

Welcome ([sign in](#) | [sign up](#))

[Shopping cart \(0 items\)](#)

[The New York Review of Books](#)

## Ill Fares the Land

**APRIL 29, 2010**

by **[Tony Judt](#)**

### *Private Affluence, Public Squalor*

*No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.*

—Adam Smith

Poverty is an abstraction, even for the poor. But the symptoms of collective impoverishment are all about us. Broken highways, bankrupt cities, collapsing bridges, failed schools, the unemployed, the underpaid, and the uninsured: all suggest a collective failure of will. These shortcomings are so endemic that we no longer know how to talk about what is wrong, much less set about repairing it. And yet something is seriously amiss. Even as the US budgets tens of billions of dollars on a futile military campaign in Afghanistan, we fret nervously at the implications of any increase in public spending on social services or infrastructure.

To understand the depths to which we have fallen, we must first appreciate the scale of the changes that have overtaken us. From the late nineteenth century until the 1970s, the advanced societies of the West were all becoming less unequal. Thanks to progressive taxation, government subsidies for the poor, the provision of social services, and guarantees against acute misfortune, modern democracies were shedding extremes of wealth and poverty.

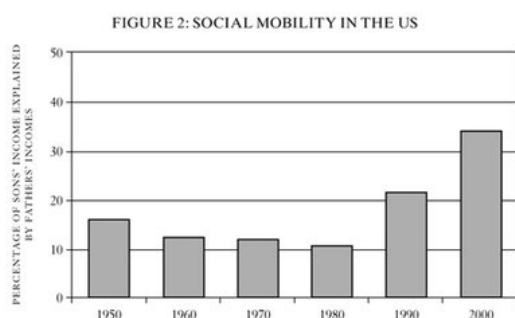
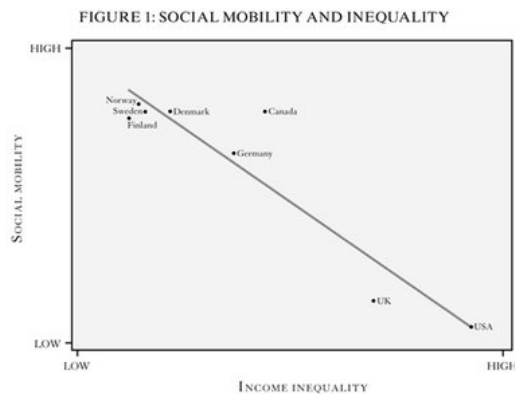
To be sure, great differences remained. The essentially egalitarian countries of Scandinavia and the considerably more diverse societies of southern Europe remained distinctive; and the English-speaking lands of the Atlantic world and the British Empire continued to reflect long-standing class distinctions. But each in its own way was affected by the growing intolerance of immoderate inequality, initiating public provision to compensate for private inadequacy.

Over the past thirty years we have thrown all this away. To be sure, “we” varies with country. The greatest extremes of private privilege and public indifference have resurfaced in the US and the UK: epicenters of enthusiasm for deregulated market capitalism. Although countries as far apart as New Zealand and Denmark, France and Brazil have expressed periodic interest in deregulation, none has matched Britain or the United States in their unwavering thirty-year commitment to the unraveling of decades of social legislation and economic oversight.

In 2005, 21.2 percent of US national income accrued to just 1 percent of earners. Contrast 1968, when the CEO of General Motors took home, in pay and benefits, about sixty-six times the amount paid to a typical GM worker. Today the CEO of Wal-Mart earns nine hundred times the wages of his average employee. Indeed, the wealth of the Wal-Mart founder’s family in 2005 was estimated at about the same (\$90 billion) as that of the bottom 40 percent of the US population: 120 million people.

The UK too is now more unequal—in incomes, wealth, health, education, and life chances—than at any time since the 1920s. There are more poor children in the UK than in any other country of the European Union. Since 1973, inequality in take-home pay increased more in the UK than anywhere except the US. Most of the new jobs created in Britain in the years 1977–2007 were at either the very high or the very low end of the pay scale.

