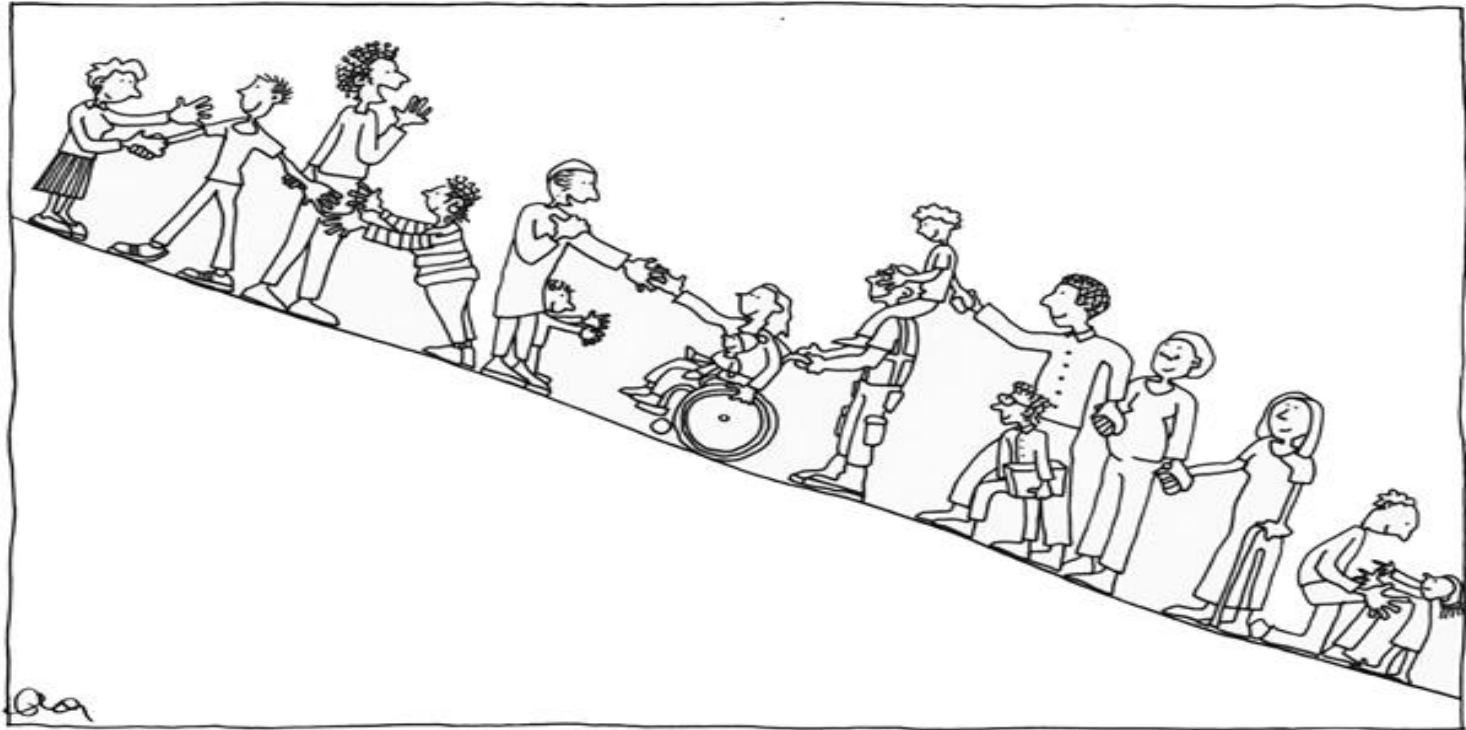
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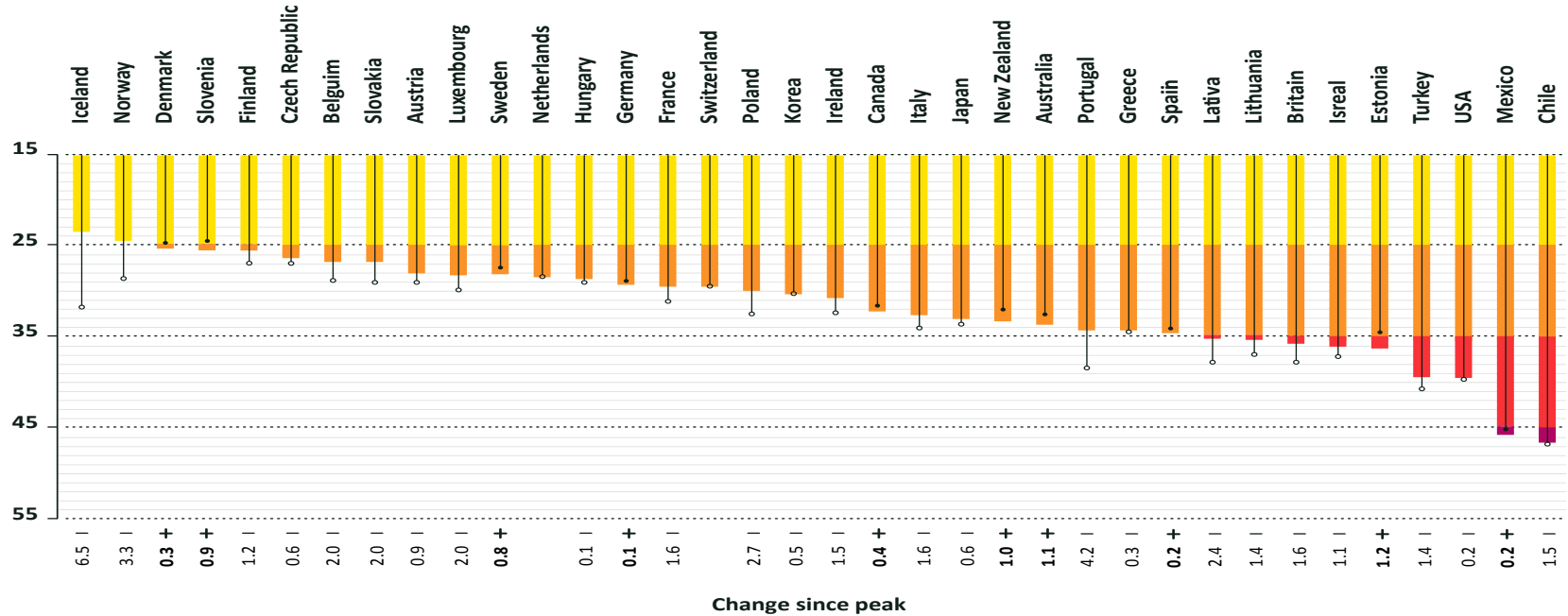


New Internationalist
newint.org

The Equality Effect: improving life for everyone (including the rich)



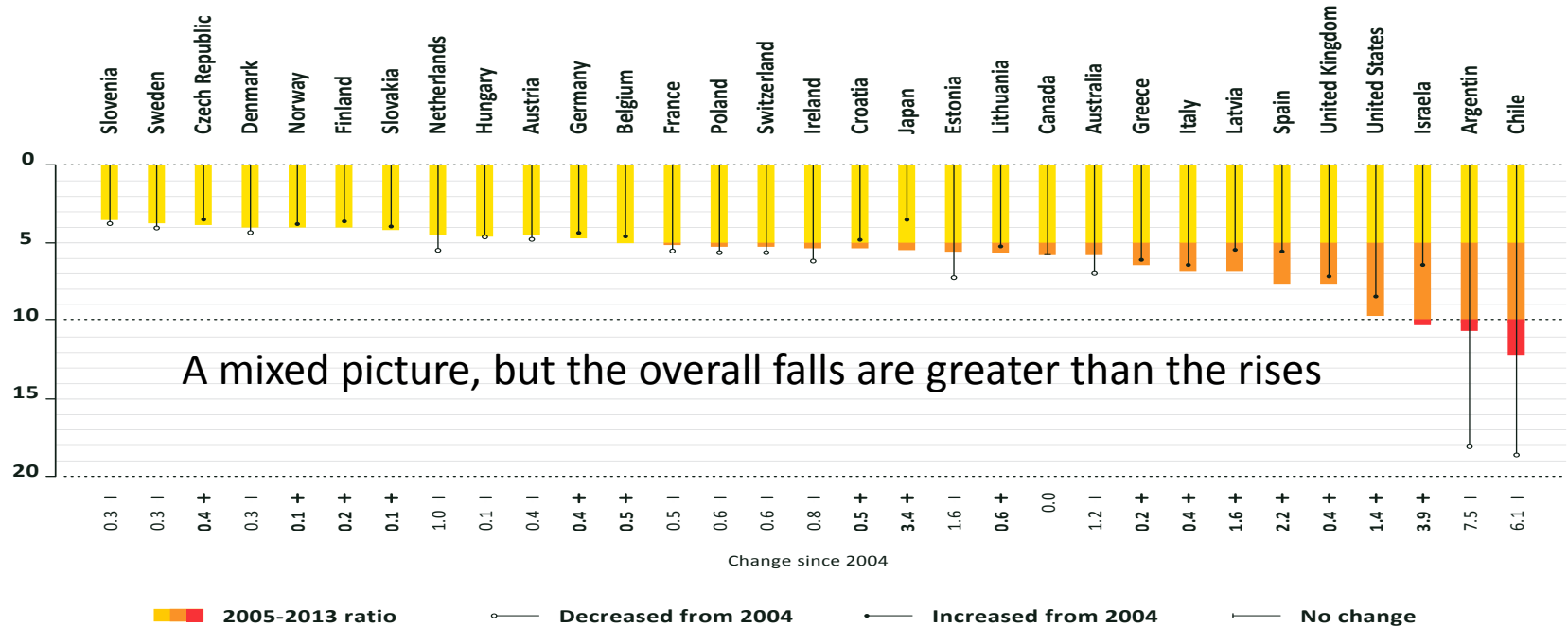
Inequality is falling in most countries (OECD income Gini measure by 2014 - latest)



