

WID.WORLD THE SOURCE FOR GLOBAL INEQUALITY DATA

ACTIVITY REPORT 2019



INTRODUCTION

The year 2019 witnessed an unprecedented wave of social protests around the world, from Chile to Lebanon, claiming stronger social justice. These demonstrations corroborate how extreme levels of socio-economic inequality constitute a threat to political stability, and emphasize the urgent need to reconcile growth statistics and inequality measures.

In accordance with its ambition to contribute to the research on global inequality dynamics, the World Inequality Lab carried on the expansion of the countries covered in the World Inequality Database, and published various papers aimed at the research community and at civil society. The WIL also took part in numerous policy and methodological discussions within national and international stakeholders such as the United Nations, national governments or non-profit associations, with the objective of encouraging statistical and political reforms.

In addition, and as a means to stimulate public debates around these issues, the WIL has orga-

nized several interactive conferences and debates.

These activities have been made possible thanks to the support of several public and non-profit institutions, with an increase of funding from public institutions over the past year.

On behalf of Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez and Gabriel Zucman

SUMMARY

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PUBLICATIONS

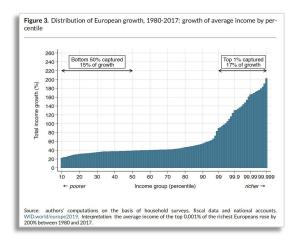
One of the core missions of the World Inequality Lab is the publication of papers based on the most advanced income and wealth data made available on the World Inequality Database. This is done with the collaboration of over 100 researchers worldwide. The intention is to make the WID.world community's findings available to every researcher and to the general public. In 2019, the WIL issued 15 working papers, 7 issue briefs and 3 technical notes. In addition, 3 notable books by members of the lab have been published this year.

Focus on a study:

« How unequal is Europe? Evidence from Distributional National Accounts, 1980-2017 »

In this study, Thomas Blanchet, Lucas Chancel and Amory Gethin estimate the evolution of income inequality in 38 European countries from 1980 to 2017 by combining surveys, tax data and national accounts. This study shows how in Europe, between 1980 and 2017, the average income of the top 1% of the richest Europeans has grown twice as fast as that of the bottom 50%.

- * Access to the study and the issue brief
- Press coverage: 50 interviews and press articles covering the study (a selection is available here)



Income comparator: where are you in the income distribution?

Convinced that more transparency on these issues will contribute to a better public debate, the World Inequality Lab designed an <u>interactive income comparator</u>, enabling everyone to see where they rank on the European income scale, and to better understand which groups have benefited from the growth in Europe over the past 40 years. Countries from other regions have also been integrated to the comparator.



Issue briefs

- * How much are the poor losing from tax competition?, Muñoz M.
- * Income inequality in Africa, 1990-2017, Chancel L., Cogneau D., Gethin A., Myczkowski A.
- * Income Inequality and Ethnic Cleavages in Malaysia, Khalid, M. A., Yang, L.
- * Rising Inequalities and Political Cleavages in Spain, Gethin A., Martinez-Toledano C., Morgan M.
- * Has the European social model withstood the rise in inequalities?, Blanchet T., Chancel L., Gethin A.
- * Tackling inequality in India Is the 2019 election campaign up to the challenge?, Bharti N., Chancel L.
- * Extreme Inequality, Democratisation and Class Struggles in Thailand, by Jenmana T., Gethin A.

Working papers

- * Simplified Distributional National Accounts, Piketty, T., Saez, E., Zucman, G.
- * Top Incomes, Income and Wealth Inequality in the Netherlands: The first 100 Years 1914– 2014 – what's next?, Salverda, W.
- * Salience of Inherited Wealth and the Support for Inheritance Taxation, Waldenström D., Bastrami, S.
- * Using Fiscal Data to Estimate the Evolution of Top Income Shares in Belgium from 1990 to 2013, Decoster A., Dedobbeleer K., Maes S.
- * Growing Cleavages in India? Evidence from the Changing Structure of Party Electorates, 1962-2014, Banerjee A., Gethin A., Piketty T.
- How Unequal is Europe? Evidence from Distributional National Accounts, 1980-2017, Blanchet T., Chancel L., Gethin A.
- * The evolution of wealth-income ratios in India, 1860-2012, Kumar R.
- Between Communism and Capitalism: Long-Term Inequality in Poland, 1892-2015, Bukowski P., Novokmet F.

