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Danny Dorling

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INTERVIEW WITH Danny Dorling (Professor of Geography at the University of Oxford; author of several books on social issues - <http://www.dannydorling.org/>)

Premise

According to several studies (by the *European Central Bank, Credit Suiss, The World Top Income Database, Oxfam International*), the distributions of wealth and incomes are becoming ever more 'unequal.' It is estimated that '*just 1% of the global population hold 41% of the total global wealth.*' And the estimate has recently been revised upward. Increasing inequality can badly effect the structure of our society and cause extremely negative consequences. Why is inequality such an *important issue* to face in global political agenda? What are the *causes* and the *consequences* of the current upward trend in inequality? *What are the countries* most affected by increasing inequality? *Is it possible to stop* this tendency? *How?* **Danny Dorling**, author of *Inequality and the 1%*, and other books on social issues, answered to these and other questions.

Danny Dorling: Danny is a Professor of Geography at the *School of Geography and the Environment of the University of Oxford*. He is one on the most important thinkers on social issues. Danny has published with many colleagues more than a dozen books on issues related to social inequalities in Britain and several hundred journal papers. His work concerns issues of housing, health, employment, education and poverty. Among his most important books:

- *Inequality and the 1%*;
- *All That is Solid: The Great Housing Disaster*;
- *Population 10 Billion*;
- *Unequal Health: The scandal of our times.*

INTERVIEW - (November 2014)

The interview was made in November 2014 and published in January 2015

Subject: Economic and social inequality: the causes and consequences

In the USA the best-off 1% now receive more than 20% of all national income each year ... In the Netherlands

Question 1: Good morning Prof. Dorling. You have written several books on the following social issues: *economic inequality, housing, health, employment, education, poverty*. Among these, in a global perspective, what do you think is *the most important challenge* to address in order to avoid a severe social breakdown?

Answer

The greatest challenge is rising inequality because it is currently rising so quickly. You mention in the introduction the quote from Credit Suisse that the richest 1% of people in the world own 41% of all the wealth in the world. That figure has just been updated (in late 2014) and, one year on, it is 48%. Just over 7 more years of that rate of rising inequality and the richest 1% will hold all the wealth in the world. That is impossible so we are clearly living in very unusual and precarious times.

Question 2: Now let's focus on 'inequality.' We can distinguish two kinds of inequality: a) *wealth inequality*; b) *income inequality*. Which of these do you consider more dangerous? Could you give us a brief picture on the phenomenon?

Answer

The two are related. When *income inequality* grows *wealth inequality* later rises. Income is about the flow of money in an economy, wealth is about the stock. In the *USA* the best-off 1% now receive more than 20% of all national income each year. This is so much that they cannot spend it all and so their wealth rises. That wealth is in turn invested and generates more income that generates more wealth for the tiny group. Many others in the *USA* are forced into debt, negative wealth, because their shares of national income are too low. Contrast this with *the Netherlands*, where the top 1% take less than 7% of all income a year leaving far more for the other 99% and so they don't accumulate as much wealth which is spread far more widely.

Question 3: Some economists say that inequality is essential in *driving economic growth* and that economic growth is necessary to alleviate poverty around the world. What do you think about it?

Answer

There are some very misguided economists out there but it is usually not their fault that they have been trained so poorly and so hold beliefs such as this that are easy to disprove. Such economists

tend to have been trained in some of the most economically unequal countries in the world, often countries that did not have particularly good records of growth in recent decades. So, even by their own measures of what they think is good, maximizing inequality does not maximize growth. We can also do much better than simply maximizing GDP growth, but that is certainly a step far too far those who think inequality is good to be able to comprehend.

Question 4: In your recent book, *Inequality and the 1%*, you say: 'inequality is more than just economics. It is the culture that divides and makes social mobility impossible.' What are *the links between economic and social inequality*?

Answer

Social classes become more distinct when there is greater income and wealth inequality. The economic gap between different ethnic groups rises. Similarly gender pay gaps tend to be higher in countries with greater overall inequality – women are valued far less. There is also evidence that people are less numerate in more economically unequal countries and economists become less adept at understanding basic aspects of society.

Question 5: What is much more worrying? Inequality *among countries* or inequality *inside countries*? What are *the countries* which are suffering more rising levels of inequality?

Answer

Both are worrying. Inequality between countries is currently larger so more worrying. The poorest billion people in the world who are concentrated in just a few countries are seeing their share of global income shrink rapidly as the very richest people in the world take a greater and greater share of both income and wealth. In recent decades inequalities rose rapidly in the USA, UK, Brazil, South Africa, Russia, India, and too a lesser extent China. It is possible they are now falling in Brazil and in many other countries worldwide where they did not rise to such great heights.

Question 6: What are the *causes* and *the ultimate consequences* of the rising levels of inequality around the world?

