

Child wellbeing and income inequality in rich countries

The wellbeing and behaviour of young people have recently attracted more than the usual negative attention from the media, policy and law. Levels of violence, drunkenness, anti-social behaviour, obesity, self-harm, and teenage pregnancy have rarely been out of the public eye. On almost any measure, child wellbeing decreases with lower social status. But too often people concerned with child wellbeing avoid making a clear distinction between whether the problem is absolute poverty, or relative poverty and inequality. It is a strategy that avoids controversy. Talking about the problems of 'poverty', without specifying whether relative or absolute poverty, allows some to assume that the answer lies in more economic growth and/or targeted poverty alleviation, while others think that only redistribution and a reduction of inequality will make any difference. Kate Pickett and Richard Wilkinson argue that this question has a clear answer that should not be fudged.



Janine Wiedell/Photofusion

Wellbeing and income inequality

The 2007 report on child poverty and wellbeing from Unicef, which assembled 40 indicators of child wellbeing in rich countries, concluded that children in the UK fared worst of all. The index included measures of material wellbeing, health, educational wellbeing, peer and family relationships and 'risk' behaviour. In our book, *The Spirit Level: why more equal societies almost always do better*, we examined how far these national differences in child wellbeing are, or are not, related to three macro-economic measures: material living standards (average income in each society, as measured by gross national income per capita), the scale of social status differentiation (as measured by income inequality), and social exclusion among families with children (as measured by the proportion of children living in relative poverty). Because relative poverty was originally included as one of the 40 components of the Unicef index, we removed it and used the remaining 39 measures to avoid circularity. As well as examining differences between rich developed countries, we also looked at these relationships among the 50 states of the USA to see whether results could be confirmed in an independent setting.

Unicef's overall index of child wellbeing was very closely correlated with both income inequality and the proportion of children in relative poverty, but not at all with average incomes. In more equal countries and countries with fewer children living in relative poverty (defined as less than 50 per cent of the national median income), standards of child wellbeing are very much higher, but – among these rich countries – differences in average incomes seem to make no difference whatsoever.

Contrasting countries

To highlight these findings, consider babies born into two different societies. A baby born in the USA becomes a citizen of one of the richest countries in the world, home to more than half

of the world's billionaires. The USA spends 40–50 per cent of the world's total spending on healthcare, although it has less than 5 per cent of the world's population. Spending on drug treatments and high-tech scanning equipment is particularly high and its medical care is often described as the best in the world.

A baby born in Greece, one of the poorer western democracies, joins a society where average real income (adjusted for prices) is not much more than half as much as in the USA, and medical resources per head are less than half. Yet an infant born in the USA has a life expectancy of 1.2 years less than one in Greece, and a 40 per cent higher risk of dying in its first year of life. Alternatively, take the USA and Norway. Though almost equally rich, their standards of child wellbeing, like their levels of inequality, are almost at opposite ends of the scale. The implication seems to be that material living standards in the developed countries are no longer nearly so important as the scale of the income differences between members of the same society.

Infant mortality and rates of low birth weight are significantly higher in countries with higher levels of income inequality and child relative poverty. Among other components of the Unicef index of child wellbeing, the same is also true of teenage births, overweight children, and the proportion of children who reported having been bullied. Income inequality is also associated with lower educational scores, a lower proportion of young people in further education, and a lower proportion of children who say that their peers are kind.

These findings are mirrored among the 50 states of the USA. States with higher levels of income inequality have significantly higher rates of teenage births, juvenile homicides, infant mortality and low birth weight, overweight children, children with mental health problems, high school drop-out rates and worse educational scores. The only outcomes for which higher average state incomes are associated with better results (among the 50 states, but not internationally) are teenage birth rates and the proportion of children dropping out of high school, but richer states do no better than poorer states on any of the other measures of child wellbeing.

The impact on children

Britain is now one of the more unequal of the developed countries, and the scale of problems faced by children in more unequal societies is

shocking. Taking mental health as an example, it is estimated that a million British children – one in ten between the ages of five and 16 – have some kind of mental illness. It has been suggested that in any secondary school with 1,000 students, 50 will be severely depressed, 100 will be distressed, 10–20 will be suffering from obsessive-compulsive disorder and between five and ten girls will have an eating disorder.