We may be seeing a change in
sentiment



The quintile income ratio: note UK/USA (richest countries worldwide, UNDP 2004-2013)

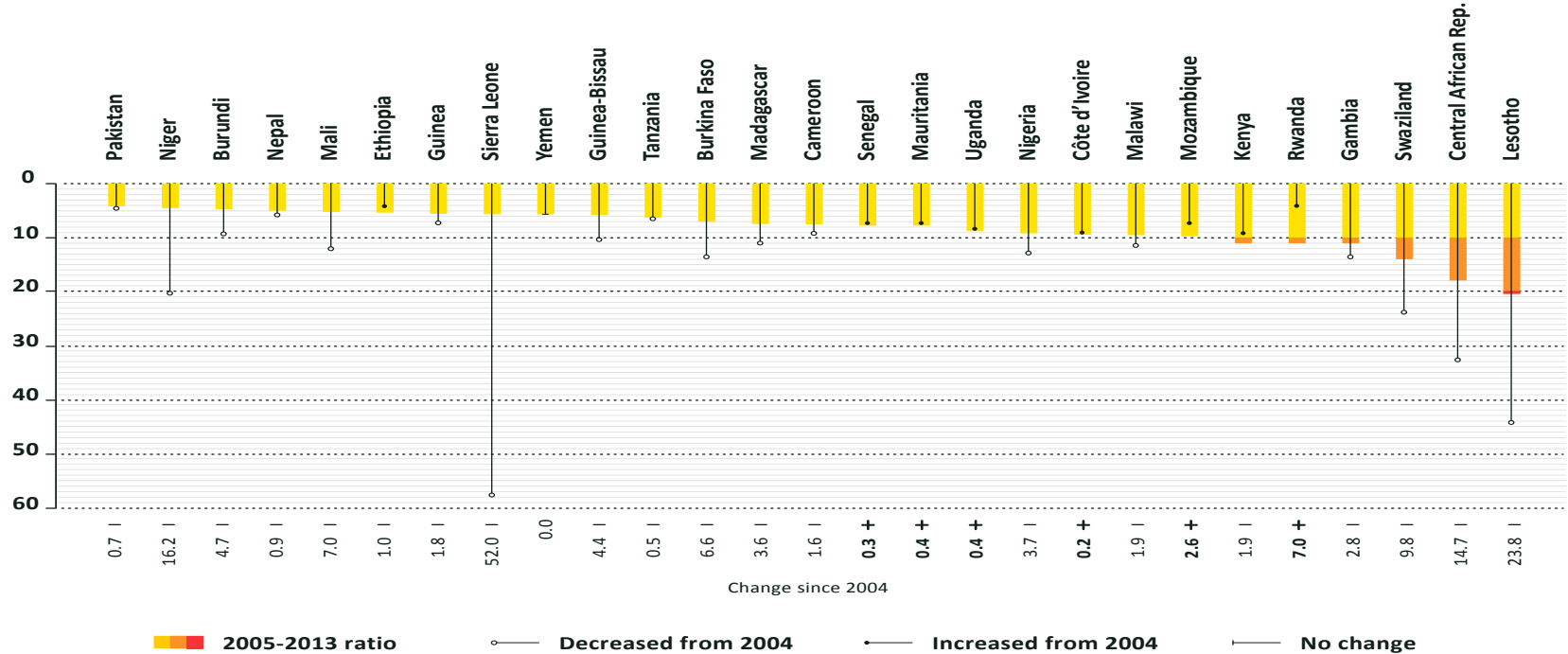


We are slowly becoming more aware
of the absurdity of growing inequality

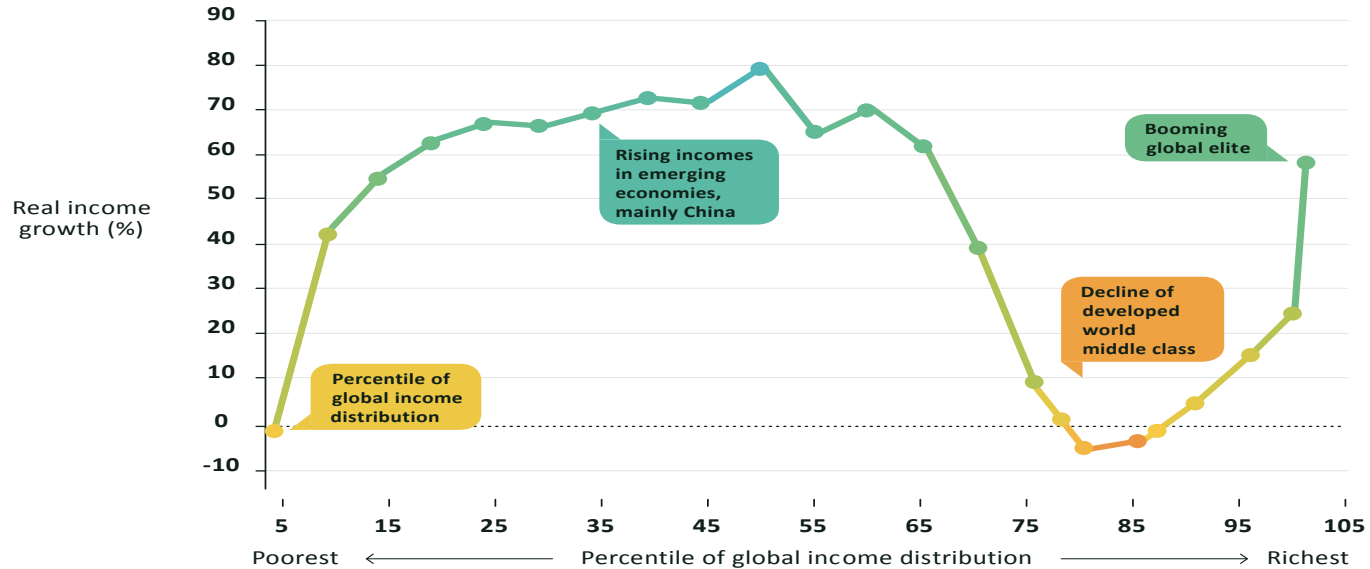


The sociology of water

The quintile income ratio: (poorest countries worldwide, UNDP 2004-2013)

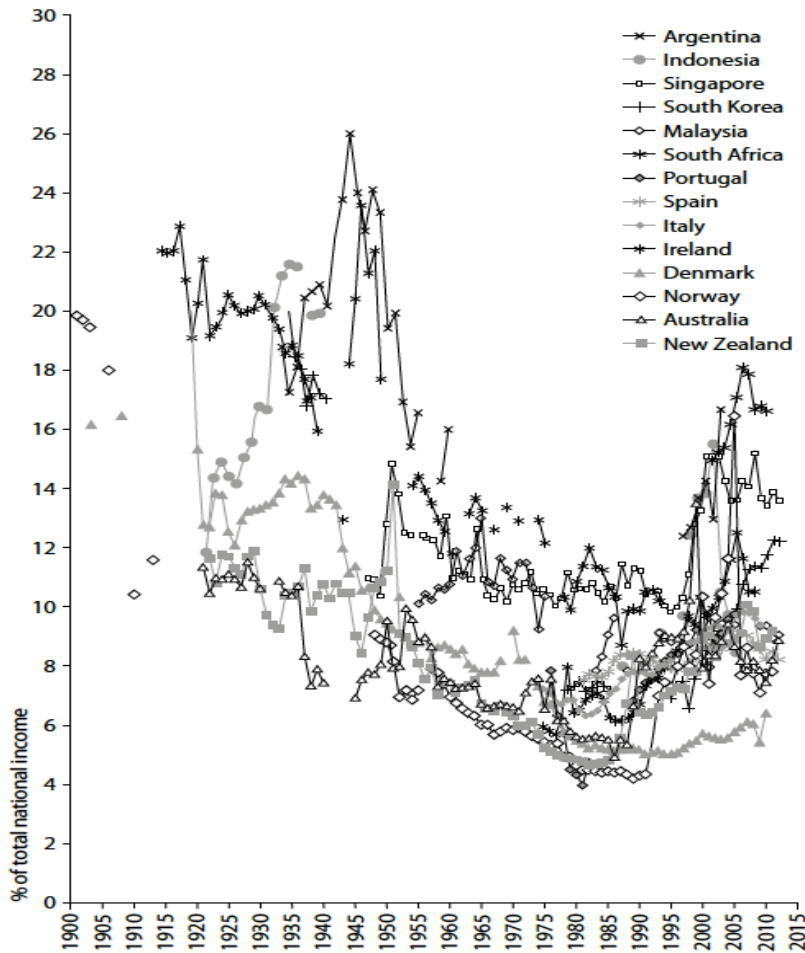


Milanovic's elephant is a story that is *mostly* about rising equality



Source: B Milanovic, *Global Income Inequality by Numbers*, Nov 2012, redrawn nir.tl/Atlanticgraph