Answer

The causes are a failure to control the greed of the greediest 1%. The consequences are that unequal societies become increasingly dysfunctional and myths such as that the greedy are somehow 'wealth creators' spread. When inequalities last reached a maxima (higher than that reached today) in 1913, the years that followed were characterized by war and revolution. We are currently a long way off those 1913 inequality heights – but rising inequality has never ended well if inequalities have been allowed to rise too high.

Question 7: Recent studies from the *Global Footprint Network* show that we demand ever more resources to live. Can economic and social equality help to make our society *ecologically sustainable* or rise in equality can increase the ecological footprint?

Answer

I'll answer your question with some concrete evidence. Among the 25 richest countries in the world, those that have by far the largest ecological footprints, footprints are smallest in the most equitable of affluent countries (*Japan*) and largest in the most inequitable (*USA*). Even the poorest consume more in the most unequal of countries as they have to get in debt to get by, for instance to run a car. In more equitable affluent countries everyone tends to have a lower level of consumption, especially of carbon and hence generates less pollution. When the rich have less those just beneath them do not need as much to keep up.

Question 8: In your book, *Unequal Health: The scandal of our times*, you say: 'separate insults have adverse effects on health, but in affluent countries one appears to matter most: inequality in income.' Why inequality in income is so correlated to health inequality?

Answer

Infant mortality rates tend to be higher in countries of a similar level of average income but where inequalities are higher. One simple reason is that more people are born poor in more unequal countries but it also matters that health inequalities are seen as less important in more unequal countries where they are often painted more as individual failings. There are other complex factors. In countries with high levels of income inequality it can be harder to persuade medical practitioners (who tend to be well paid) to live and work in areas where people have less. In more equitable affluent countries such areas are less distinct.

Question 9: In your book, *All That is Solid: The Great Housing Disaster*, you emphasize how it is becoming ever more difficult for the young to find a decent house. You do promote some interesting policies to solve the problem (and that indirectly foster the Economy). You say: 'A land value tax is evolution, not revolution.' Could you explain what you mean by that and how your proposals will function?

Answer

That book is about the UK. In the UK as the moment we have a housing crisis that is turning into a disaster. Housing prices in London are among the highest in the world. At the same time more and more property in central London is being left empty as it is seen as an investment simply ever rising in value for the rich to

purchase. Outside of central London we have many tens of millions of bedrooms that are never used by anyone to sleep in because people hold on to large homes as they expect them to increase in value so they can pass on more money to their children to help them buy housing. As they hold on to property larger than they need they add to the *housing shortage*. If a *land value tax* were introduced, *like the current council tax* but carrying on to higher bands, then it would not be worth being buying property to leave empty, or holding on to homes far larger than they needed after their children had left home. Housing prices should begin to fall slightly; at that point the tax would be set at the value needed to reduce UK housing costs toward European norms.

Question 10: *Population:* according to the most accurate estimates by the *United Nations*, by 2100 global population will reach 10 billion inhabitants. Many see this as a big threat to social and ecological sustainability. In your book '*Population 10 Billion*,' you have a more optimistic view. Can you explain what are *the key points* in your book?

Answer

The key point to realize is that the majority of the rise to 10 billion people is caused by people living longer, not by more people being born. There will simply be more of us around at any one time, not many more of us in total. Birth rates have been falling since 1968. We had the most babies in the world in 1990; by about 2100 (probably before) the number of people on the planet should start to reduce for the first time since the 'Black Death*' without the reason being pandemic, war, pestilence or famine. I am optimistic because the decline in our fertility was not the result of central decision making, but billions of personal decisions being made to have fewer children.

* The Black Death was one of the most devastating pandemics in human history, resulting in the deaths of an estimated 75 to 200 million people and peaking in Europe in the years 1346–53. The pathogen responsible was the *Yersinia pestis* bacterium, probably causing several forms of plague

Question 11: Coming back to your most recent book, *Inequality and the 1%*, you introduce the concept of '*Slow Revolution*' against the concentrated wealth of the top 1%. What is '*Slow Revolution*'?

Answer

A slow revolution is what happens when everything changes, but it doesn't change quickly. Revolution means the turning of the wheel. When it comes to inequality most of the richest nations on earth had become as unequal as they had even been by 1913, the year in which the Titanic sank on its voyage between the UK and USA. However, a slow revolution had begun then which means that by

the 1960s, just a human lifetime later most of those countries had seen rates of equality rise to levels never seen before. Fifty years might sound like a long time, but it is a very short time to go between such extremes and it was partly prompted by actual revolutions (in Russia and Ireland). Since the 1960s different countries have travelled in different economic directions. Some have managed to maintain high rates of equality such as in Scandinavia, Germany, Japan and Korea. Others have seen a slow revolution towards becoming ever more unequal led by the USA, Portugal, UK, Canada, Australia, Israel, Singapore and New Zealand. This latter group now consists of some of the most economically inequitable of all the rich countries of the world. It is very unlikely that high rates of inequality will be sustainable in these places for another generation to come.