

SOCIAL INEQUALITY

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WHAT IS SOCIAL INEQUALITY?

Key learning outcomes

By the end of this chapter you should be able to:

- Understand the complexities associated with defining the concept of social inequality
- Understand that many different types of social inequality exist
- Understand the different ideological positions associated with explaining inequality

Overview of the chapter

This chapter considers the concept of social inequality in critical depth, exploring it as a complex issue that is often taken for granted. The chapter outlines how social inequality can be defined and conceived in different contexts – historically, globally and subjectively. The chapter provides many examples of inequality and offers Learning Tasks to help you to explore your own understandings and ideas about inequality, including how these are culturally shaped and maintained.

Conceptualising social inequality

It is clear to most people that the world in which we live is unfair, unequal and full of inequality. However, when it comes to defining what inequality is, there has been much debate and as a result there are many ways in which inequality can be conceptualised. Inequality is often understood to be socio-economic, meaning it is based on income. This is just a single measure of inequality but one that is now closely associated with social inequalities in terms of outcomes (Ortiz and Cummins 2011).

Defining social inequalities

Social inequalities are differences in income, resources, power and status within and between societies. Such inequalities are maintained by those in powerful positions via institutions and social processes. (Naidoo and Wills 2008)

Social inequality and divisions within national contexts have been explored by sociologists for many years, although global inequality only became of interest to researchers in the 1980s, when the first calculations of such inequality were made (Milanovic 2006). Sociologists have historically studied stratification and inequality within societies but paid little attention to global disparities until relatively recently. Furthermore, data is required about the income of countries in order to calculate inequalities between them and this only became available during the 1980s. Despite the availability of such data, there remains confusion about how exactly to calculate and measure inequality and the same or similar terms are used within the literature to describe different things (Milanovic 2006). Differences in income distribution matter for a number of reasons, as this chapter clearly shows, but most importantly they matter for people because they represent social injustice (Ortiz and Cummins 2011). Social inequality is also culturally important because we compare ourselves to others. Wilkinson and Pickett (2009) argue that relative inequality is important in terms of our own levels of happiness. So if we see others who have much more than ourselves, even if we actually have many of our basic needs met, then this causes problems. Defining what we need is also complex and for many living in high-income countries, expectations are increasingly growing in terms of what we say that we 'need'. Complete the following Learning Task, which will help you to think about how you construct your needs.

Learning Task 1.1 – how do I define need?

Look at the following list. Which of these would you say that you 'need'?

- Water
- Warmth
- Shelter
- Food – two meals per day
- Fresh fruit and vegetables daily
- A hobby
- Savings
- Visits to friends and family
- Car
- TV
- DVD player
- Mobile phone
- Internet access
- Holiday every year
- Nights out socialising
- Fridge
- Freezer
- Microwave oven
- New clothes
- Two pairs of shoes
- Bed and bed linen for everyone
- Presents for family and friends
- Clothes for special occasions
- Medicines
- Access to health care as required
- Damp-free home
- A computer at home
- Celebrations on special occasions

- 1 Which of these are necessities of life?
- 2 Which do you think are the most important?
- 3 If you lived in a different place in the world, how do you think your perceptions of need may differ?
- 4 See www.jrf.org.uk/publications/poverty-and-social-exclusion-britain for a report that details the findings from the UK Poverty and Social Exclusion Survey in 1999, which incorporates the views and perceptions of members of the public. How do your views compare?
- 5 There are other useful websites from around the world that explore social exclusion in a range of contexts. Take time to explore these:

- The European Year for Combating Social Exclusion and Poverty <http://ec.europa.eu/social/main.jsp?langId=en&catId=637>
- The University of Michigan, School of Public Policy has a National Poverty Centre www.npc.umich.edu/poverty/

This Learning Task should have helped you to understand that defining need is difficult and context-dependent. Defining social inequality is difficult too and, as a consequence, measuring inequality is also problematic.

Measuring social inequality

Milanovic (2007) outlines how socio-economic inequality can be measured. First, he discusses concept 1, international inequality measured by comparing the average incomes of different countries, usually based on the gross domestic income of each nation. This definition, however, fails to measure and examine inequality within countries. This type of measure has generated a large amount of literature but is problematic because it does not accurately portray inequality across the world as it fails to take account of the population size of the countries being compared to each other. As a result of countries having unequal population sizes, increases in income have different effects, especially if a nation is highly populated (Milanovic 2006).

Global inequality can also be measured by taking into account the population of each country. Labelled concept 2, this measures the variables of gross domestic income and population size. This approach to calculating global inequality remains popular because little data is needed to make the calculations and the relationship can be shown in an equation called the gini co-efficient of national income distribution. However, there are problems with this calculation because it does not measure the inequalities that exist within countries, which is necessary to calculate 'true' global inequality (Milanovic 2006).

The third measure of global inequality (concept 3) is one that accounts for in-country differences in terms of individual incomes. Such data is often drawn from household surveys reporting disposable income because these are the only source of information from which individual income distribution can be calculated. However, a global survey of households does not occur, therefore the only way to calculate this third measure of inequality is by comparing data from individual countries' surveys. This is also problematic because there are differences between gross domestic income and disposable income in terms of how these are defined within individual countries (Milanovic 2006).

Given that income inequalities can be measured in a number of ways, it should not be surprising to hear that inequalities can also be conceptualised in a number of different ways. For example, within countries social class position is a common measure. The Indian caste system, in which people are divided into specific social categories that form a rigid hierarchy, is one such example of class inequality. The lowest classification of individuals is called 'the untouchables'. There are ongoing debates about the existence of social class within the UK, another form of stratification based on occupation, with the lowest group often termed 'the underclass'. There are many other social divisions related to inequality, including gender, age, ethnicity and disability, which are all explored in later chapters. It is important to examine different social divisions so that income

distributions can be viewed in terms of how they affect different groups, such as women, children and the poor in general (Ortiz and Cummins 2011).