- * Income Inequality and Ethnic Cleavages in Malaysia: Evidence from Distributional National Accounts (1984-2014), Khalid M.A., Yang L.
- * From workers to capitalists in less than two generations: A study of Chinese urban elite transformation between 1988 and 2013, Yang L., Novokmet F., Milanovic B.
- * How Much are the Poor Losing from Tax Competition: The Welfare Effects of Fiscal Dumping in Europe, Munoz M.
- * Do European Top Earners React to Labour Taxation Through Migration?, Munoz M.
- * How large are African inequalities? Towards Distributional National Accounts in Africa, 1990-2017, Chancel C., Cogneau D., Gethin A., Myczkowski A.
- * From dictatorship to crisis: The evolution of top income shares in Greece (1967-2017), Chrissis K., Koutentakis F.
- * Ten facts about income inequality in advanced economies, Chancel L.

Technical notes

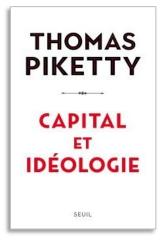
- * Methodological note for the calculation of top income shares in Greece (1967-2017), Chrissis K., Koutentakis F.
- * New Zealand: Estimates of top shares of fiscal income for 2015 and 2016, and revision for 2000 to 2014, Alvaredo F., Kergozou N.

* New Zealand: Estimates of top shares of fiscal income for 2017, and revision for 2016, Alvaredo F., Kergozou N.

Find our publications on WID.world

Capital & Ideology, by Thomas Plketty

Combining history, sociology and literature, Thomas Piketty's latest book mobilizes the data available on WID.world and offers a more detailed picture of the diversity of systems of inequality regimes throughout the world and across time. It provides a better understanding of how the inequality created by different systems results from political and ideological choices. The French version of the book is published by Seuil, and the English version will be published by Harvard University Press, in March 2020. A launch conference was organized at the Paris School of Economics on September 30th, attended by 500 participants.



<u>Data, tables and technical appendix of the book</u> <u>Powerpoint presentation of the book</u>



Capital and Ideology conference, September 30th 2019, Paris School of Economics



Watch the <u>replay of the conference</u>



Changer l'Europe, c'est possible!

In the context of the 2019 European elections, Lucas Chancel and Thomas Piketty, along with 5 other research fellows, published the « Changer l'Europe, c'est possible! », following on from the T-dem manifesto (2017). The authors advocate for a Democratization Treaty and a Budget Project for Europe, offering concrete proposals that can be adopted and applied by willing countries,

with no single country being able to block those who want to advance.

As of today, the <u>T-dem</u> manifesto has been signed by over 110 000 citizens. The book is published by Seuil.

A debate was organized at the Paris School of Economics on May 14th.



Debate on Equality, May 14th, 2019
Paris School of Economics.

The Triumph of Injustice, by Emmanuel Saez and Gabriel Zucman

PORTÉ PAR PLUS DE 100 000 signataires

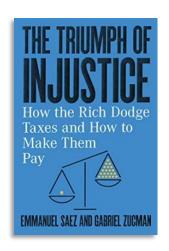
Blending history and economic analysis, Emmanuel Saez and Gabriel Zucman dissect the deliberate choices that have brought us to gradual taxexemption of capital owners, the surge of a new tax avoidance industry, and the spiral of tax competition among nations.

The cutting-edge data and policy conclusions of this book resulted in major coverage by the media and it is having a strong impact on the US political cycle, thereby stressing the influence research can have on the policy debate.

The (original) English version of the book is published by Norton, and the French version will be published by Seuil in February 2020. A <u>presentation of the book</u> will take place at the Paris School of Economics on February 13th, 2020.

Tax Justice Now

<u>Tax Justice now</u>, the pioneering companion website, allows anyone to evaluate proposals made by the authors, and to develop their own alternative tax reform.





Contribution to the Human Development Report 2019

The World Inequality Lab contributed to the Human Development Report 2019 "Beyond Income, Beyond Averages, Beyond Today: Inequalities in Human Development in the 21st Century", published by the United Nations Development Programme on December 9th, 2019.

Lucas Chancel (WIL, IDDRI), Denis Cogneau (EHESS, IRD, PSE), Amory Gethin (WIL), Alix Myczkowski (WIL) and Thomas Piketty (EHESS, PSE) jointly wrote the chapter entitled

"Measuring Inequality in Income Wealth" (pp.103-143). The authors present and discuss recent findings about inequality in emerging and rich countries. They stress the importance of better measurement to properly address the issue, and thus the need for a timely, standardized and universally recognized statistical framework.



Access the

<u>Human Development Report</u>

The Income and Wealth Inequality Transparency Index

In order to make a step towards improving the access to better quality data on the distribution of income and wealth, and to give a sense of the road ahead, WID.world built an inequality transparency index — an evolutive and collaborative tool, describing the availability and quality of information on income and wealth inequality in a given country.



