

Inequality is a political choice

Published: January 12, 2026, 8:39 pm

According to the [United Nations' World Inequality Report](#), inequality results from deliberate political and institutional choices. This video explains what that means for the UK – and why extreme concentrations of wealth now threaten democracy, climate stability, and social cohesion.

I examine the evidence behind the report, the role Britain has played in designing inequality at home and abroad, and why progressive taxation and redistribution are proven tools for change.

The question is no longer whether alternatives exist.

It is whether our politicians are willing to choose them.

<https://www.youtube.com/watch?v=yW3EhTUG4lw?si=874oQ6AFifYjM-ja>

This is the audio version:

https://www.podbean.com/player-v2/?i=x5e5m-19f0132-pb&from=pb6admin&share=1&download=1&rtl=0&font=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

Inequality is a political choice, and it's one that the UK keeps on choosing to make.

What I want to stress is that those opening words, "Inequality is a political choice," come straight from the World Inequality Report, published by the United Nations for 2026, and that should trouble anyone who cares about democracy, or about economic justice, or the future of the UK, and that's what this video is all about.

The core claim within the World Inequality Report is that inequality is a political choice. It reflects policies, institutions, and governance and not accidents or natural forces. There is nothing that requires inequality. There is a decision to create inequality, and it is that which I exist to challenge.

This isn't about ideology, by the way. This report is not some form of dogmatic statement; it's actually based upon the work of 200 researchers. It's got the largest historical inequality database that exists in the world, and it is global and long-term evidence-based. This is empirical work and not a rhetorical publication. Inequality is now extreme; that's the outcome of this survey.

The scale of the problem is enormous.

The top 10% of people in the world earn more than the remaining 90%; that's one of the findings.

The wealthiest 0.001% in the world control three times more wealth than half of humanity.

The bottom half holds just 2% of global wealth.

This is economic concentration on an unprecedented scale. Inequality is becoming so gross that it's hard to imagine just how different are the lives of the people who are impacted by it, and yet, of course, those differences are very real.

The wealthy might be incredibly wealthy, and so wealthy that their wealth has actually almost no bearing on how they live, but those who are suffering the consequences of inequality in the rest of the population are seeing very real impacts in their lives. And that's the point: these numbers do have meaning.

This is about power above all else. A tiny elite holds decisive economic power in the world. Billions share almost nothing. As a consequence, markets are distorted, and democracy is hollowed out. That's what these numbers mean. It is about exclusion for the majority and privilege for a tiny number.

We in the UK play a major role in this. Let's be clear, we are not an innocent bystander. A great many of the policy frameworks that give rise to this inequality did, after all, come from this country in the first place. We were the country who, above all else, developed and delivered to the world slavery, but we've also in modern times, provided many of the other policy frameworks that now reinforce inequality in the world that we now live in. Policies like privatisation, financial deregulation, wealth-favouring tax

design, and so on.

This is not about therefore accident, as I said before: it is about design. This is not imported inequality, this is about homemade inequality; homemade by choice. And that's again, absolutely essential.

The report is quite explicit. These outcomes are not inevitable; they are political and institutional choices, and 40 years of denial and collapse have delivered them to us in a way that now seems inevitable, even though it's not. Margaret Thatcher said, "There is no alternative", and what has become her lasting legacy is the belief that that is true, but it isn't.

Markets did not choose to create these outcomes. The truth is, governments did, and that's what's most worrying of all about the situation that we are in. The choice was to build inequality, but what we need is a different political economy.

What happened was that we privatised public wealth, we deregulated finance, we favoured wealth over work in taxation, and we suppressed wages whilst rewarding rent-seeking. Those were political economic choices driven by Margaret Thatcher and all who followed her, and there are real consequences of this policy, which has been one of exclusion.

One of the consequences is seen with regard to climate change. Those who are wealthy contribute much more to climate emissions than do anyone else in society.

The top 10% of earners in the world create 77% of all climate emissions.

The top 1% create 41% of all climate emissions. The bottom half of the population, whether you are looking by income or wealth, contributes just 3%.

Climate failure follows directly from power concentration, in other words. Links in this case are not just correlation, they're actually causation. It is the excess consumption of the wealthy that is destroying the future of our planet.