The human development index is another way in which inequality can be measured. The index measures the three dimensions of health, education and living standards to assess how countries are progressing in development terms and to offer international comparisons. This measure is broader than simply examining income but, despite this, has received criticism because there are still omissions. For example, the index does not include any measure of gender equity or environmental sustainability (United Nations Development Programme 2010). Human development is of course much more than just education, health and income: 'The chance to lead a meaningful life depends on the conditions people face, including the distribution of advantages in their society, the possibilities for participating in decision making and the way choices affect the well-being of future generations' (United Nations 2010: 25). Some countries, such as Norway, which is ranked as number 1 on the human development index, are rated much lower for their ecological footprint, which is the area of land and sea needed to replace the resources that a country consumes. So just because a country performs well according to one criteria or measurement tool does not mean it is without problems.

Sen (1999) similarly argues that it is important to use other measures when examining inequality. In his capability approach, he outlines standards of living as being important. This approach is also concerned with poverty, justice, quality of life and freedom within context. There are again measurement problems when trying to evaluate standards of living. Sen (1985, 1998) carried out empirical work from his capability approach analysing many inequalities, such as sex bias, hunger and development. Well-being is another useful measure of development and provides an alternative picture because countries that have the highest income do not necessarily have the highest levels of well-being. For example, the USA is the highest income country in the world but does not lead when measured according to well-being (United Nations 2009). The work of Sen has led to the development of the multidimensional poverty index, which is grounded in the capability approach. The index highlights deprivations at the household level across the same three dimensions used within the human development index: education, standards of living and health. The index looks at specific indicators within each dimension to report on deprivations. For example, in the living standards dimension, the index looks at the access that households have to a toilet, cooking fuel, water and electricity as well as assets. There are 10 indicators and a household is classed as multidimensionally poor if it is deprived in at least two of these. The index arguably provides a more comprehensive picture of the experiences of those who are deprived (United Nations 2009). When measuring using the index, the number of people categorised as multidimensionally poor is classed as higher than other measures. *The Real Wealth of Nations* (UNDP 2010) shows that 1.75 billion people are multidimensionally poor compared to 1.44 billion people estimated to be living on less than \$1.25 a day in the same countries (United Nations Development Programme 2010). However, this still remains less than the 2.6 billion people who live on less than \$2 per day, demonstrating the different figures that measurement tools produce.

'Social exclusion' is another term strongly related to inequality and again encompasses more than just a narrow focus on income.

Defining social exclusion

'Social exclusion is a shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown.' (Social Exclusion Unit 1997)

Social exclusion is one of three often-used measures of poverty. Social exclusion can be understood in a number of ways and has three domains (Levitas et al. 2007: 117), as follows:

- 1 **Resources** – material and economic, access to services (both public and private) and social resources
- 2 **Participation** – economic (i.e. usually via work), social, education and political participation (i.e. voting)
- 3 **Quality of life** – health and well-being, the environment in which you live and crime levels in the area in which you live.

Levitas (2006) argued that non-participation in activities such as voting, employment and education are closely linked to poverty and a lack of resources. The measurement of social exclusion is carried out using a range of quantitative indicators. Given that there are many dimensions to social exclusion, different surveys will use different indicators, but the use of a broad range of indicators again serves to demonstrate the range of ways that inequality permeates all aspects of social life. The following example shows the many indicators that can be used to measure social exclusion.

Measuring social exclusion – a Scottish example

The initial set of indicators used to measure social exclusion included six dimensions and 16 indicators, outlined as follows:

Dimension 1 – Low incomes

- Indicator 1 – Households below half average income
- Indicator 2 – People dependent on income support
- Indicator 3 – Children entitled to free school meals

Dimension 2 – Access to employment

- Indicator 4 – People of working age not in employment
- Indicator 5 – Long-term unemployment
- Indicator 6 – Full-time employees on low pay

Dimension 3 – Housing quality and availability

- Indicator 7 – Overcrowding
- Indicator 8 – Homelessness

Dimension 4 – Education

- Indicator 9 – Unauthorised absence from school
- Indicator 10 – School leavers' qualifications
- Indicator 11 – Working-age people with no qualifications

Dimension 5 – Health and fertility

- Indicator 12 – Underage conceptions
- Indicator 13 – Low birth weight babies
- Indicator 14 – Premature deaths

Dimension 6 – Citizenship and community participation

- Indicator 15 – Election turnout
- Indicator 16 – Fear of selected crimes

Source: Scottish Parliament (1999)

Use the internet to explore other measures. For example, see discussions about the development of new measures of social exclusion in Australia:<http://benews.unimelb.edu.au/2011/a-new-measure-of-social-exclusion-in-australia/>

These indicators would not necessarily apply in all contexts and across all countries because of cultural differences and the lack of available information across some of these dimensions. Indeed, there is no point in establishing an indicator if there is a lack of available data to support it. The more complex measures of social exclusion, development and inequality all derive from the study of poverty. Poverty and inequality are unsurprisingly closely related and are both consequently still widely measured across the world.

Poverty remains widespread in many parts of the world, within both high and low income countries. Poverty is also most often measured according to monetary terms. There are absolute measures of poverty and relative measures.

Defining poverty

Absolute poverty refers to a set standard (usually income) that can be used to measure poverty across countries and time. The World Bank (2005) defines absolute poverty as those living on less than \$1.25 per day. There is, however, evidence to suggest that measuring poverty according to poverty lines underestimates the actual extent of poverty (United Nations 2009).

In comparison, relative poverty is a standard that is used within countries and it is about a minimum standard that no one should fall beneath. Relative poverty is again usually represented by a figure.

Defining poverty is highly contested and judgements about need are difficult to separate from political opinion (Lister 2004) and subjective views, as Learning Task 1.1 demonstrated. Politicians often focus on work as the solution to both poverty and inequality. While there is little doubt that the absence of paid work is an important cause of poverty and social exclusion, there will always remain work that is low paid and individuals who are unable to work, resulting in the continued existence of inequality (Joseph Rowntree Foundation 2000). Chapter 9 provides an in-depth discussion of the range of solutions that can be considered to deal with inequality and poverty.

All of these measures are valid ways in which to define and measure poverty, but these have again been criticised for simply examining income when poverty is in fact much broader, as Sen (1999) indicates. Dorling (2009) similarly conceptualises inequality simply as injustice and outlines a variety of different types of inequality that are broader than income inequalities but are still strongly related to them. For instance, children who are labelled as delinquents, adults who are in debt and unable to manage financially, and households without a car in countries where car use is the norm, are all examples of contemporary experiences of inequality. He also discusses the socially excluded, including those suffering from mental illness and those politically inactive and unable to vote. Similarly, Bauman (2011) argues that income inequality is a conceptualisation that is too narrow because social inequality encompasses poverty, vulnerability, danger and the denial of dignity. In addition, social inequality has to be understood as encompassing the factors that include and, more particularly, exclude people from information, especially within a global world context that is increasingly information-driven.