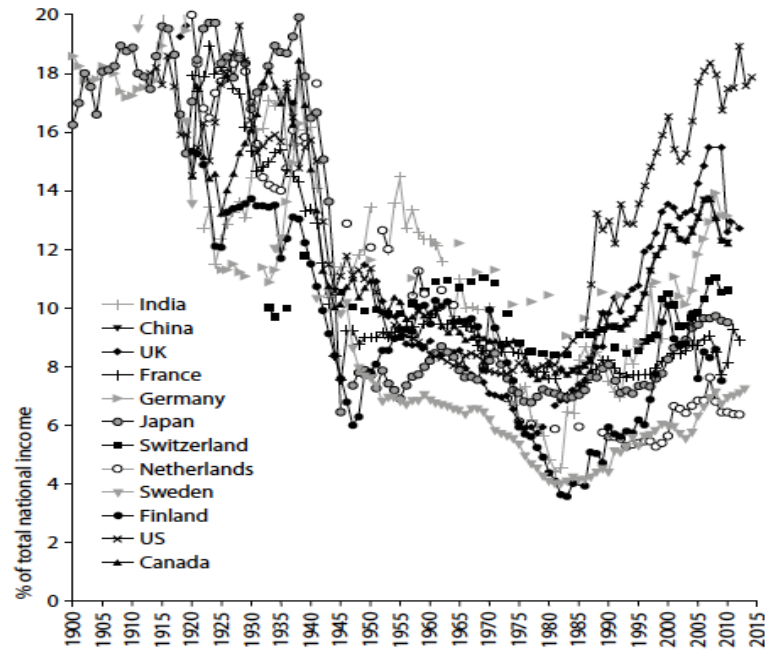
Figure 1.5: The take of the best-off 1% in 14 countries, 1900-2015



Source: World Wealth and Income database – accessed March 2017: <http://wid.world/>

Are we at the turn?

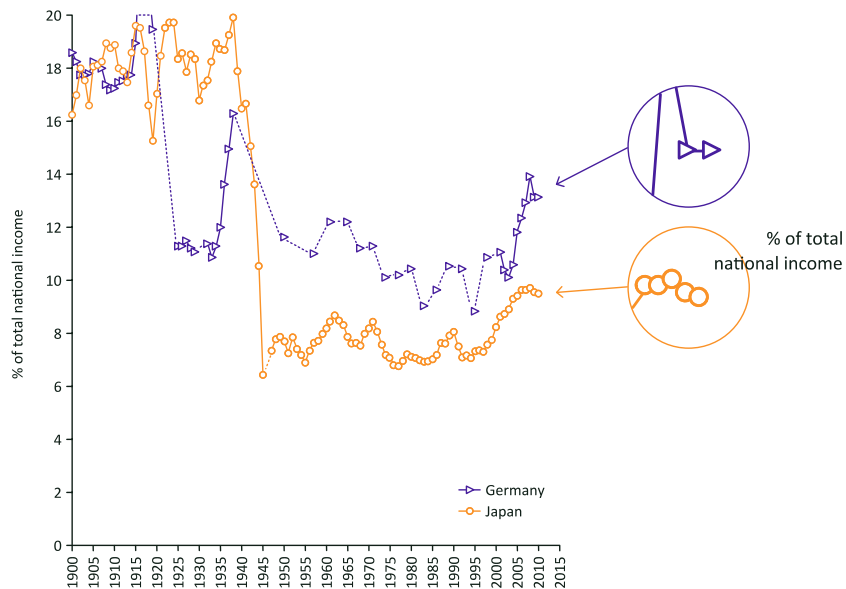
Figure 1.3: The take of the best-off 1% in 12 countries, 1900-2015



Source: World Wealth and Income database – accessed March 2017: <http://wid.world/>

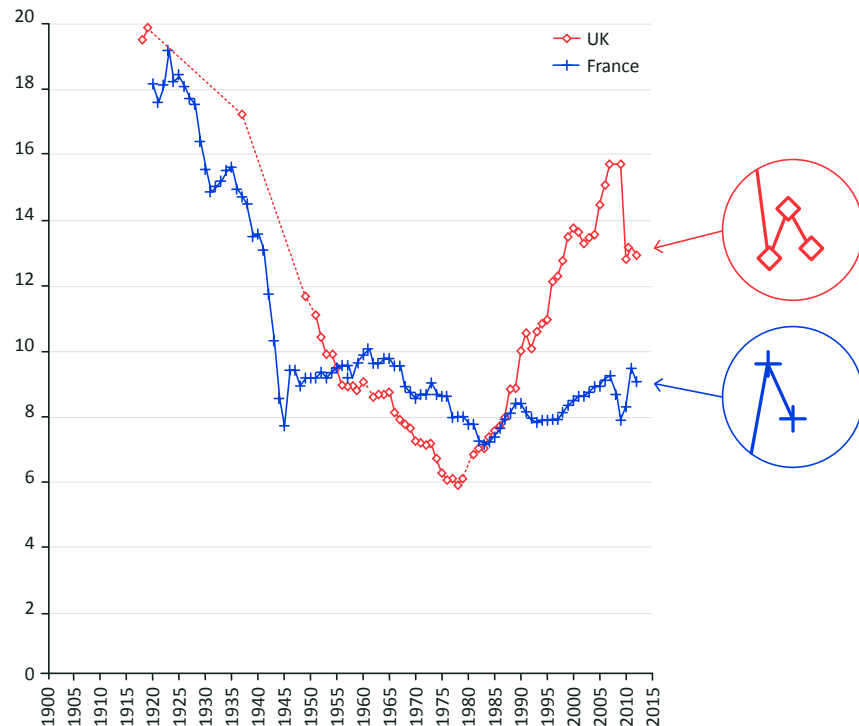
The take of the best-off 1% in France and the UK, 1918-2010

the best-off 1% in Germany and Japan, 1900-2010



Years of consecutive data connected by a line. Where no data is shown it is missing for that year.

Source: World Wealth and Income database – accessed March 2017: <http://wid.world/>

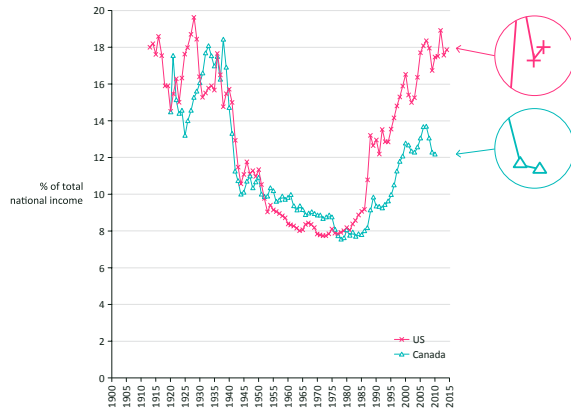


Years of consecutive data connected by a line. Where no data is shown it is missing for that year.

