## http://blog.enlightenmenteconomics.com/blog/\_archives/2010/5/2/4519257.html Injustice

by <u>Diane Coyle on Sun 02 May 2010 16:18 BST | Permanent Link | Cosmos Injustice: why social inequality persists</u> by <u>Danny Dorling</u> is a thought provoking read. Although there's quite a bit I disagree with the author about, I much preferred it to the much-cited The Spirit Level by Richard Wilkinson and Kate Pickett.

Dorling's key point is that beliefs about the nature of society play an important part in shaping the institutions and rules which form the economy, and are therefore in some ways self-fulfilling. In some of the richest economies - he has the UK and US firmly in mind - enough people have come to believe in the merits of elitism and competition, and in the inevitability of genetic and social difference, that inequality seems inevitable. Dorling makes a powerful case against this inevitability. He pinpoints these underlying beliefs about human nature and society that have come to be widely accepted, for example that IQ is fixed and has a distribution such that a high proportion of people could never aspire to higher education or professional jobs. With varying success, he challenges them and puts the spotlight on the damaging consequences: the evaporation of ambition for children from certain kinds of low-income background; the growth of personal debt amongst the low-paid as they struggle to combine their limited earnings potential with the consumer aspirations everybody has come to share; the spread of depression and its treatment through medication rather than addressing the social causes.

So this is a powerful and passionate book. I'm certainly persuaded that social reality is constructed by the powerful. Many people on both sides of the Atlantic find much to distress them in their societies, poverty, illness, long-term unemployment and exclusion, adding up to a 'pauperisation' of the kind that also characterized Victorian times. The increase in inequality in the Anglo-Saxon economies is well-documented, and the fact that it's greatest in those countries does suggest the explanation lies at least in part in economic and political institutions.

Dorling writes:

"Insecurity and mistrust rise as inequality rises. Those with resources have to look a longer way down to see where they might end up should anything go wrong with their lives. Depression, unemployment and divorce feature highly as personal failings to be feared; fears of pandemics and atrocities, world-wide recession and immigration, are more widely held fears that can be more easily stoked the more unequal the world as a whole becomes. ... Will people help each other out if there is flooding? Or will the National Guard or Territorial Army be sent in with guns to (supposedly) prevent looting? As inequality rises people begin to treat each other less and less as people, and begin to behave towards others more as if some are a different species."

(There was indeed an interesting post-Haitian earthquake <u>debate</u> about the language of 'looting'.)

There are some faults with the book. For example, Dorling criticizes OECD statistics as both creating and codifying inequality, to an exaggerated degree - and then cites them to support his arguments. I think he goes way over the top in this, and also in his assumption that (a) all economists are believers in caricature free markets and (b) this kind of economics is powerfully 'performative' and has shaped our unequal society. The first is incorrect. The second falls foul of the observation that there are plenty of economists in Sweden and Germany, and their societies are much less unequal. I would have found some more consideration of other rich countries helpful in assessing the arguments made in the book.

Even so, I don't mind the flaws because it is such a useful contribution to the policy debate to have this challenge about what is 'inevitable' and what might actually be possible when it comes to tackling serious social issues. The existence of a more or less permanent underclass, the absence of opportunity in so many young lives, the debt burden of the poor, simply can't be allowed to continue. Whoever's lucky enough to be the UK's next Prime Minister from Friday might end up disagreeing with Dorling's analysis, but should certainly take it seriously.