Clearly, measuring inequality is complex and academics working in this area also debate the best way to represent inequality, with all current measures receiving criticism. Not everyone believes that measuring income is the most appropriate way to show global inequality. Other ways in which differences across the world can be shown have already been discussed and can also include the measurement of consumption or expenditure. Again, there are complexities here and methodological challenges (Milanovic 2006). Given these complexities, how do you think that you would measure social inequality?

Learning Task 1.2 – measuring social inequality

- 1 Revisit the measures of social inequality described in this chapter.
- 2 List all of the aspects of social inequality that you can think of (e.g. income inequality, poverty, other related deprivations such as food poverty, fuel poverty, social exclusion etc.)
- 3 For each of the areas that you have listed try to think about the questions you would ask on a questionnaire in an attempt to measure these different aspects of social inequality. If you were designing a questionnaire, what sections would you include?
- 4 Now use the internet to look at how other surveys measure aspects of social inequality. For example, the British Household Panel Survey has several questions that relate to living in Britain that you could use and adapt in your survey. See www.iser.essex.ac.uk/bhps/documentation/pdf_versions/survey_docs/ for the questions used in the survey. How does your questionnaire compare?
- 5 What are the strengths and weaknesses of measuring social inequality by using a questionnaire? Will the data that you would like to collect be available in all countries and locations?

The global context of inequality

Despite all of these measurement issues and the ongoing debates within the literature, there is a general agreement that global inequality exists and that there are groups across the world who hold more wealth than others, and groups who live in poverty. There are numerous statistics that demonstrate vast income inequalities across the world:

- A 2005 United Nations report describes 2.8 billion people living on less than \$2 per day (United Nations 2005).
- In 2007, 1.2 billion people were living on less than \$1.25 per day (Ortiz and Cummins 2011).
- The richest one-fifth of the global population consumes 86% of the world's goods and services (United Nations Development Programme 1998).
- The wealthiest 61 million individuals who make up just 1% of the global population had the same amount of income as the poorest 3.5 billion (or 56%) in 2007 (Ortiz and Cummins 2011).
- The 25 richest Americans have a combined income that almost matches the combined income of 2 billion of the world's poor (Sernau 2011).
- 20% of the world enjoys more than 70% of global income (Ortiz and Cummins 2011).
- It will take more than 800 years for the bottom billion to achieve 10% of global income if current levels of progress continue (Ortiz and Cummins 2011).

Inequality between people within the world is clearly demonstrable and is shown in various data sets. Therefore, there is an agreement among experts that global inequality is vast. The direction in which inequality is travelling is, however, much disputed (Milanovic 2006). Some argue that global inequality has been on the rise in recent decades both nationally, with more than 80% of the world's population living in countries in which income differentials are increasing (United Nations 2007), and internationally. These increases are not across all high-income countries (Wilkinson and Pickett 2009) and trends within countries are also changing. The current trend is towards rising inequality within countries (Firebaugh 2003). Other data shows that living standards are rising in some countries and poverty is declining too (United Nations 2009). Measurement problems abound, assumptions can be made when calculations are being done (Milanovic 2006) and the inclusion of some countries within the measurement of overall global trends also serves to skew and distort the larger picture (United Nations 2009a).

United Nations (2013) figures still depict large disparities and thus inequality between many countries, according to a variety of metrics. Table 1.1 demonstrates some of these contemporary inequalities.

Ortiz and Cummins (2011) examine global income inequality according to gross domestic product in US dollars, comparing the poorest and richest countries to demonstrate the severity of current global inequality (illustrated using selected examples in Table 1.2).

There are many complexities here because a country can be ranked high on one measure but then perform less well according to other categorisations. Indeed, measuring according to different exchange rates or by using the inter-country model will provide a different picture. But do not get confused by the tables and figures; you can see from simply comparing them that there are huge differences in terms of income, development and education levels across the world. Similarly, figures that show the number of people living on less than \$1.25 per day across the globe are a further demonstration of the level of inequality experienced today, as Table 1.3 shows.

Table 1.1 Global comparisons in income and inequality measures (2012 data)

Country	Values in the Human Development Index	Education levels (measured by school enrolment ratio)	GNI per capita, 2005 PPP \$
Australia	0.938	129.0	34,340
United Kingdom	0.875	93.0	32,538
Japan	0.912	85.9	32,545
Pakistan	0.515	40.0	2,566
Kenya	0.519	60.0	1,541
Ethiopia	0.396	36.0	1,107

Source: United Nations Development Programme (2013)

Table 1.2 Poorest and richest in the world in 2007, measured according to GDP (US dollars)

Poorest country	GDP per capita	Richest country	GDP per capita
Liberia	47	USA	96,946
Niger	50	Singapore	76,189
Guinea-Bissau	51	Norway	70,184
Malawi	52	UK	58,408
Central African Republic	60	Denmark	56,421

Source: Adapted from Ortiz and Cummins (2011)

Table 1.3 shows those with the highest levels of poverty at the top, according to 2005 measures, and then moves to those with lower levels. The table also shows some interesting trends by comparing the measures at two different points in time, demonstrating that progress has been made in some countries, with poverty rates declining, but in others rates have actually increased significantly. Again, this reflects the complexity of contemporary patterns of inequality.

There is an array of evidence cited in the contemporary literature that clearly shows social inequality across a range of countries, both high and low income, showing that the poor are present in all societies. Indeed, it is easy to present data which shows the extremes of poverty compared to high income levels, and while this is useful for illustrating large global differentials, it can mask the complexity of the overall picture.