This is backed up by the findings of the Good Childhood Inquiry. After surveying thousands of children, it reports that increasing numbers of children have mental health problems, and over a quarter regularly feel depressed, mostly as a result of family breakdown and peer pressure. In the USA, 6 per cent of children have been diagnosed with Attention Deficit Hyperactivity Disorder, a behavioural syndrome characterised by serious distractibility, impulsivity, and restlessness. In a national survey, almost 10 per cent of children between the ages of three and 17 had moderate or severe difficulties in 'the areas of emotions, concentration, behaviour, or being able to get along with other people'.

So what seems to matter in rich societies is not absolute material living standards, but social position or income relative to others in the same society. But how can we be sure that income inequality causes poor child wellbeing? Could there be other factors detrimental to child wellbeing that also tend to widen income differences? Some people have suggested that ethnic divisions or migration from poorer countries might explain these findings, but researchers have shown that income inequality is significantly related to health even after adjusting for ethnic heterogeneity. Similarly, healthcare expenditure and spending on public services cannot explain these associations. For example, among OECD countries, we found that public social expenditure as a percentage of national income accounted for very little of the relation between income inequality and the Unicef index.

Big differences

One of the remarkable features of the tendency for more unequal societies to perform less well on such a wide range of health and social problems is the scale of the differences between them. As we show in *The Spirit Level*, homicide rates and teenage birth rates may be six times as high in more unequal societies, mental illness three times as common, obesity rates two or three times as high, and the proportion of the population imprisoned many times higher, than

.....
A million British children... have some kind of mental illness

they are in more equal societies. These differences are too large to be explained solely in terms of what happens among the poor. Although these problems are all more common among the poor, the differences are so large because inequality does not just affect the poor. Although the scale of inequality makes most difference to the rates of these problems among the poor, the evidence shows that the level of inequality in a society affects the quality of life of almost everyone, including the better off.

The scale of the national differences in standards of child wellbeing in rich countries is so great that we need to go beyond thinking about causes simply at the individual level. The differences demand that we turn our attention to the structural factors which affect the lives of whole populations of children.

Three hypotheses

If we accept that income inequality and relative poverty are causes of ill health and other problems in children, what are the social processes through which children might be affected? Three hypotheses seem plausible. First, inequality might affect children through the effects of relative poverty on the level of material resources with which they are brought up. Second, it might affect them through its impact on the quality of family life and relationships. Third, children might be aware of increased status differentiation in the wider society and make invidious social comparisons themselves.

Material resources?

There is little evidence to support the first hypothesis. If absolute (as opposed to relative) material standards played a major role, we would have expected average income to be at least weakly related to differences in child wellbeing across countries, but it is completely unrelated. We would also have expected the Unicef index to be related to inequality through its more obviously material components, such as 'educational possessions' (such as a dictionary, books, desk and computer), but it was not.

Of course, a small proportion of the least well-off people, even in the richest countries, sometimes find themselves without enough money for food or other basic necessities. However, surveys of the 12.6 percent of Americans living below the federal poverty line (which is an absolute income level rather than a measure of relative poverty) show that 80 per cent of poor Americans have air conditioning; almost three-quarters of poor families own at least one car or truck and around one-third have a computer, a

dishwasher or a second car. What this means is that, when people find they lack money for essentials such as food, it is usually a reflection of the strength of their desire to live up to the prevailing standards of living in their society. They may, for example, feel it more important to maintain appearances by spending on clothes, while cutting back spending on food. As Adam Smith emphasised, it is important to be able to present oneself in society without the shame and stigma of appearing to be poor.

Family life and relationships?

The second hypothesis fits well with the recognition that early childhood experience and the quality of family relationships are important for cognitive and emotional development as well as for later health. In the UK Millennium Cohort Study, by the age of three years, children from disadvantaged backgrounds were already educationally up to a year behind children from more privileged homes. The provision of a safe, stimulating, caring and responsive early environment is so much harder for parents and caregivers who feel stressed, unsupported and stigmatised by their inferior circumstances.