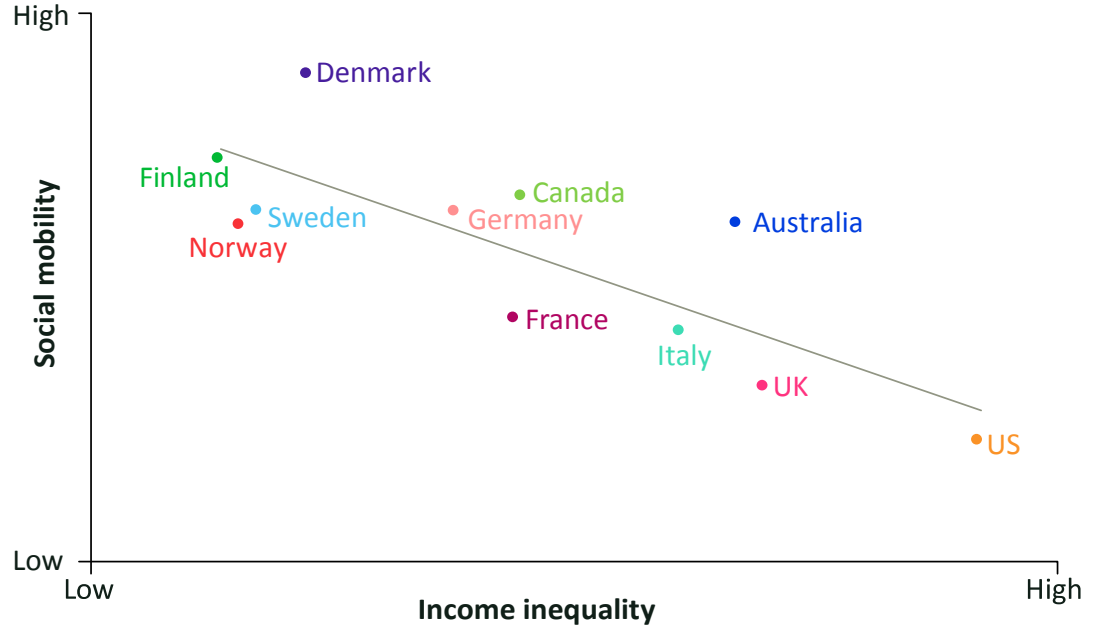
Source: World Wealth and Income database – accessed March 2017: <http://wid.world/>

Social mobility is higher in more equal countries

The take of the best-off 1% in Canada and the US, 1913-2014



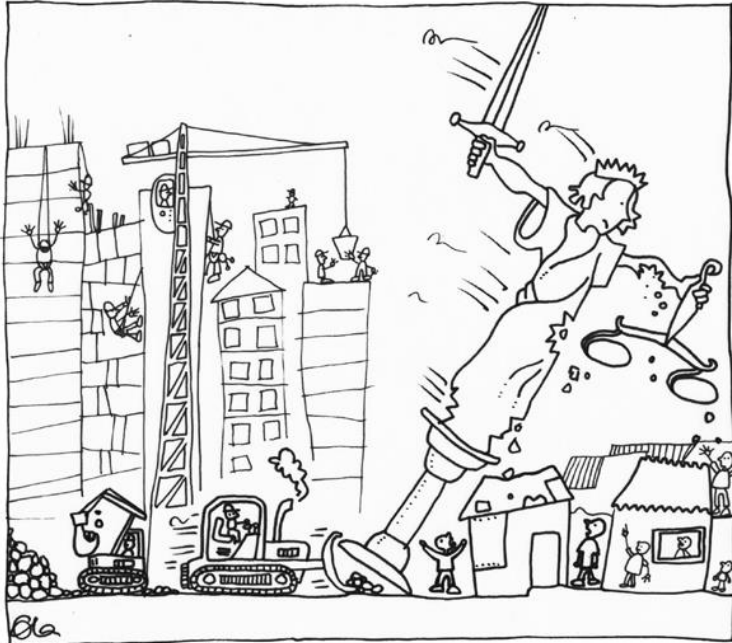
Years of consecutive data connected by a line. Where no data is shown it is missing for that year.
Source: World Wealth and Income database – accessed March 2017; <http://wid.world/>



Original source: Intergenerational income mobility data from Blanden J (2009) Centre for Economic Performance, LSE. Paper No. CEEDP0111. Via www.equalitytrust.org.uk

Note: This figure has been redrawn from one appearing on the Equality Trust website which was first drawn by Kate Pickett and Richard Wilkinson in 2009 and which has now been redrawn using the most recent data, showing an even closer relationship between the two variables than seen before.¹⁴

Senses of unfairness are rising

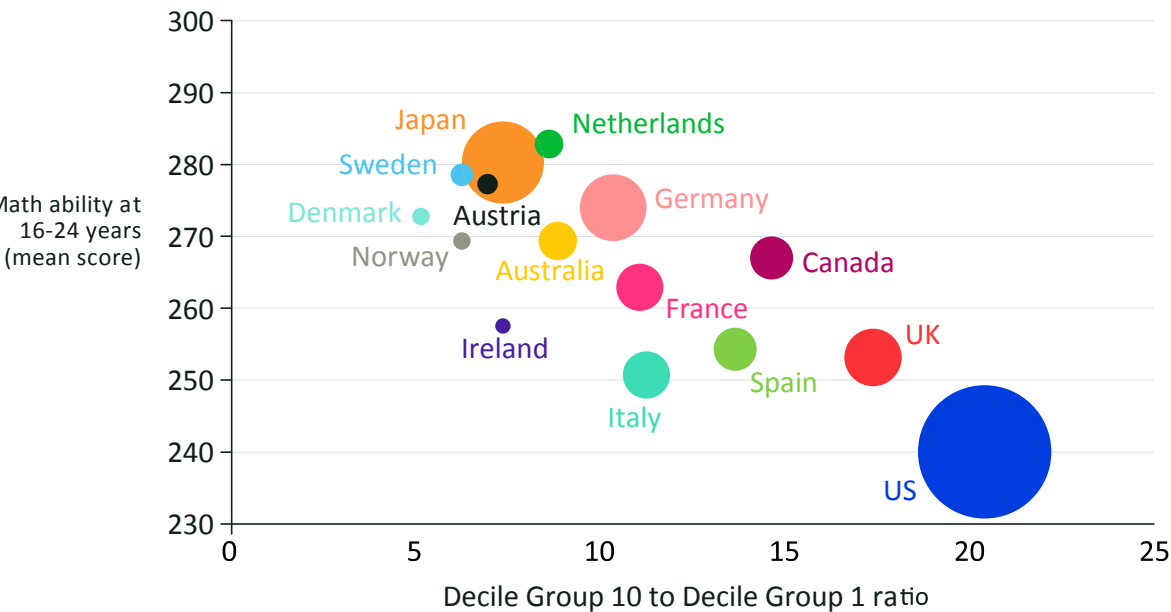


The scales of injustice



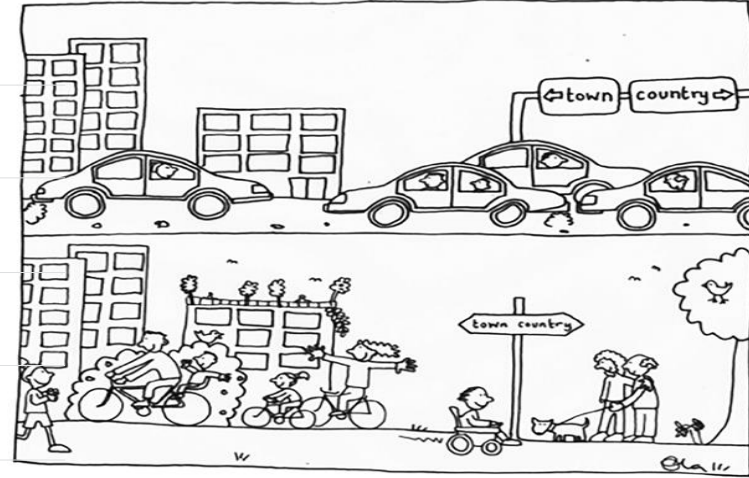
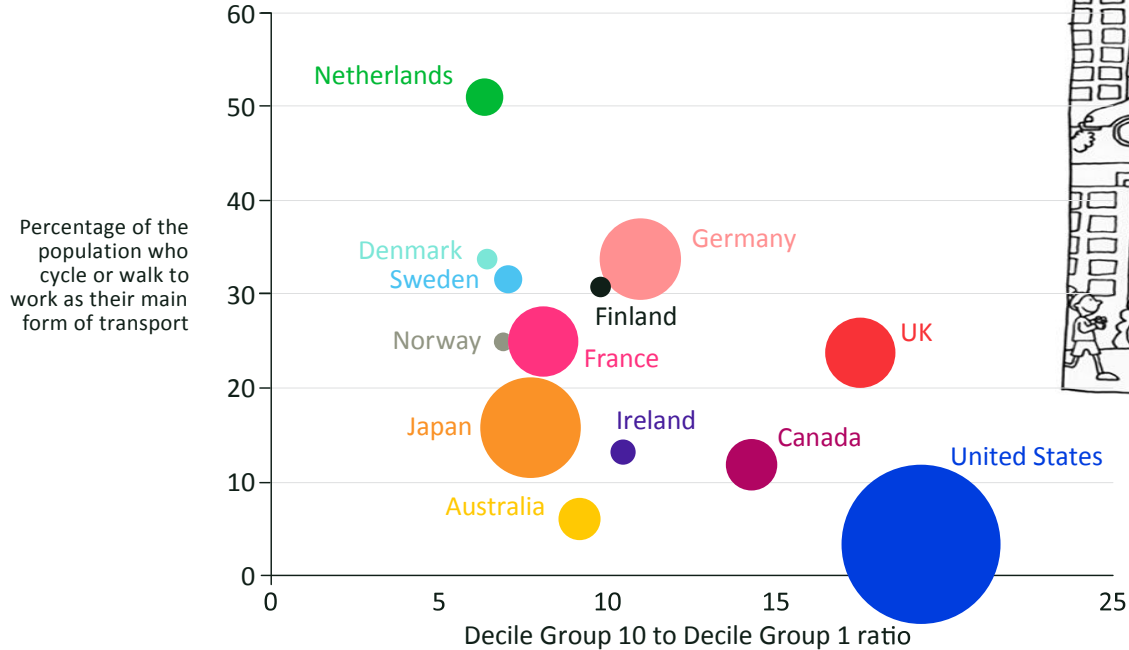
Social mobility at the bus stop