Table 1.3 Proportion of the population living on less than \$1.25 per day in 2005 in selected countries

Country	1990	2005
Liberia	83.2	86.1
United Republic of Tanzania	70.3	82.4
Burundi	84.5	81.3
Haiti	56.8	58.0
Cambodia	77.3	40.2
Uzbekistan	4.9	38.8
Papua New Guinea	43.0	29.7
Pakistan	58.5	22.6
Philippines	29.7	22.6
Honduras	43.5	22.2
Kyrgyzstan	4.8	21.8
Bolivia	4.0	19.6
Djibouti	1.8	18.6
Yemen	4.9	17.5

Source: World Bank, Development Research Group (2009)

Wilkinson and Pickett (2009) argue that inequality within nations can be shown to exist across the entire social gradient of many societies. Despite any similarities within the data, it is important to realise that countries are not uniform and should not be characterised as such; social inequality manifests itself in different ways within and between countries. Many countries have managed to develop at a great speed and so in part begin to address some social inequalities. However, there are still several countries that are falling behind, with countries stuck at the bottom of the development ladder facing a variety of traps that keep them in poverty (Collier 2008).

There is indeed powerful evidence that illustrates contemporary global economic inequality and overwhelming figures that can be quoted. Many commentators suggest that globalisation has exacerbated the problem (see Chapter 6 for further discussion of the relationship between globalisation and inequality). Despite this wealth of evidence about the existence of inequality, the solutions to inequality are hotly debated (see Chapter 9) and reading statistics does not allow us to understand its nature or impact. 'In particular, it does not show how ordinary people struggle to get by, or in some cases fail to get by, on limited means' (Held and Kaya 2007: 1). Living in extreme poverty is often accompanied by having unsatisfied material needs, being undernourished and facing a sense of powerlessness (United Nations 2009).

Patterns of contemporary inequality

The 2010 Human Development Report (*The Wealth of Nations*, United Nations Development Programme 2010) states that there is little evidence of progress in protecting vulnerable people against 'shocks' such as the 2008 economic crisis or in making the world more sustainable, indicating that inequality is still a significant problem within the world today. Inequality is also on the rise according to many analyses both nationally and internationally, with more than 80% of the population of the world living in countries where income differentials are widening (United Nations 2009). Within countries, inequality is increasing and for each country that has seen an improvement in recent decades, there are at least two in which the situation has worsened (United Nations 2009). Furthermore, according to many indicators, progress has been made since the 1980s but this has been slower than expected and, given the global financial crisis currently being experienced, inequality is likely to increase.

The most recent economic crisis has resulted in large price increases for both energy and food, with the Food and Agriculture Organisation (FAO) (2009) estimating that as a result another 115 million people were experiencing chronic hunger in 2007 and 2008, particularly in Africa. The World Bank (2009a) published figures estimating that the food and energy price rises had increased the global headcount of those in poverty by 155 million. Prices have declined since 2008 but still remain high. So there have been large price rises, with the cost of living increasing hugely, combined with a drop in per capita income growth (United Nations 2009). As a consequence of this, poverty reduction will be slowed and the impact of this will be experienced specifically within already poor areas such as Latin America and Africa. Given the

difficulties already highlighted in measuring income inequality and poverty, current projections are likely to underestimate the true impact of the financial crisis on poverty levels (United Nations 2009). The projections, even as underestimates, make for foreboding reading, as a result of the most recent global economic crisis:

- Up to 100 million more people will remain poor or fall into poverty
- In East and South Asia between 56 and 80 million people are likely to be affected
- 16 million people in Africa are likely to remain in poverty when they would have moved out of it
- 4 million people in Latin America and the Caribbean are also likely to be unable to escape poverty (United Nations 2009).

Similarly, there has been a rise in inequality within OECD countries (the Organisation for Economic Co-operation and Development), which are higher income countries. Thus in a typical OECD country, the income of the richest 10% was almost nine times more than that of the poorest 10% (Chapple et al. 2009). Indeed, Britain has high levels of inequality despite it being a high-income country. A recent report by Hills et al. (2010: 1) presents an anatomy of economic equality across the UK and starts by stating that:

Britain is an unequal country, more so than many other industrial countries and more so than a generation ago. This manifests itself in many ways – most obviously in the gap between those who are well off and those who are less well-off.

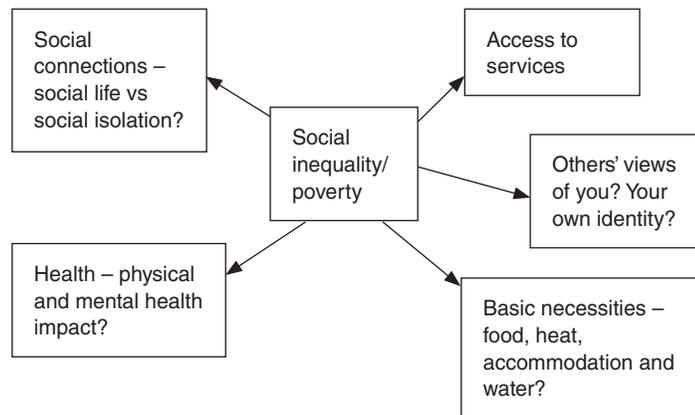
The report considers several aspects of inequality, not just income differentials. Thus, it examines educational outcomes, employment statuses, levels of earnings and wealth as well as individual incomes to demonstrate that inequalities are complex and represented in different ways. There is a wealth of data considered within the report and some interesting evidence summaries that show that both earnings and income inequality within any sub-groups of the population was greater in 2006–07 than it was in 1968. Thus, inequality within the UK is increasing when incomes and earnings are measured. This confirms an earlier report by Lawler and Nicholls (2008), who argue that despite much economic growth in the UK, for the 15 years prior to the publication of their report, inequality had widened and pockets of severe deprivation had continued to develop. They argue that economic growth has not resulted in reductions in inequality because the benefits that come with such growth are not equally shared across the whole of society. Their review of evidence suggests that benefit claimants are heavily concentrated in deprived areas, demonstrating that place, poverty and disadvantage are related. These issues are discussed in more depth in Chapter 2.

Given these analyses of inequality within the UK, it can be argued that just because a country has a high income in comparison to its global counterparts, does not mean that those who live within it do not experience social inequality or poverty. Reading these figures is depressing without even considering the impacts on the lives of the people in poverty and their experiences. Now complete Learning Task 1.3, which will help you to reflect on the experience of inequality.

Learning Task 1.3 – the experience of inequality

Think about your life and all of the things that you take for granted, such as where you live, what you choose to eat, access to water, heat, basic necessities and all of the other things that you do without thinking – for example, travelling, eating out, socialising, etc. Now imagine experiencing social inequality, living in poverty and not having money. How would this impact on the lifestyle that you currently have?