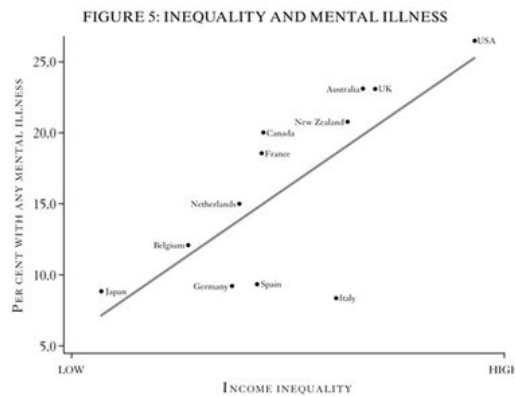
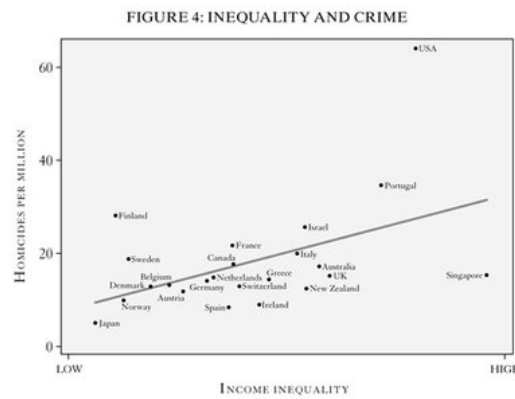
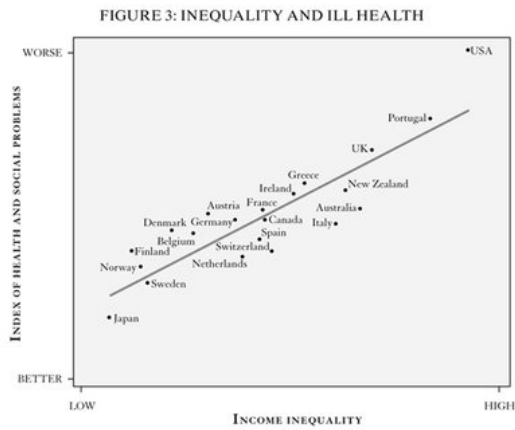
The consequences are clear. There has been a collapse in intergenerational mobility: in contrast to their parents and grandparents, children today in the UK as in the US have very little expectation of improving upon the condition into which they were born. The poor stay poor. (See Figures 1 and 2.) Economic disadvantage for the overwhelming majority translates into ill health, missed educational opportunity, and—increasingly—the familiar symptoms of depression: alcoholism, obesity, gambling, and minor criminality. The unemployed or underemployed lose such skills as they have acquired and become chronically superfluous to the economy. Anxiety and stress, not to mention illness and early death, frequently follow.



Income disparity exacerbates the problems. Thus the incidence of mental illness correlates closely to income in the US and the UK, whereas the two indices are quite unrelated in all continental European countries. Even trust, the faith we have in our fellow citizens, corresponds negatively with differences in income: between 1983 and 2001, mistrustfulness increased markedly in the US, the UK, and Ireland—three countries in which the dogma of unregulated individual self-interest was most assiduously applied to public policy. In no other country was a comparable increase in mutual mistrust to be found.

Even *within* individual countries, inequality plays a crucial role in shaping peoples' lives. In the United States, for example, your chances of living a long and healthy life closely track your income: residents of wealthy districts can expect to live longer and better. Young women in poorer states of the US are more likely to become pregnant in their teenage years—and their babies are less likely to survive—than their peers in wealthier states. In the same way, a child from a disfavored district has a higher chance of dropping out of high school than if his parents have a steady mid-range income and live in a prosperous part of the country. As for the children of the poor who remain in school: they will do worse, achieve lower scores, and obtain less fulfilling and lower-paid employment.

Inequality, then, is not just unattractive in itself; it clearly corresponds to pathological social problems that we cannot hope to address unless we attend to their underlying cause. There is a reason why infant mortality, life expectancy, criminality, the prison population, mental illness, unemployment, obesity, malnutrition, teenage pregnancy, illegal drug use, economic insecurity, personal indebtedness, and anxiety are so much more marked in the US and the UK than they are in continental Europe. (See Figures 3, 4, and 5.)



The wider the spread between the wealthy few and the impoverished many, the worse the social problems: a statement that appears to be true for rich and poor countries alike. What matters is not how affluent a country is but how unequal it is. Thus Sweden and Finland, two of the world's wealthiest countries by per capita income or GDP, have a very narrow gap separating their richest from their poorest citizens—and they consistently lead the world in indices of measurable well-being. Conversely, the United States, despite its huge aggregate wealth, always comes low on such measures. We spend vast sums on health care, but life expectancy in the US remains below Bosnia and just above Albania. (See Figure 6.)



Inequality is corrosive. It rots societies from within. The impact of material differences takes a while to show up: but in due course competition for status and goods increases; people feel a growing sense of superiority (or inferiority) based on their possessions; prejudice toward those on the lower rungs of the social ladder hardens; crime spikes and the pathologies of social disadvantage become ever more marked. The legacy of unregulated wealth creation is bitter indeed.<sup>1</sup>

As recently as the 1970s, the idea that the point of life was to get rich and that governments existed to facilitate this would have been ridiculed: not only by capitalism's traditional critics but also by many of its staunchest defenders. Relative indifference to wealth for its own sake was widespread in the postwar decades. In a survey of English schoolboys taken in 1949, it was discovered that the more intelligent the boy the more likely he was to choose an interesting career at a reasonable wage over a job that would merely pay well.<sup>2</sup> Today's schoolchildren and college students can imagine little else but the search for a lucrative job.

How should we begin to make amends for raising a generation obsessed with the pursuit of material wealth and indifferent to so much else? Perhaps we might start by reminding ourselves and our children that it wasn't always thus. Thinking "economistically," as we have done now for thirty years, is not intrinsic to humans. There was a time when we ordered our lives differently.

—This essay is drawn from the opening chapter of Tony Judt's newly published book, *Ill Fares the Land* (Penguin).

1. The best recent statement of this argument comes in Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (Bloomsbury Press, 2010). I am indebted to them for much of the material in this excerpt. [↵](#)
2. See T.H. Marshall and Tom Bottomore, *Citizenship and Social Class* (London: Pluto, 1992), p. 48. [↵](#)