Economic inequality and the mathematics ability of young adults up to age 24, 2012



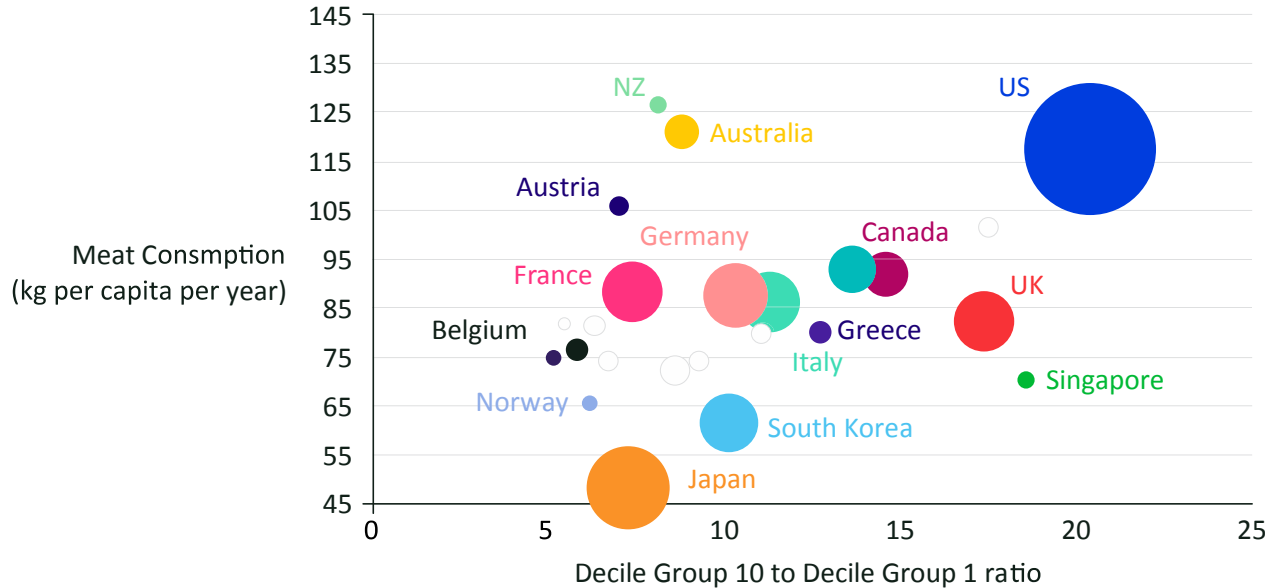
High inequality makes us more stupid – we become too frightened to learn well

Healthy behaviour and economic inequality: walking and cycling 2006-10



We become too individualistic to be able to organize ourselves well

But how all pervasive is the effect?



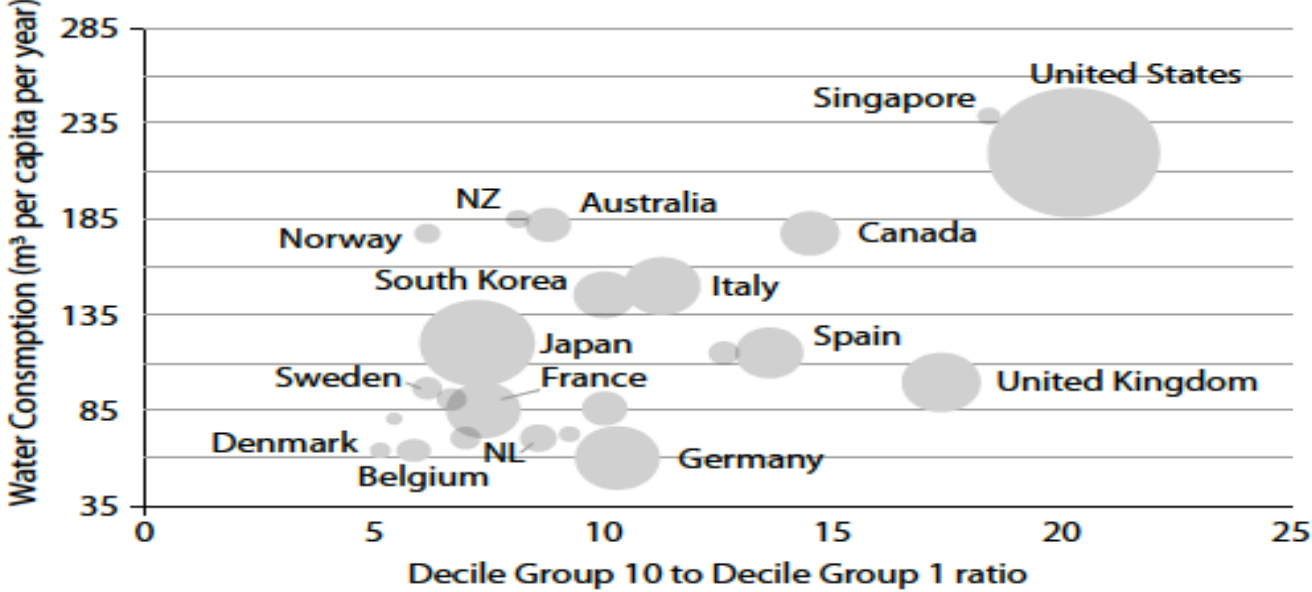
Related to:

- Advertising
- Stress
- Obesity
- Exercise
- Knowledge

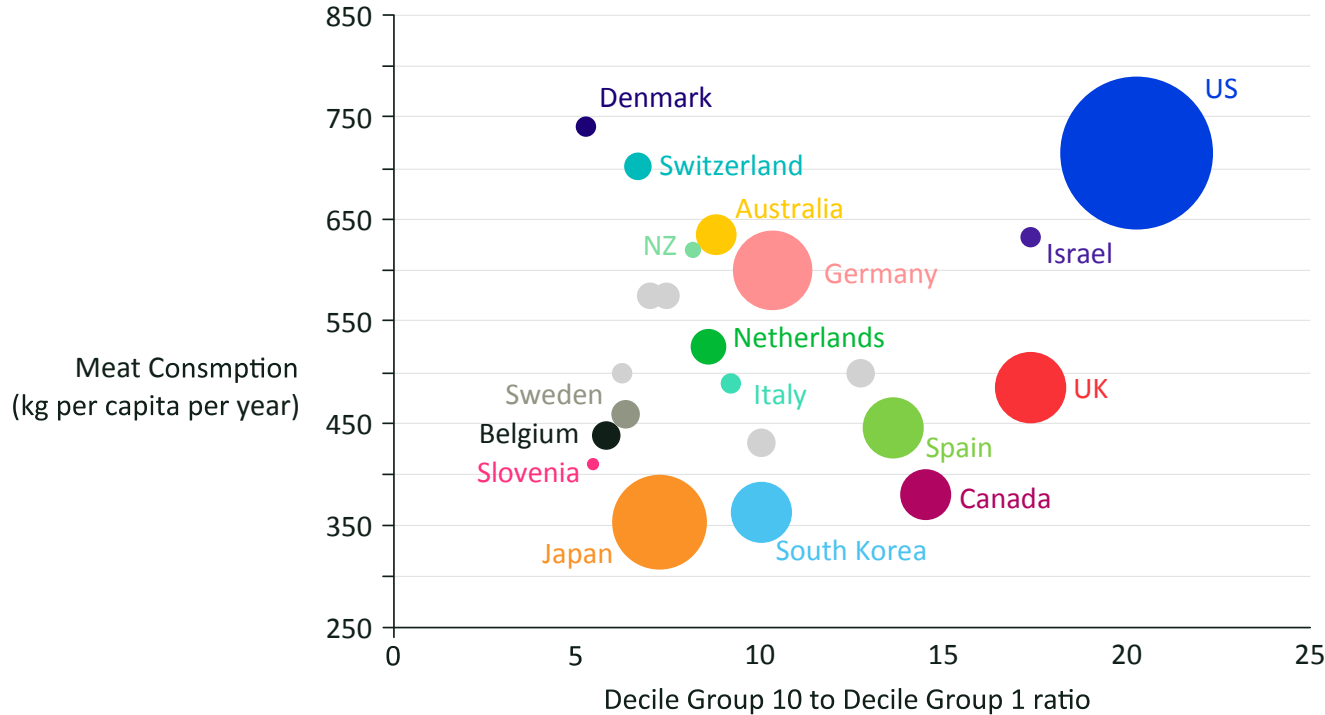
A value of 82 means = eating approx. one beef steak a day every day all year