- 1 Draw a spider's web of causation, as shown in Figure 1.1, and list all of the ways in which you can think the experience of living with social inequality would impact on your life.



A spider's web of causation is similar to a mind map.

Figure 1.1 Spider's web of causation

Source: Adapted from Bhopal (2008)

- 2 Did you think about social exclusion, educational impacts, child poverty and fuel poverty? There are many dimensions to social inequality which result from poverty and income inequality.
- 3 Finally, consider the fairness of such a situation. If you were in such a position, would you consider it fair, given the structure of society, the level of wealth held by the minority and the powerless that is faced by many?

This Learning Task helps you to think about how the experience of inequality would affect your life as it currently stands but is no substitute for the actual situation itself, in which people struggle to survive on a daily basis and live in very difficult circumstances. Your needs and expectations may also be different if you lived in a different place in the world.

Subjective inequality

Completing the above Learning Task should have helped you to think about the experience of inequality. The experience of inequality is subjective and relational because it involves comparisons to others, for example in terms of income, education levels, health outcomes, political participation and consumption patterns, to name just a few criteria. It can be assumed that individuals compare themselves to their reference group and that this determines, in part, their well-being; therefore the same holds true for perceptions of inequality. For people to establish their own social position, they do compare themselves to others, such as those who live close by geographically like neighbours and friends (Runciman 1966). People also compare themselves to earlier generations, such as parents and grandparents. Most people have better-off lives than previous generations because of overall changes in living standards and consumption patterns. However, there is very little research about how people subjectively perceive and understand social trajectories (Kelley and Kelley 2009). It has been suggested that social change in affluent societies masks relative inequality because temporal comparisons lead to people feeling that the present is an improvement on the past (Bottero 2011). There may be more room at the top in societal terms but this is overlooked by many people, as are increasing income inequalities within societies, in part because of the comparisons that people make to the past.

Historical inequality

Inequality is nothing new; there are many examples of historical social inequality. For example, empire building in Roman times used slaves, feudal systems of land ownership existed with serfs working the land while kings owned it and ruled the

kingdoms. Historically, then, inequality was related to land ownership but the industrial revolution changed the structure of society and the basis on which wealth was created, as documented by Marx (1906 [1867]). The work of well-known sociologists in the nineteenth century, such as Marx, reflects academics becoming interested in the existence of social inequality and theorising about it.

Karl Marx, a political economist, examined capitalism and wrote about two classes of individuals that made up society. The dominant and powerful social class, the bourgeoisie, were the ruling elite who owned the means of production. So the wealth of the ruling class is based not on land ownership; rather, it is related to production. Those in the lower social group were labelled as the proletariat, the subservient poorer individuals who work and produce by selling their labour. For Marx, this new structure of inequality within society brought many social problems, such as the increasing drive for profit, called the constant crisis of profit, the accumulation of wealth and the alienation of workers who are simply part of a machine of mass production. Marx hoped for the development of class consciousness, whereby those in the lower social class realise the need for a solution to their situation and therefore revolt. However, the revolution desired by Marx has never occurred. This analysis is called a conflict perspective.

Despite the obvious flaws with applying this theory to contemporary western society, in that it does not account for the development of the middle classes and a revolution has never occurred in the way that Marx envisaged, it offers useful insights. The financial power of corporations is indeed huge, with some companies earning more than some countries. Those at the top of the social spectrum are still those who have the most financial capital and social divisions remain evidently related to power across the world. The rich do maintain positions of power. For example, Owen (2010) showed that within the UK Coalition government elected in 2010, of the 29 ministers entitled to attend Cabinet meetings, 23 have assets and investments estimated to be worth more than £1 million. This has led to criticisms of the government and arguments that politics remains dominated by those who are wealthy.

Given the insights that historical sociological theory can provide, other sociologists have continued to develop the work of Marx and produce further conflict perspectives. For example, Max Weber (1946, 1978) drew heavily on the political economy perspective to produce an analysis which depicts an individual's societal position as dependent on their life chances in the market place. Weber also focused more on analysing power, concluding that prestige and status are as important in creating social hierarchy. He viewed social position as being less rigid than Marx and saw social mobility as a process by which individuals could move up the social scale. The idea of social mobility remains contemporaneous, as is often discussed within current policy approaches to inequalities. Some commentators and politicians suggest that social mobility is possible and that people simply find their natural place within the social order. However, there is less social mobility in more unequal societies, suggesting that the idea that those who are more talented are better rewarded is simply an ideology (Wilkinson 2011). Thus, sociologists have continued

to study social class within contemporary debates, focusing on the changing structure of class within societies. Chapter 3 provides a more detailed analysis of how social class and inequalities remain interrelated.

Since then many sociologists have documented and many have explored social inequalities and there is a huge literature about social divisions, focusing not only on class, but on gender relations, race and ethnicity, power, politics and the state, education, work, health and illness, and crime. For example, female sociologists began to write about gender inequality in a number of areas, such as women who live in a man-made world (Gilman 1911), women re-negotiating the world of paid and unpaid work due to changing gender roles (Smith 1987), as well as women experiencing gendered power imbalances (Smith 1990). Feminist literature also describes women doing emotional labour and dealing with its impact (Hochschild 1983). In addition, feminists have explored the objectification of women and have developed standpoint feminist theory, examining the experience of black women, lesbian women and working class women too. Race and racism have also received much attention, with sociologists arguing that they still exist within contemporary society but that their meanings have changed (Gilroy 1987). Other theorists have examined educational inequality, using concepts such as the possession of 'capital', which can be economic, cultural and social (Bourdieu 1984). These issues are all explored in more depth in later chapters.

Indeed, social inequality has also been historically recognised as a social problem warranting political attention, for example in the UK. Whether inequality is recognised as a social problem by politicians depends on their ideological viewpoint and is context-dependent too. For example, in post-war Britain, there was a political mandate to reward everyone for their efforts during the war and to recognise the deprivations and hardships that had been experienced, which resulted in policy developments to tackle a range of inequalities. Beveridge (1942), in his now seminal report, highlighted post-war social and economic inequality within the UK, describing the five 'giants' of want, idleness, squalor, ignorance and disease. Beveridge was a liberal thinker and his report led to the development of the UK welfare system which aimed to tackle the following problems:

- Want – people did not have sufficient income
- Idleness – there was unemployment because there were not enough jobs
- Squalor – poverty and poor housing conditions
- Ignorance – gaps in educational provision
- Disease – poor health was made worse by a lack of affordable and accessible medical care.