Read more on our website: wid.world/transparency

COLLABORATIONS

The World Inequality Lab works in close collaboration with high-level national and International organizations, such as the U.N., the OECD, the ICRICT, with the objective of addressing various challenges related to the implementation of international norms for a better measurement of inequality, a reform of international corporate taxation policy, etc.

3-year partnership with the United Nations Development Program



The collaboration between the UNDP and the WIL is the result of a partnership centered on the production and analysis of inequality data in both developed and developing coun-

tries. The joint work includes methodological discussions on the improvement of inequality measurement at national and international levels to better inform UN Sustainable Development Goals.



Work meeting, May 28th 2019, Paris School of Economics

Independant commission for the reform of international corporate taxation, ICRICT

The Independent Commission for the Reform of International Corporate Taxation (ICRICT) aims to promote the international corporate tax reform debate through a wider and more inclusive discussion of international tax rules, along with civil society and labor organizations. They advocate for more transparency and tracking of assets, through the development of a Global Asset Registry (GAR).

Thomas Piketty and Gabriel Zucman (members of the commission), and Lucas Chancel (co-director of the WIL), strongly contributed to the workshop (1st - 2nd July 2019), dedicated to fostering the dialogue and developing further the concept of a Global Asset Registry.

On September 18th - 19th 2019, the annual commission meeting concluded with a press conference attended by over 30 journalists.





Press Conference, September 19th 2019
Paris School of Economics

Collaboration with the French National Institute of Statistics and Economic Studies, INSEE



The WIL is part of the INSEE working group on the measurement of inequality and redistribution, chaired by Jean-marc Germain (INSEE). The objective is to advance our understanding of the

measurement of income and its distribution, to clarify the reasons for the divergence between various approaches, and arrive at a set of recommendations for how to distribute national income and its components. Thomas Blanchet and Lucas Chancel are conducting the project on the WIL side.

French Agricultural Research Centre for International Development (CIRAD)



CIRAD is a French agricultural research and international cooperation organization working for the sustainable development of tropical and Mediterranean regions. The collaboration between the WIL and CIRAD is based on the study of inequality, fiscal policy, sustainable development policies and global climate governance in Nigeria. The project is conducted by Tancrède Voituriez.

Collaboration with United Nations' Economic Commission for Latin America and the Caribbean (UN-ECLAC, CEPAL in Spanish)

CEPAL and WIL signed an agreement in November 2019 to carry out joint research and develop methodologies aimed at improving and complementing the inequality statistics of Latin American countries. The two organisations will exchange information on household surveys, tax registries and national accounts related to the countries in the region while respecting the confidentiality agreements in place between CEPAL and its member countries. The aim is to produce and share the methodological tools necessary to calculate and validate inequality statistics of regional countries in the construction of Distributional National Accounts. The project is conducted by Ignacio Flores, Marc Morgan and





Mauricio De Rosa, with the participation of Facundo Alvaredo. In July and August 2019 respectively, Marc and Ignacio were invited to the CEPAL head offices to plan the collaboration and give lectures at CEPAL's Summer School on the Latin American Economies.

European Research Council Grant



European Research CouncilEstablished by the European Commission

The project "Towards a System of Distributional National Accounts", led by the World Inequality Lab, along with the University of Oxford, the University of California Berkeley, and in association with the OECD, has been awarded the ERC Synergy Grant from

the European Research Council. Thomas Piketty will be the principal investigator, with support from Facundo Alvaredo and Lucas Chancel (World Inequality Lab).

This project follows on from the methodology developed at the World Inequality Lab - Distributional National Accounts - describing how the growth of different percentiles of the distribution evolve over time and across countries: Consequently, this grant, which aims at supporting the highest quality research in Europe, is considered as an acknowledgement of the need for improved measurement of the distribution of income and wealth, and of the relevance of WIL's methodological framework to do so.

For more information:

Alvaredo F., Atkinson A., Chancel L., Piketty T., Saez E., Zucman G., <u>Distributional National Accounts Guidelines: Methods and Concepts Used in WID.world</u>, December 2016.

Rockefeller foundation

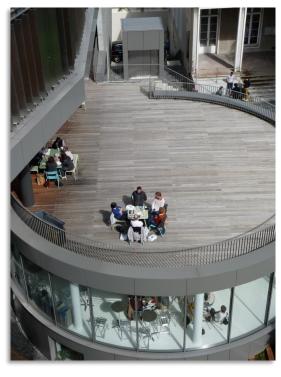
By expanding its data production work on economic inequality in the Global South, the World Inequality Lab seeks to address current knowledge gaps. The Lab will also develop novel empirical material to better understand the synergies and tradeoffs between inequality reduction and environmental protection.

