Some fallacies are more equal than others [1]

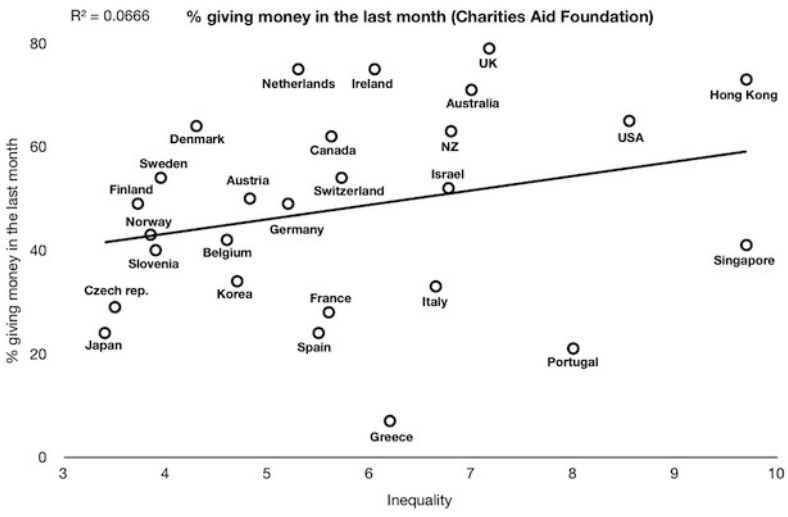
Written by **Chris Snowdon** [2] | Friday 6 January 2012

One of the central arguments of *The Spirit Level* - the Bible of self-styled ?egalitarians? - is that income inequality erodes trust and social cohesion. This lack of social capital is blamed for a host of societal problems, including a reluctance to help others. The book?s authors, Richard Wilkinson and Kate Pickett, say that ?individuals who trust other people are more likely to give to charity?. This may be true, but unfortunately for their argument, the empirical evidence shows that people in ?more equal? countries do not give more to charity. On the contrary, they tend to give significantly less.

Wilkinson and Pickett fill this hole in the theory by focusing on the amount of cash given by governments to developing countries (which is negatively associated with inequality) while ignoring the money given to poorer nations by individual philanthropists (which is positively associated with inequality). When the private and the public are combined [3], there is no association with income inequality, but the reader cannot be expected to know this since only public funds are discussed.

If income equality leads to trust, and trust leads to charity, then the issue deserves more attention than it receives in *The Spirit Level*. Recently on this blog, Tim Worstall mentioned [4] the Charities Aid Foundation?s (CAF) latest report ?The World Giving Index 2011 [5]?. In this document, CAF uses Gallup survey data from 153 countries which asked people whether they had done the following in the last month: donate to charity; volunteer for an organisation; help a stranger. These are classic measures of social capital and, by the logic of *The Spirit Level*, citizens of the more egalitarian nations, such as Sweden and Finland, should should outperform the sullen and withdrawn residents of the USA and Australia.

But when we chart the results on a graph, the wealth gap appears to be redundant at best (as in *The Spirit Level*, the graphs use Wilkinson and Pickett?s measure of inequality and show the world?s richest countries, with Portugal as the poorest).

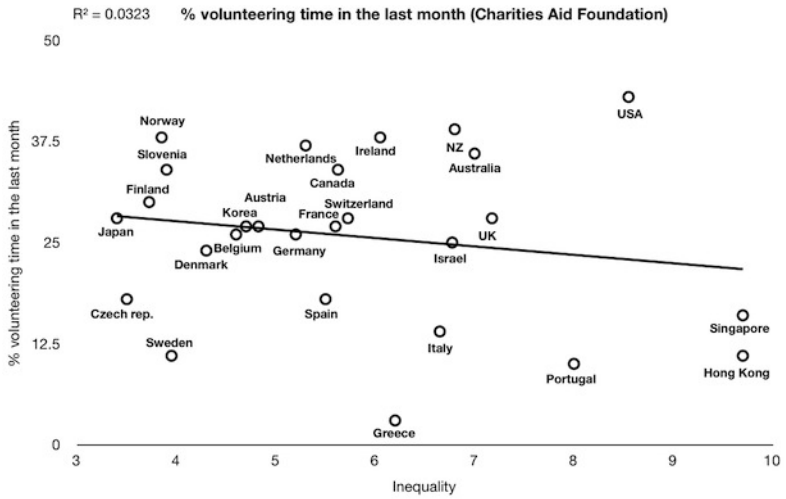


[6]

We should not be surprised to see high levels to charitable giving in countries such as the USA, which ranks top of the CAF?s list overall. Tim noted in his post that ?perhaps it?s the low tax which leads to charity.? This is not wishful thinking. In a previous report [7], CAF acknowledged that: ?Giving tends to

represent a lower proportion of GDP in countries with higher levels of personal taxation?.

People in the ?more equal? (read: ?high tax?) countries can hardly be blamed for giving less to charity when the state leaves them less to spend, but what excuse can these supposedly more cohesive and trusting societies have for not outperforming the ?brutal? Anglo-Saxon nations when it comes to lending a stranger a hand or volunteering their time? As the graphs show, there is no statistically significant association in either direction.



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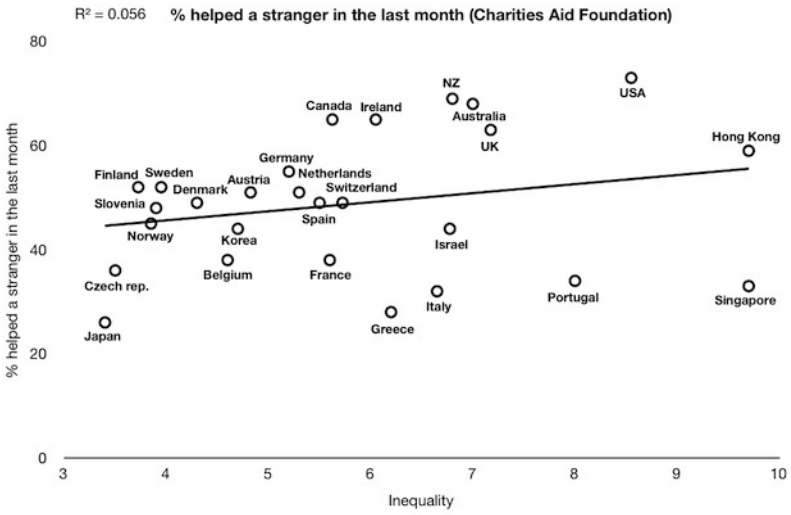

Data from one report is obviously not enough to torpedo *The Spirit Level*?s whole hypothesis (that has been done elsewhere). It is just one more piece of evidence that fails to support it, and when taken together with the data showing that people in ?more equal? countries are not more involved in the community, are less likely to join social clubs and do not enjoy better social support networks, the evidence that big government fosters social capital is scant indeed.

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