Despite the establishment of the UK welfare system, inequality persists and there is debate about the extent to which social policy can act as a mechanism through which to tackle such inequality. Chapter 7 explores the relationship between global social policy and inequality, addressing the question of whether it facilitates inequality or actually addresses it. Chapter 8 also explores social policy as a potential

solution to inequality. In relation to more recent historical inequality, the evidence is that it is increasing. Milanovic (2009) shows that from 1820 to 2002 income inequality steadily rose and it seems very likely that, given the current global economic crisis, such inequalities are increasing. Given all of this evidence about inequality, why is it so important and of such concern?

Why does inequality matter?

1. Inequality results in health and social problems

Wilkinson and Pickett (2009) argue that within all societies both health and social problems are strongly associated with income. So ill health and social problems such as crime and violence are more common in the less economically well-off groups within all societies. Furthermore, the overall burden of these problems is much higher in the most unequal societies. The issue for Wilkinson and Pickett (2009) is that what matters is not poor material conditions *per se*, but the scale of differences between people within societies. Thus social gradients and the scale of inequality matter. Societies that are more equal generally do better, demonstrating that inequality matters. For Wilkinson (2011), social inequality is divisive and socially corrosive.

In addition, the problems associated with inequality are huge, with those in the lowest positions being the most detrimentally affected. Differential health outcomes are strongly correlated with inequality. The relationship between income and health is complex but, generally, individuals living in high-income countries tend to experience both better health and life chances when compared to those in lower income countries, as demonstrated by differential life expectancies in Table 1.4.

The evidence that poverty and inequality are associated with ill health is now overwhelming. In 2001, access to clean drinking water could have prevented the deaths of 2 million people – they simply needed access to uncontaminated food and clean drinking water (Kindhauser 2003). Put simply, within all societies death rates are typically highest among the poorest.

The mechanisms through which inequality affects health are still debated. For example, the psychosocial environmental interpretation explains that income affects

Table 1.4 Comparison of life expectancy across different countries

Approximate life expectancy (years)

Afghanistan – 42.6

Iceland – 80.1

Zimbabwe – 37.9

UK – 78.2

Source: <http://www.worldlifeexpectancy.com/>

health via the perceptions of place in the social hierarchy. These perceptions result in negative emotions which lead to poorer health outcomes. Marmot (2004) argues that autonomy, a sense of control over your life, and social connectedness are the greatest influences on health and both are related to social position. Comparatively, the neo-material interpretation suggests that health inequalities are the result of differential access to material resources within the social world (Lynch et al. 2008). These are all interesting debates but do not let them obscure the key message that social inequality results in health inequality.

The relationship between health and income is again complex. Wilkinson (1996) has demonstrated the importance of relative income in relation to health within societies. For example, although gross domestic product (GDP) is similar in Sweden and Britain, the poorest groups in Sweden can still expect to live longer than the poorest groups in Britain (Kunst et al. 1998). Wilkinson and Pickett (2009) also demonstrate how health outcomes fail to rise rapidly in countries when income reaches a certain point, showing that economic growth is not simply beneficial for health *per se*. Achieving good health in a low-income country can be made very difficult by poor sanitation, polluted water, lack of education, poor health care and a much higher risk of exposure to infectious diseases. The World Health Organization (WHO) has stated that extreme poverty is the most serious cause of disease. Indeed, 70% of deaths in low-income countries are attributable to five causes that can be easily and cheaply combated: pneumonia, diarrhoea, malaria, measles and malnutrition (WHO 1995). This is the true tragedy of inequality: that many preventable diseases lead to high death rates in poorer countries, and that 4,500 children die every day unnecessarily from avoidable diseases (WHO 2007).

Those who experience the worst inequality often find that their basic needs are not met. For example, they may lack access to water, shelter, clothing, sanitation and access to basic health care and education. Spending on health care is incredibly unevenly distributed across the world, with the poorest countries spending the equivalent of \$11 per year per person, compared to an average US spend of \$2,000 (WHO 2000). The 30 highest income nations account for 90% of the world's total health expenditure (WHO 2007). In addition, the very poor are also socially excluded, lack social and political rights and, most importantly, lack power (Pogge 2007).

2. Inequality generates political instability

Inequality is strongly associated with political instability. Ortiz and Cummins (2011) argue that unequal societies are much more prone to destabilisation, politically motivated violence and terrorism because conflict originates from social grievances and perceptions of inequality among groups. Inequality affects individual lives, results in more poverty and simply slows progress. This leaves more people feeling dissatisfied with their economic position and creates a society in which political consensus is hard to achieve. Justino (2004) analysed political conflict and rioting in India between 1973 and 2000. She concluded that redistributive policies are effective in

diffusing conflicts which stemmed from the discontent experienced by those who were faced with persistent poverty and inequality. Therefore, societies need to be more equal in order to be more stable. Similarly, Alesina and Perotti (1996: 1225), after analysing 71 countries, conclude that 'income inequality increases socio-political instability which in turn decreases investment'.

Political instability also means that countries are less likely to secure investment and therefore development is often compromised and undermined. To achieve a favourable investment climate, political stability is highly important because investors do not want to face political changes that may result in economic changes, for example higher taxation rates. Countries that experience political instability often experience a vicious circle of low investment, then low or even negative growth, further poverty and social conflicts, and therefore further political instability (Soubbotina 2004). Given this, political instability is detrimental to the reduction of poverty levels, as has been seen in many African countries (Collier 2008).

3. Inequality impacts on the most vulnerable

In societies where there are high levels of income inequalities, more social inequalities exist. This is clear. Furthermore, these social inequalities are more likely to affect the most vulnerable members of society, such as children, the most. A UNICEF report (2011) analysing social inequalities demonstrated many negative outcomes for children living in lower income countries, as follows:

- They are less likely to attend primary school
- They are nearly twice as likely not to receive certain vaccinations, such as the measles immunisation
- They are twice as likely to die before they reach the age of 5
- They are significantly less likely to have access to clean drinking water
- Young girls are also three times more likely to be married before the age of 18.