Our attitudes and selves are altered – we behave in more selfish ways

Figure 4.3: Economic inequality and water consumption (domestic), 2009-13



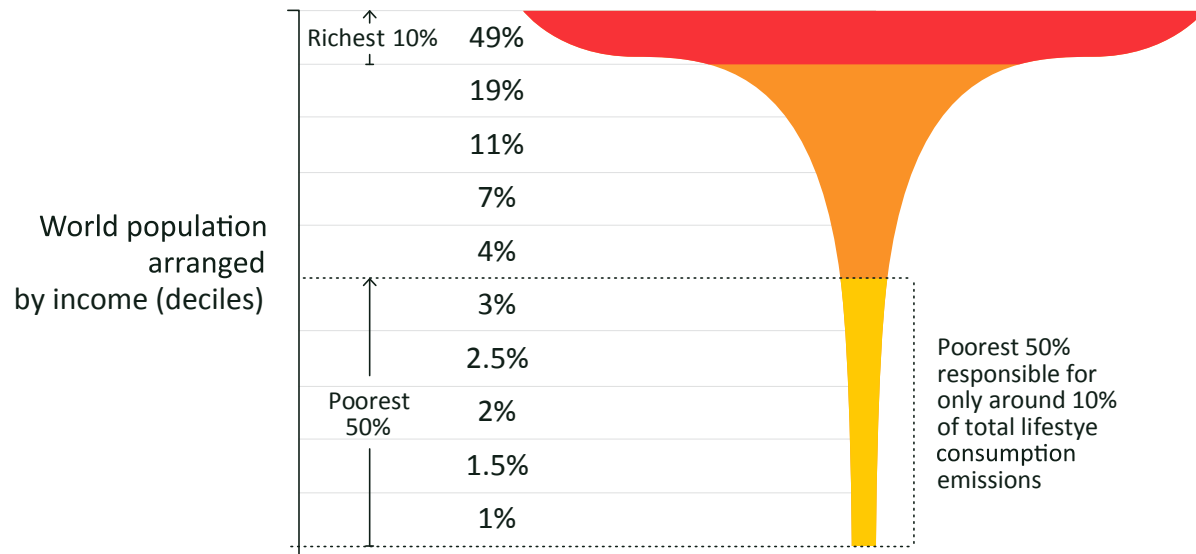
Some waste twice as much as others



But they also measure waste better in a few more equitable countries.

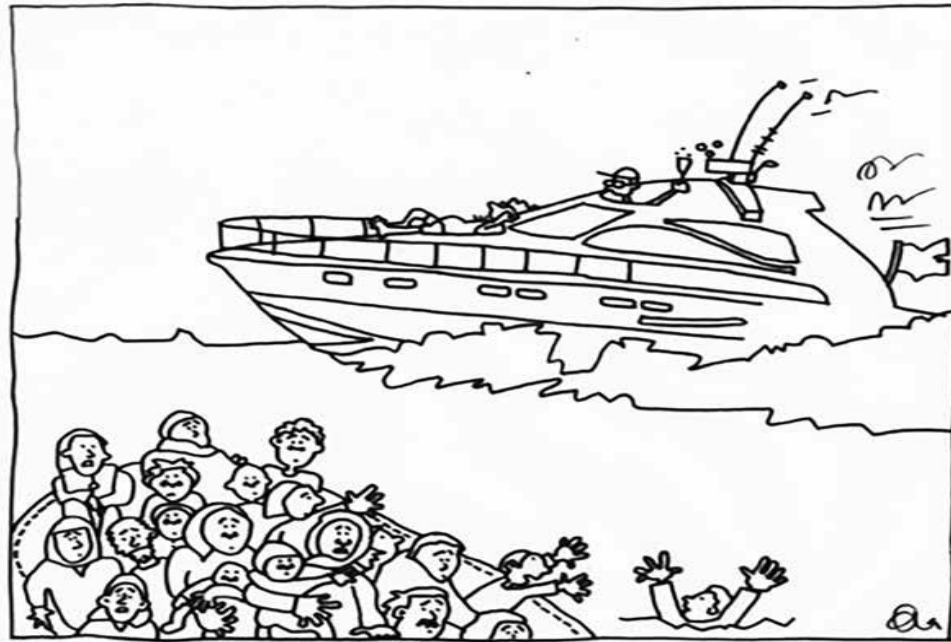
And all these measures are being improved

It is not just aggregation



Oxfam: 'We conservatively estimate that the average emissions of a person in the poorest half of the global population are just 1.57 tCO₂e – that equals 11 times less than the average footprint of someone in the richest 10%. The average emissions of someone in the poorest 10% of the global population is 10 times less than that of someone in the richest 10%.'

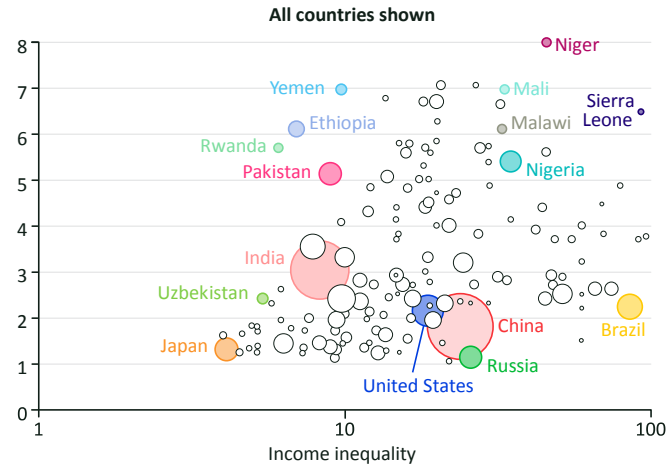
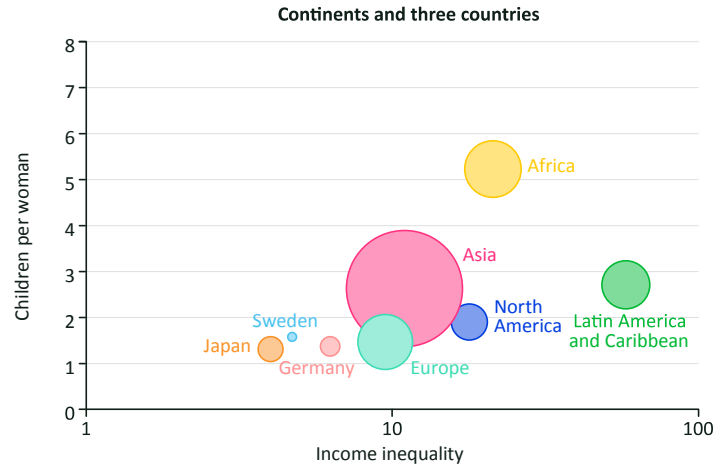
It alters our capacity to care, it changes how we vote (far right)



A rising tide lifts all boats ?

