

OPINION

Shattering the myth of equality

Boris Frankel, April 20, 2009

HERE is some good news. Just as the Great Depression inspired significant social reforms, so the current "great world recession" is producing a spate of overdue reform proposals. Some of these proposals have emerged in Britain, one of the most unequal societies in the developed world. While Australia ranks as the fourth most unequal developed society after the US, Portugal and Britain, there is widespread delusion among Australians that we are an egalitarian society. By contrast, 80 per cent of people in British surveys believe that class division — or birth not worth — determines a child's life chances.

To get a flavour of the new reform proposals, try to imagine an Australia where it is the legally binding duty of every federal and state department as well as all other public authorities and local governments to conduct their activities according to one overarching principle: the elimination of social inequality. Now imagine that everything from existing taxation rules right through to the funding of education, health care and dozens of other policy areas has to be reformed to eliminate discrimination against the least powerful. All public services would now have to be reprioritised according to a scale of social need. There is no prize for guessing that a revolution in the funding and delivery of services would place indigenous people at the top of the list followed by millions of underprivileged low-income households.

Does it sound far-fetched? Well, this proposal to reform all public authorities is in the New Opportunities white paper launched by the deputy leader of the British Labour Party, Harriet Harman, in January. Despite 12 years of New Labour widening the gap between rich and poor, political demands on Gordon Brown's Government to deal with glaring social inequality have produced a flurry of activity. A new Social Mobility Commission will address education inequalities such as the dominance of the professions by former private school students.

Although New Opportunities mixes Blairite themes with radical proposals, it signals a distinct change in public debates about inequality that is yet to emerge in Australia. As *The Observer* columnist Nick Cohen asked of his middle-class readers: "Who is your enemy? Who has menaced your home and career, brought fear to your slumbers, threatened to turn your work-life balance into all life and no work ... trashed your pensions and savings and destroyed your ambitions and the ambitions of your children. It is not the working class, is it? Unlike the crisis of the '70s, which shifted middle-class opinion rightwards, today's crash cannot be blamed on striking trade unionists ... Speculators running riot brought this emergency."

It is precisely the interconnected fate of middle-class and low-income people that is highlighted in the new publishing sensation, *The Spirit Level: Why More Equal Societies Almost Always Do Better* by medical epidemiologists Richard Wilkinson and Kate Pickett. What is new about their analysis of 20 capitalist societies is not the discovery of profound inequalities. This is old news and has been established in many studies.

Rather, Wilkinson and Pickett document how the more unequal a society is, the more negative are the repercussions not just for the poor, but for the general wellbeing of people in the top 30 to 40 per cent of income earners.

Rather than the pointless comparison of affluent countries such as Australia or France with impoverished societies such as Haiti or Burundi, the authors compare 20 affluent societies. They examine how many times richer are the richest fifth of the population compared with the poorest fifth. The richest fifth in the US, Britain and Australia have respectively 8.5, 7.2 and seven times more income than the poorest fifth, or double the inequality of Japan and Scandinavian countries. When Wilkinson and Pickett relate income inequality to a whole range of social indices such as child wellbeing, imprisonment rates, drug abuse, violence, mental and physical health, community trust, educational opportunity and social mobility, the correlation between greater inequality and very poor social health outcomes in all these categories is overwhelming (see www.equalitytrust.org.uk).

While I disagree with some aspects of their study, the authors do well to draw the attention of an international public to the alarming consequences of inequality. Even affluent opponents of greater equality may rethink their position after reading the very negative impact of social divisions on social health — high stress and crime levels, underfunded public services, violence and widespread fear and communal distrust.

What Wilkinson and Pickett also show is that more equal societies are better placed to deal with the equity challenges posed by climate change and are more generous aid donors (except Japan) to developing countries. Also, unequal countries such as the US and Australia resist democratisation and deny legitimate organisations such as trade unions the right to represent workers — witness Liberal Party opposition to even the weak workplace reforms proposed by the Rudd Government.

It is sobering to read how unequal and backward Australia is on a range of crucial social and economic measurements.

As unemployment and poverty rapidly increase, will Australian public discourse remain dominated by the archaic and selfish values of competitive individualism? Or will the current crisis lead to public demands that policymakers initiate measures to seriously combat inequality and ensure that the quality of life for all Australians is driven by the values of care, co-operation, trust and mutual recognition?

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