Poverty is responsible for the deaths of 25,000 children each day. Indeed, the individuals who are socially excluded are powerless in being able to improve their situation because societal divisions reduce the possibility of accessing economic or political opportunities (United Nations 2009). As a result, many commentators argue that global inequality is an ethical issue (Singer 2002) and that governments should be charged with a moral imperative to tackle it. However, policy is not always an effective mechanism, as Chapters 7 and 8 discuss.

4. Inequality slows economic growth

Countries that have lower incomes and high levels of inequality tend to grow more slowly in economic terms (Ortiz and Cummins 2011). Economic growth is seen as necessary in neo-liberal theory in order to reduce inequalities. Neo-liberal approaches

to economic policy, such as the promotion of free trade, deregulation, the removal of subsidies and often the privatisation of services, are seen to lead to economic growth, development and therefore poverty reduction. So, in theory, increasing wealth is seen to decrease poverty via a trickle-down effect. There is, however, contradictory evidence in relation to this theory, with some arguing that economic growth does not automatically result in reduced levels of inequality; rather 'it is a major factor in enriching the rich and further impoverishing the poor' (Bauman 2011: 50).

A study by the World Bank (2002) of countries developing between 1977 and 1997 showed that those who experienced economic growth did not demonstrate any significant changes in terms of income inequality. The World Bank (2005: 135) has also stated that 'the distributive effects of trade liberalisation are diverse and not always pro-poor'. Ortiz and Cummins (2011: 11) conducted a rapid review of global inequality and concluded that, given the clear levels of extreme inequality that exist in the world today, we need to question the current development model and ask 'development for whom?' Therefore, the current development model that is based on enhancing economic growth remains under critical scrutiny for some theorists. So while inequality may slow economic growth and therefore be seen as negative by economists, economic growth itself is unlikely to result in poverty reduction (see Chapters 7 and 8).

5. Inequality affects subjective well-being

Another important consideration is the question of whether inequality makes people unhappy – does inequality affect subjective well-being? The evidence is complex but interesting. For example, poor people gain more in subjective well-being from a dollar of extra income than rich people, but subjective well-being is also affected by a fall in income. What actually matters for subjective well-being are comparisons in income, with the general lesson being that comparing incomes can have a negative impact on well-being (i.e. if you earn less than your colleagues) but it may increase satisfaction when there are prospects for mobility (Chapple et al. 2009). Indeed, when income levels reach a certain point, well-being does not improve, even when income levels rise. Therefore, having more money does not result in greater happiness.

So overall, inequality clearly matters: it is divisive and socially corrosive (Wilkinson 2011) and has many negative effects. It is, however, still growing, particularly within nations, begging the question 'why does it persist?'

Why does inequality persist?

Dorling (2009) argues that there are many widespread beliefs that perpetuate inequality because there are enough resources for everyone; it is simply their distribution and associated control that is the real problem. He goes on to outline the key beliefs (the

five new evils that have replaced Beveridge's original evils) that he says are responsible for the persistence of inequality within contemporary society. These are:

- **Elitism is efficient** – the best succeed, while those who are limited do not. This ignores equality of opportunity and the benefits associated with privilege.
- **Exclusion is necessary** – those who occupy elite social positions argue that exclusion is necessary as part of achievement and success.
- **Prejudice is natural** – it is directed at those in the lowest social orders.
- **Greed is good** – this is because greed drives economic growth via purchasing and the demand for new goods, thus greed is the essence of successful capitalism. Mass car ownership is cited by Dorling (2009) as an example of such greed as it results in congestion, pollution and further selfishness.
- **Despair is inevitable** – this is seen in increased diagnoses of mental illness and happiness levels not being correlated with economic development, yet the demand for economic growth persists and is cited as the solution within political circles.

The central point that Dorling makes is that inequality continues because the dominant global ideology justifies it by locating the blame at the level of the individual and focusing attention away from those in the most powerful and richest positions. He is certainly not the only commentator to make this suggestion. Wade (2007) argues that income inequalities are assumed to be because of differences in effort and talent, or just luck, and so there is no moral need to have a more equal society. This has led many writers to suggest that it is more revealing to look at wealth and who holds it rather than examining poverty.

These debates are part of a broad academic discourse that explores how we account for global disparities, who we blame for poverty and what (if anything) should be done about inequality. Now complete the following Learning Task which explores the labelling of groups within the UK. Completing this Learning Task will also help you to reflect on Dorling's view that prejudice is constructed as natural.

Learning Task 1.4 – labelling those in powerless positions

- 1 Read the following extract from the BBC News website, published on Thursday 30 June 2005 (Wheeler 2005).

Leave chavs alone, say MPs

By Brian Wheeler

BBC News politics reporter

They are rapidly becoming the most vilified group in British society.

Lampooned by comedians, attacked by social commentators, portrayed by the media as loud, vulgar and abusive, and increasingly seen as a drain on the public finances.

Is there anyone out there who will take up the cudgels on behalf of that other much maligned social subset – the chav?

Since the word crossed over into the mainstream last year, after first appearing on satirical websites, chav has become a catch-all term for a flash or showy working class person.

Everyone from millionaire footballer Wayne Rooney and his girlfriend Coleen to the shoplifting single mother character Vicky Pollard, from BBC One's *Little Britain*, has been labelled a chav.

The Sun newspaper ran a 'proud to be chav' campaign.

'Underclass'

The word has even entered the dictionary, defined as 'a young working class person who dresses in casual sports clothing'.

But one chav-baiting website sums it up more succinctly as Britain's 'new peasant underclass'.

Michael Collins, author of *The Likes of Us*, a biography of the white working classes, says there is nothing new about the middle classes sneering at working class people who are a 'bit affluent' or showy.

But the difference with the chav phenomenon, he adds, is that much of the vitriol has come from people 'who consider themselves progressive'. 'It has become quite a jokey thing. But the white working class are the last acceptable group to demonise,' he says.

Liverpool MP Louise Ellman sees parallels with the way Liverpoolian youths were labelled 'scallies' in the 1980s.

'I think it is all too easy to label other groups with ugly-sounding words. I think it is negative and not very helpful,' she says.

- 2 Make a list of all of the negative labels that you can think of that are used to describe working-class people in the UK – there are many, including 'chav', as used in the article above.
- 3 Think about your own perspective. Do you use any of these words? Have you ever thought about why these words are so frequently used? Take time to think about the negative labelling of working-class groups in the UK, what purpose does it serve in your opinion?