This is not just about climate; of course, it's also a power problem. The costs of dealing with these problems are loaded onto those without agency, in other words, those without power. In this case, that means that climate change costs are being forced onto those who don't have the means to pay, whilst those who own capital have been insulated from change and are even protected from it. So this isn't just about a past problem that we need to solve, nor is it just about taxation; it's about something much bigger than that. This is policy failure at a grand scale.

This also impacts gender equality as well. Women earn 61% of men's average pay, but when we look at the true quantity of labour expended by both genders, taking into consideration unpaid work in the household, women only earn 32% of what men do in the world. Inequality is not therefore just about the single issue of, if you like class, or

type of job, or where you are in the wealth spectrum, it's also about gender as well. Care is essential, yet what this shows is that it is undervalued, and this is inefficiency and not inevitability. There is prejudice, and we aren't tackling it because we're accepting the economic norm as it is, and that's unfair to at least half the world's population.

, is entrenched. For example, around 1% of all global GDP flows from poor to rich nations. That comes as a consequence of, for example, interest charges on loans provided to developing countries that they will never be able to afford to repay. It will come because the payments that they have to make to use technologies transferred to them, supposedly in the name of aid by large countries, but which actually are extractive as a consequence. This has been known about for decades. It was the whole basis of the 2005 Gleneagles agreement here in the UK, which supposedly was going to tackle these pernicious global flows from the south to the north, but that hasn't happened yet. The exorbitant privilege of the wealthy nations of the world continues to oppress those in real need. And as a consequence, everywhere there is a threat to democracy.

We can see geographical division even inside the UK. The countries of the UK have very different economic outcomes. Scotland, Wales and Northern Ireland are all told, you can't afford to be independent because you are not the same as the Southeast of England, which does not take into account the fact that the Southeast of England extracts value from everywhere else in the whole of the UK.

We see this inequality dividing people as to their education.

We see wealth buying access.

We see austerity eroding solidarity.

And we see political capture becoming inevitable, and that is evidenced in all our major political parties.

There are other options, and this is what the report makes clear, and I think that is welcome.

What it makes clear is that progressive taxation works. In other words, tax is a powerful instrument for reallocating resources within the world, and that's something that we've known for a long time; Redistribution reduces inequality.

And the tools are known. I've been talking about them and writing about them for ages.

We could tax income from wealth more.

We could simply equalise rates on tax between income and wealth, and that would make the first major contribution.

We could tax capital gains at higher rates.

We could increase the tax rate on the world's major corporations.

We could increase the income tax rates on those who are very wealthy.

All of this is possible before we even get to the point where we discuss a wealth tax. I'm not saying we don't discuss a wealth tax; I just say we do the other things first, but the barrier is political will. The options exist; the option to use them is denied to us because politicians will not let us have that discussion.

There are three unavoidable conclusions for the UK as a result.

Inequality is constructed and is reversible, is the first of these. We can change the situation that we live with.

There is no reason why one in six households in the UK should suffer food poverty. In other words, there are people who go without food for a day, or who at least reduce their food consumption for a whole day every week, because they cannot afford to feed themselves properly.

We do not need one in five families having to struggle to make financial ends meet, to pay essential bills.

And we do not need to have climate policy fail because redistribution will not take place.

And most particularly, our democracy could survive, but it can't if there are extreme concentrations of wealth.

So we have choices that are available to us.

We must decide whether we wish to preserve democracy or not.

We must decide whether we wish to tackle authoritarianism that protects wealth.

We must decide whether we will challenge disguised fiscal discipline imposed upon us to actually maintain the divisions within our society.

We must decide whether we want to care.

What we must do is realise inequality is not natural, it's chosen, and a fairer society requires different choices, and that responsibility is political.

We could therefore have a fairer world.

We could have a world where people are valued.

We could have a world where everyone has their needs met.

We could have a world where people did not need to live in stress because of their inability to pay the bills despite their very best efforts.

We could have a world where children did not need to grow up in poverty.

We could have all these things and still manage the consequences of climate change.

We could have a future, in other words. That's what this report says. But we have to decide we want those things, and right now our politicians are deciding they don't, and that's the problem.

What do you think? Do you think our politicians have got this wrong? Would you prefer a fairer world?

There's a poll down below.

Poll

[poll id="275"]

Tickets are now on sale for the **Funding the Future live event in Cambridge** on 28 February. [Tickets and details are available here.](#)

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