Income inequality adversely affects the general quality of social relationships in societies. It is associated with lower levels of trust, weaker community life and higher levels of violence. It is also linked to poor adult health, both physical and mental, and to more substance use. So it is not a great leap to imagine how life in a more hierarchical, mistrustful society might affect intimate, domestic relationships and family life. Domestic conflict and violence, parental mental illness, poverty of time and resources, will all combine to affect child development. Indeed, economists have shown that in the USA, counties that had the largest increases in income inequality were the same counties that experienced the largest rises in divorce rates. Children in families with low relative incomes experience more family conflict and disruption and are more likely to witness or experience violence, as well as to be living in more crowded, noisy and sub-standard housing.

The way parents behave in response to relative poverty, of course, affects their children. Although there is evidence that some families are more resilient to such problems, others react with more punitive and unresponsive parenting – even to the extent of becoming neglectful or abusive. And, importantly, difficulties in family relationships and parenting are not confined to the relatively poor. In more unequal societies the stresses and strains of status

.....
It is important to present oneself in society without the shame and stigma of appearing poor

competition and anxiety related to social status extend further up the social hierarchy.

Children's perceptions?

What about the third hypothesis? Could children be sufficiently aware of differences in status to make it plausible? Research has found that children are fully conscious of class differences before the end of primary school: they can rank occupations hierarchically and are able to categorise people socially by outward indicators such as clothing, houses, and cars.

There is also evidence to show how children's cognitive performance can be directly affected by status differences. For example, although tests showed that 11–12-year-old Indian children from high and low castes could solve mazes equally well before they knew each other's caste, lower caste children did much less well as soon as caste was made known. Similar effects were apparent when black and white American high school students were given cognitive tests. When told that the tests were to measure ability, the black students did much less well than when they were told they were not tests of ability. White students did equally well under both conditions. Other experiments have shown how the creation of artificial differences in status, such as telling children that blue eyes are a sign of intelligence and superiority, can lead to differences in behaviour and performance.

The data on income inequality and child wellbeing suggests that children's responses to inequality are remarkably similar to those found in adult populations. The data on peer relations and violence among children runs parallel to those on social capital, trust and violence among adults. Among both adults and children, the quality of social relations is worse in more unequal societies. Similarly, juvenile homicides, like adult homicides, are correlated with inequality.

The most plausible explanation for the link between adult violence and inequality seems to be loss of face and people's sensitivity to feeling disrespected and looked down on. Accounts of school shootings in the USA suggest similar patterns.

What can be done?

As almost any measure of child wellbeing decreases with lower social status there has always been a tendency to say that the underlying cause is 'poverty' – without making a clear distinction between absolute and relative poverty. It is a strategy that avoids controversy,

allowing some to assume that the answer is more economic growth and/or targeted poverty alleviation, while others think that only redistribution and a reduction of inequality will make any difference. But the distinction is important: what affects child wellbeing in rich countries is inequality and relative poverty – not absolute material standards regardless of how they compare with the rest of the population. What matters is the scale of material differences between people and where they are in the social hierarchy. For the whole society to get richer, with higher average incomes, seems no longer to bring any benefits to children. Our analyses show the same is true of adult outcomes. The results are so clear that failure to point out that the problem is relative rather than absolute poverty, and that it requires redistribution not growth, risks negating our message.

Many government policies may be seen as attempts to ameliorate the stresses of inequality on families and provide support for early childhood development. Paradoxically, it appears that more equal societies do more than others to promote a secure attachment between mother and infant through the provision of paid maternity leave for mothers who work. As well as parental leave, societies can improve the quality of early childhood through the provision of family allowances and tax benefits, social housing, healthcare, programmes to promote the work/life balance, enforcing child support payments and through the provision of high-quality early childhood education. But more important than ameliorating the effects of inequality seem to be policies to reduce inequality itself. Inequality affects us all and progressive, redistributive tax policies can alter the long-term trajectories of children's lives. With the worst child wellbeing among all rich countries and income differences so much greater than they were 30 years ago, the UK should act urgently to reduce its inequality. ■

Kate Pickett is Senior Lecturer in Epidemiology at the University of York and an NIHR Career Scientist

Richard Wilkinson is Emeritus Professor of Social Epidemiology at the University of Nottingham

To create the political will and increase public understanding of what is at stake, the authors have set up The Equality Trust. Visit www.equalitytrust.org.uk for more information

.....
The level of inequality in a society affects the quality of life of almost everyone