What other labels can you think of that are negative? Labels do not just relate to class, they relate to gender, ethnicity and those who are disabled too.

Social inequality and poverty have received much attention from academics, the media, charities and global policy actors, with discussions always ongoing. However, there has been much less attention paid towards the wealthy, and while questions of deservingness are often asked about the poor, they are not applied to the rich in the same way (Rowlingson and Conner 2011). Put simply, poverty and social inequality are seen as significant social problems whereas wealth is not (Orton and Rowlingson 2007b). Indeed, several commentators argue that people do not make judgements about the rich in the same way that they do about the poor, and this is in effect part of the problem of the persistence of social inequality. George (2010: 70) argues that 'the economy, in our case the one that results from the preferences of those who are the richest and most powerful, decides how society will function.' She argues that it is the powerful and rich who ultimately create poverty and inequality.

There is stigma associated with social position in the UK, as defined by class. Stigma is also strongly associated with poverty across the world. Groups of people who experience poverty are often subject to 'othering' in that they are socially distanced from societal norms (Robertson 2011) and seen as being beyond normal hard-working people (Lister 2004). Those in poverty are often seen as a problem and are blamed for their poverty, resulting in stereotypes which do not represent the complex dynamics and experiences that are engendered by positions of poverty within contemporary society (Robertson 2011). This viewpoint has a purpose for those in powerful and rich positions in maintaining the status quo. It is a key belief that underpins neo-liberal ideology. Many commentators focus on neo-liberal ideology that underpins contemporary economics, arguing that it is this philosophy that results in the continued existence of social inequality.

Neo-liberalism is a school of thought that Giddens (2009: 1126) defines as 'the economic belief that free market forces, achieved by minimising government restrictions on business, provide the only route to economic growth'. The underlying assumption here is that free markets are positive and lead to economic development, which is also seen as good. Who holds power and manipulates the market is often overlooked within political circles, as are the consequences of neo-liberal policies which for many are the exacerbation of poverty (Stiglitz 2006).

There has been little research on public attitudes to economic inequality. Orton and Rowlingson (2007a) explored UK attitudes and found that the majority of people (73% in 2004) considered the gap between the rich and the poor as too large. People also thought that those on higher incomes were much overpaid. Interestingly, the values that people hold about luck and effort in determining individual success affects their attitudes. There were also complex opinions about redistributing wealth, so while people may recognise inequality as a problem, opinion, at least in the UK, is not clear in terms of how people believe it should be tackled. This remains the case globally, with academics debating the solutions and politicians on occasion ignoring the issue or offering different approaches (see Chapter 9 for further discussion about the solutions to social inequality).

Case Study: The silencing of inequality within policy circles?

Given the vast amount of research discussed in this chapter already, and the undeniable existence of social inequalities, what action is being delivered to try to tackle the issue? Chapters 7, 8 and 9 explore various aspects of policy and potential solutions to social inequality but a significant problem remains in that policy makers in many countries do not take action in relation to inequalities. Power can operate by excluding some ideas within the realm of political action (Bachrach and Baratz 1962; Lukes 1974). Smith (2007) argues that the work of Wilkinson is known in some political circles but it has been discussed in ways that reduce the importance of inequality. Stevens (2011) argues that Wilkinson's work has informed individuals who play a significant part in policy making, although, despite recognition of the harmful effects associated with inequality, there has been no significant action taken. Kingdon (1995) recognises the exclusion of information from policy streams, and Stevens (2011) argues that this is what has happened within UK policy circles. Policy programmes are not intended to address the causes of inequalities (Wilkinson and Pickett 2009). Stevens (2011: 252) concludes that, in telling policy stories and using evidence, UK civil servants '...were not encouraged to select evidence which challenged the status quo for use in telling these policy stories. These stories therefore ultimately supported the consolidation of power in the hands of the people who already hold it.' Problems with policy approaches used to tackle inequalities are not solely limited to the UK, as Chapter 7 discusses.

Summary of key points

- Defining and measuring social inequality is complex. Social inequality can be described and measured in a variety of ways but, despite debates about the approach used, there is a large evidence base demonstrating the existence of social inequality.
- Patterns of global social inequality are changing but the picture is complex, with some countries making progress and others falling further behind.
- Social inequality results in many negative outcomes, both at the level of the individuals experiencing the inequality but also at the level of society. Therefore inequality is bad *per se* for countries.

List of questions to stimulate debate and reflection

- 1 Think about the approaches to the measurement of social inequality discussed within this chapter. Which one do you feel is the most realistic in interpreting inequalities? Which measure or combined measures would you use if you were tasked with the job of measuring contemporary global inequality?

- 2 Think about your own subjective view of inequality. Who do you compare yourself to and how does this inform your thinking about your societal position? Consider the ways in which your own subjective construction of societal position influences your view about other people and their position.
- 3 Pay attention to the media, watch the news, read newspapers and look at newspaper articles online. When there are stories that touch on social inequalities, how are these discussed?

Further reading



Held, David and Kaya, Ayse (eds) (2007) *Global Inequality*. Cambridge: Cambridge University Press.

This book contains chapters from many of the key names in the field of inequality. The book is a comprehensive overview, discussing the conceptualisation measurement and analysis of contemporary patterns of global inequality. It touches on social policy and goes on to highlight an intensive debate about whether and to what extent inequality matters.

The UC Atlas of Global Inequality, <http://ucatlas.ucsc.edu/>

This is a fantastic online resource which explores several aspects of inequality using maps and graphics. The Atlas explores debates among academics about whether inequality is rising or falling. It also focuses on inequality beyond income measures. It contains really useful sections on health, gender and economic crises. There is a student friendly glossary, providing an explanation of the issues and terms, which is directly linked to the reported research.

Wilkinson, Richard and Pickett, Kate (2009) *The Spirit Level: Why Equal Societies Almost Always Do Better*. London: Allen & Unwin.

This is an excellent book compiling information from over 200 sets of data to produce a wealth of evidence that shows that inequality exists and has detrimental effects. The book shows that inequality shortens lives, increases violence and affects relationships between different social groups within society as well as damaging the environment. It contains strong messages about social policy and the political will required to tackle inequality. The writers also have a website which makes for very interesting reading too. See www.equalitytrust.org.uk/