

Both inequality and poverty cause health and social problems – they are forces that need to be tackled together.

With a stagnant economy and banking reform years away, inequality between rich and poor still looms large. New [research](#) by [Karen Rowlingson](#) for the Joseph Rowntree Foundation shows that a combination of inequality and poverty can lead to serious health and social problems, and we cannot address one adequately without looking at the other.



Poverty has long been seen and investigated as a social problem – not least by Beatrice Webb, a co-founder of LSE. But more recently, researchers such as Richard Wilkinson and Kate Pickett have argued that income inequality, independent of poverty, causes health and social problems. Their landmark book, [The Spirit Level](#), sparked considerable public debate on the effects of inequality and has been quoted favourably by leaders of all main political parties. Yet the book has also attracted high-profile criticism.

The latest study by the Joseph Rowntree Foundation reviewed the evidence in this field, and we highlight the main findings here. We found general agreement in the peer-reviewed literature about a link between income inequality and negative health and social outcomes – but how that link works is not yet clear.

Inequality is linked to health and social problems

More unequal countries have *lower* rates of:

- social mobility;
- trust; and
- educational performance, along with:

higher rates of

- teenage births;
- imprisonment;
- infant mortality;
- murder, and so on.

But does this mean that inequality *causes* these problems, and if so, how much? Some very rigorous studies suggest that inequality has a direct and major negative effect. [One study](#) suggested that the loss of life from income inequality in the US in 1990 was the equivalent of the combined loss of life due to lung cancer, diabetes, motor vehicle accidents, HIV infection, suicide and homicide.

How might income inequality have such a significant effect? The most plausible explanation is that inequality places people in a social hierarchy which increases competition for status and causes stress, leading to poor health and social effects.

Poverty and the welfare state also matter

But some research suggests that it is poverty or individuals' own material circumstances which cause problems, rather than their income relative to other people. Other studies have suggested that how welfare state institutions work (such as education, health and social security systems) make an important difference in terms of reducing or increasing health and social problems.

Inequality and economic performance/stability

Research in this field is complex and there is still debate in the peer-reviewed literature about the nature and extent of the link between inequality and health and social problems. But there appears to be no strong evidence that inequality plays a *positive* role. Sometimes it is claimed that inequality is essential to drive economic performance, but there is remarkably little evidence to support this. There is also increasing discussion about whether high levels of inequality caused the recent economic crash.

Action on poverty and inequality can go hand-in-hand

While academic debate continues about the relative roles of poverty and inequality in relation to health and social problems, there is strong evidence that both are negative forces and that both need to be tackled. Policies on poverty and inequality can go hand-in-hand. Taxes at the top (such as through the 50p income tax rate on earnings over £150,000) can be used to redistribute to those at the bottom. Or policy can raise earnings at the bottom (such as through a living wage) and reduce earnings at the top (e.g. through wage ratios, where those at the top cannot earn more than a certain multiple of those at the bottom).

Read the full report from the Joseph Rowntree Foundation, [Does income inequality cause health and social problems?](#)