Total fertility and income inequality in the year 2000,
by continent and country

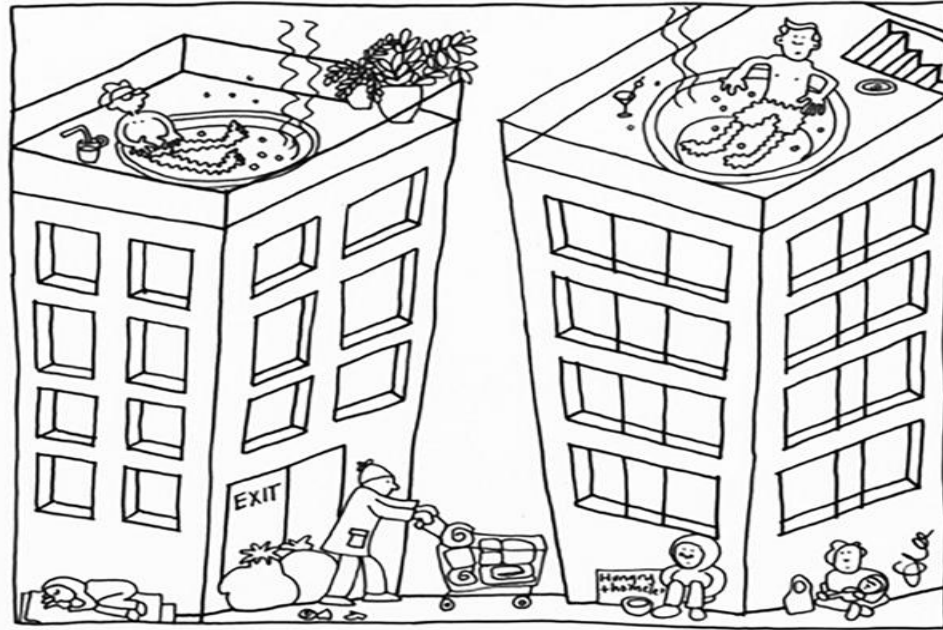
It affects our reproduction



Note: According to the United Nations' Economic Commission for Latin America, the decile ratio (share of total income for the top 10 per cent of wage earners divided by the bottom 10 per cent) in Latin America was 45 to 1, whilst that of Cuba was only 4 to 1. (en.wikipedia.org/wiki/Economy_of_Cuba)

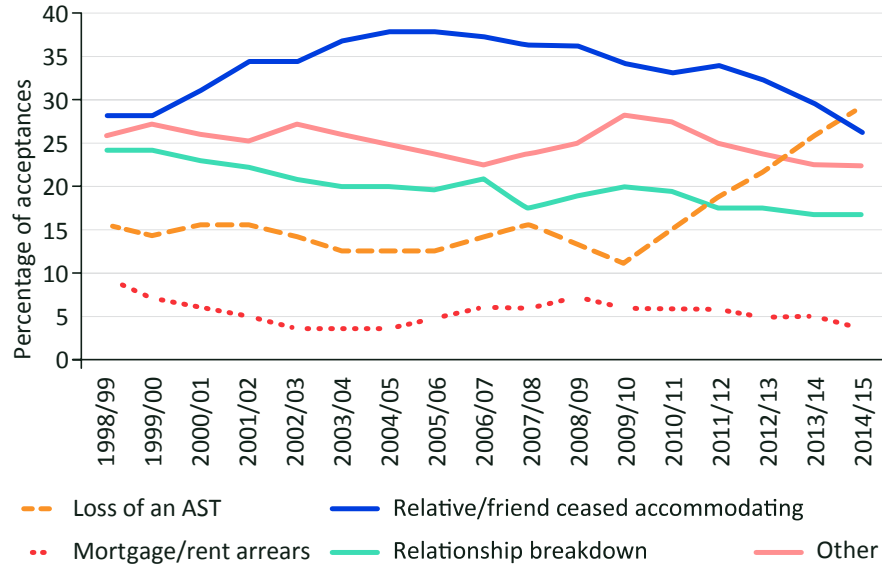
Source: Data is from UNDP report 2004 and worldmapper using table 14 of the UNDP report. Income inequality is the ratio of the income of the richest tenth to the poorest tenth and is drawn on a log scale as the horizontal axis of each graph. The vertical axis of each is average lifetime number of live births born per woman.

We acclimatize to inequality



Concrete canyons

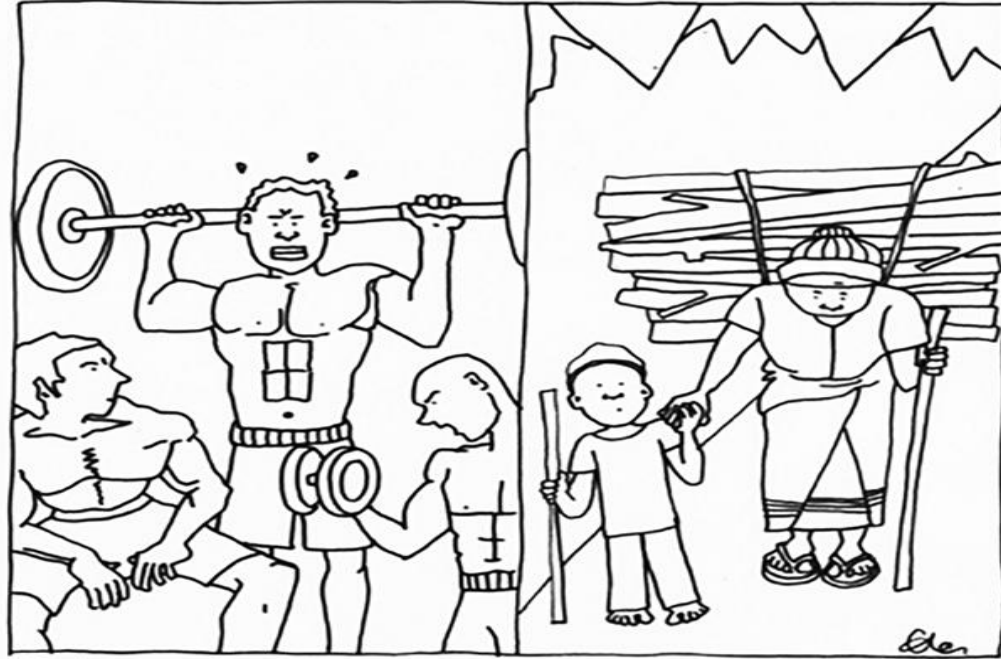
We stop being surprised by hardship



We let others dominate us

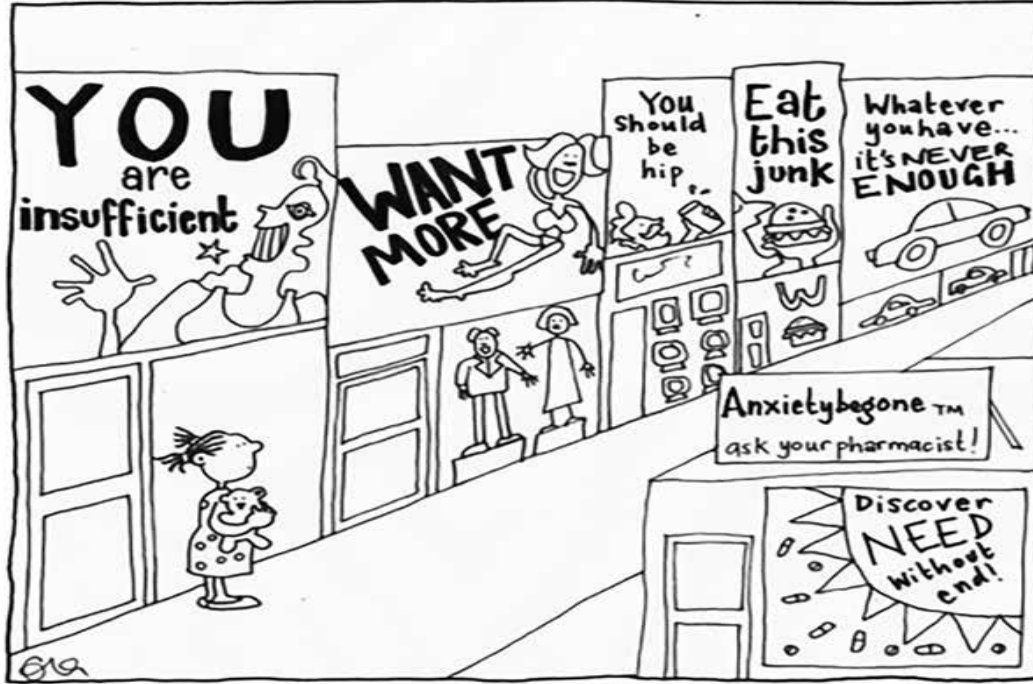


We internalize some effects

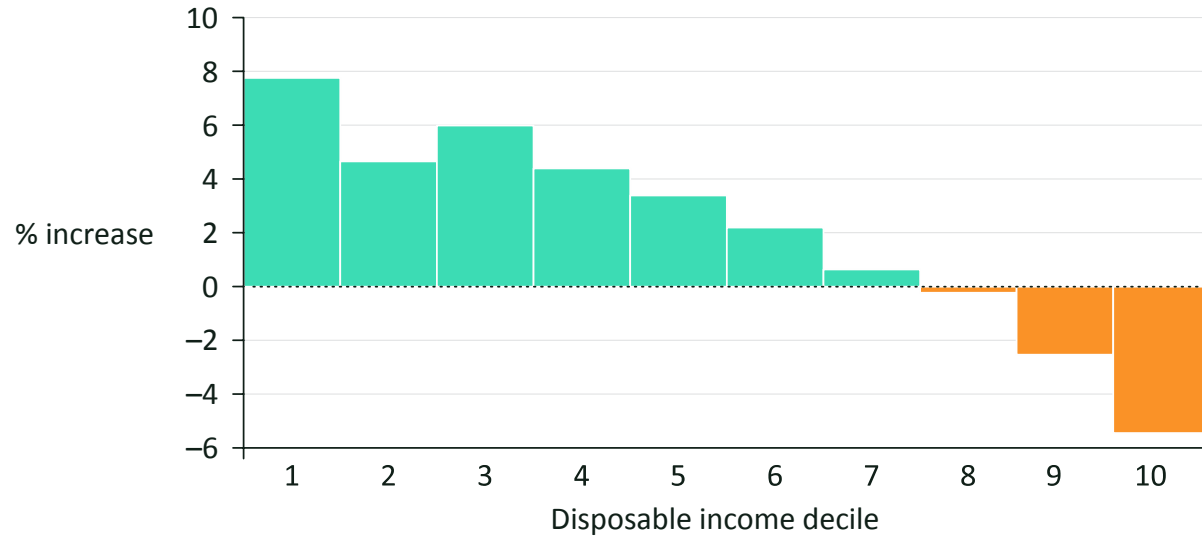


Fit for what ?

This becomes normal

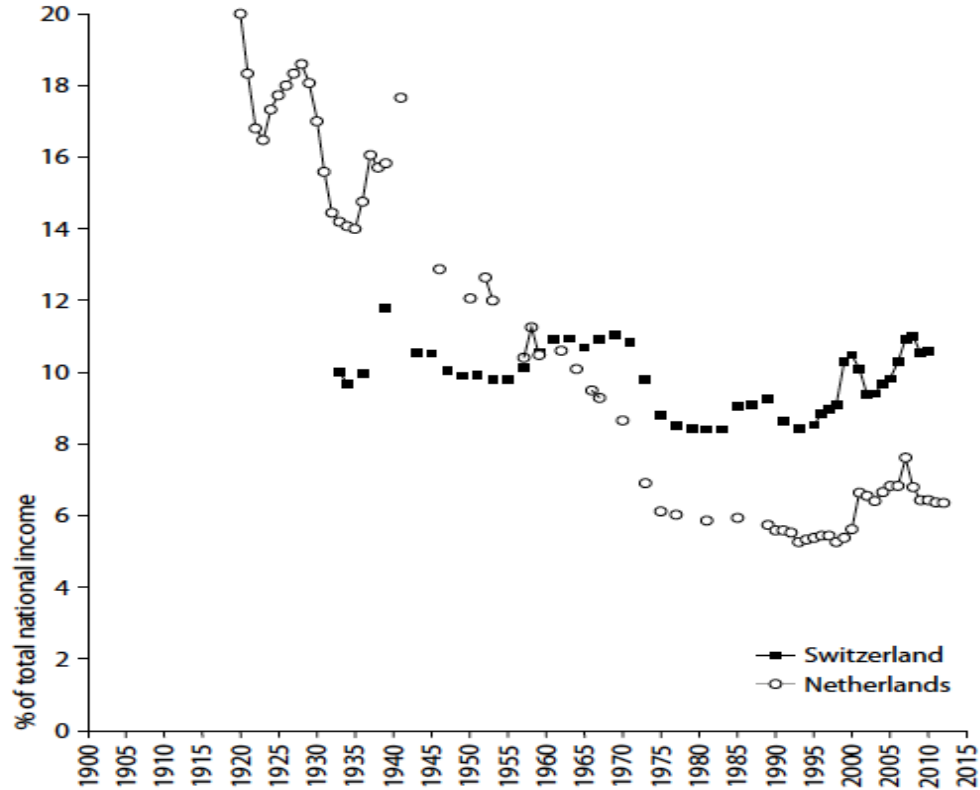


There are many ways out



And
ways
that
have
already
been
taken

Figure 7.6: The take of the best-off 1% in Switzerland and The Netherlands, 1914-2012

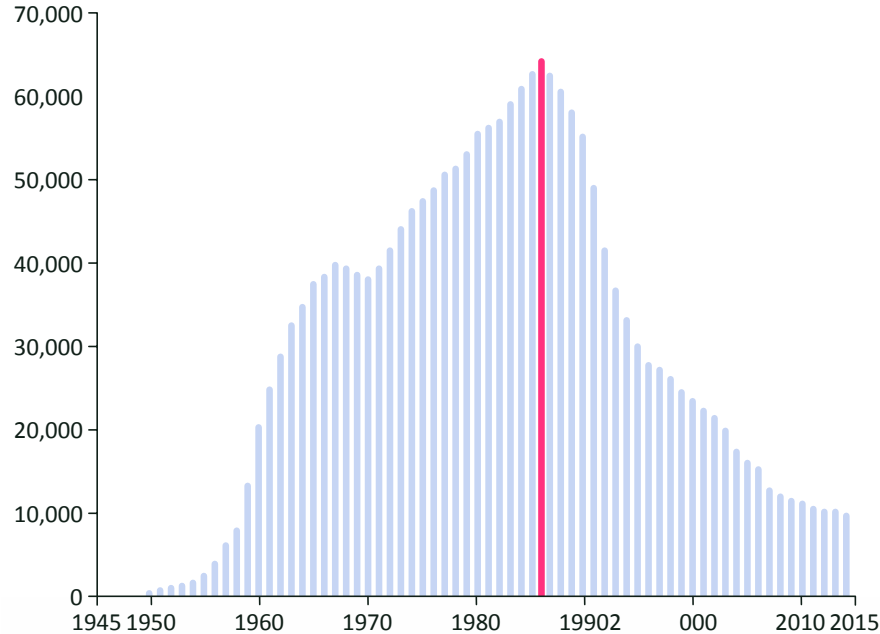


We prioritize bad news

- The Brexit vote and Donald Trump's victory, over Canada, Austria, The Netherlands, and France.
- Any rise in far-right voting is big news. The falls that happen all the time in that vote usually only receive a footnote after the big event... but so far it is the UK and USA that are odd, and possibly Poland and Hungary.

The rise and fall in nuclear weapons held worldwide, 1945-2015

We can forget what is possible



Source: <http://thebulletin.org/nuclear-notebook-multimedia>

‘False’ headlines do not help:

“Boomtime for billionaires as mega-rich shrug off Brexit anxieties” ???

Combined wealth of the Sunday Times rich list on May 7th 2017: £658bn, or 14% up in a year.

However the pounds was worth 18% less in April 2017 as compared to a year earlier, in dollars.

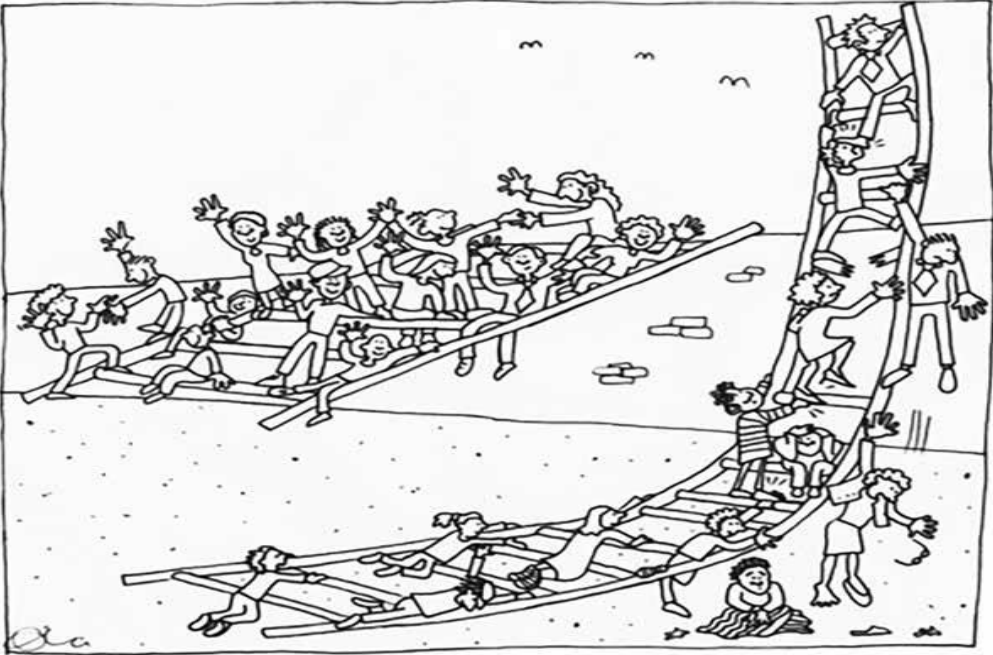
So are the rich really getting richer?

.. Ignoring the good news may help the turn occur (see bankers’ pays reports this year...)

We are at a peak of wealth inequality and seeing falling income inequalities



The alternative is far more attractive



Two ladders

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