International Land Coalition project

LAND COALITION

The WIL has signed an agreement with the ILC to produce new estimates of agricultural land inequality for a sample of developing

countries (around 4 to 5 countries per continent: Asia, Latin America and Africa). The motivation to produce these data is that the existing estimates are generally based on statistics of agricultural holdings (e.g. parcels of land) and not on the ownership of land (i.e. a single owner can own one or more plots of land). Households surveys will be used to produce these estimates. Results will be included in ILC's Land Inequality Report, to be released in the summer of 2020. These results will be later published as an academic paper, and included in the 2nd edition of the *World Inequality Report* and in the WID.world database. Luis Bauluz, Yajna Govind and Filip Novokmet conduct this project.



CONFERENCES

In order to stimulate the public debate around inequality, the World Inequality Lab organized 11 Debates on equality at the Paris School of Economics, a cycle of conferences launched in 2018. These discussions feature book presentations by renowned researchers, followed by intense interactions with the participants. In July 2019, the WIL also hosted the most eminent international conference on the economics of inequality, ECINEQ. Various members of the WIL also made external contributions at research symposiums and conferences organized by international organizations.

The Society for the Study of Economic Inequality (ECINEQ) 8th meeting

3-5 July 2019, Paris School of Economics

From 3 to 5 July 2019, the World Inequality Lab organized and hosted the Eighth Meeting of the Society for the Study of Economic Inequality (ECINEQ). This renowned international conference provides a forum for a rigorous analysis of inequality, welfare and redistribution issues, as well as for a discussion of the policy implications of the research findings in this field. For three days, over 350 prominent research fellows from all over the world shared their latest work before a vast audience.

Three major keynotes were delivered by Marianne Bertrand, (University of Chicago), Thomas Piketty (Paris School of Economics and EHESS) and Stefanie Stantcheva (Harvard University).

On this occasion, Thomas Piketty was nominated Chairman of the 9th edition.











Debates on equality

This cycle of debates, launched in 2018, aims at renewing and strengthening the discussion around inequality issues. 11 debates took place in 2019, addressing a wide variety of topics related to inequality, such as democracy, populism, inheritance, immigration, etc. In the last semester, some debates were held in English, with the objective of reaching out to a larger number of people.

- **Le prix de la démocratie**, Julia Cagé January 10th, 2019
- Le Retour des domestiques, Clément Carbonnier and Nathalie Morel

February 5th, 2019

- Inégalités mondiales. Les classes moyennes, les ultra-riches et l'égalité des chances, Branko Milanovic

March 14th, 2019

- Les Nouveaux Héritiers, Nicolas Frémeaux April 9th, 2019
- L'illusion du bloc bourgeois. Alliances sociales et avenir du modèle français, Bruno Amable and Stefano Palombarini

May 7th, 2019

- Changer l'Europe, c'est possible !, directed by Manon Bouju, Lucas Chancel, Anne-Laure Delatte, Thomas Piketty, Guillaume Sacriste, Stéphanie Hennette and Antoine Vauchez May 14th, 2019
- La France des Belhoumi, Stéphane Beaud June 11th, 2019

Access the program on WID.world

Selection of external contributions

- United Nations Commission for Social Development. February 2019
- « Unsustainable inequalities? From measurement to policy », Lucas Chancel
- UNDP Symposium, March 2019 Thomas Blanchet, Lucas Chancel, Amory Gethin and Marc Morgan
- World Bank and UN-DESA Expert Group Meeting on Reducing Inequalities: SDG 10 Progress and Prospects, April 2019

"Income and Wealth Inequality", Marc Morgan

- United Nations Research Institute for Social Development, May 2019
- « Global Inequalities and Unsustainability », Lucas Chancel



- The Code of Capital. How the Law Creates Wealth and Inequality, Katharina Pistor

September 5th, 2019

- The Inner Level. How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone's Well-Being, Richard Wilkinson and Kate Pickett

September 12th, 2019

- **Capital et idéologie**, Thomas Piketty September 30th, 2019
- Les origines du populisme. Enquête sur un schisme politique et social, Yann Algan, Elizabeth Beasley, Daniel Cohen and Martial Foucault November 25th, 2019



- United Nations High Level Political Forum on Sustainable Development Goals, July 2019
- « Who is at risk of being left behind? », Lucas Chancel
- Peterson Institute for International Economics conference « Combating Inequality », Oct. 2019

 Lucas Chancel, Emmanuel Saez & Gabriel Zucman

FOSTERING PUBLIC DEBATE

With the objective of filling a democratic gap and equipping various actors of society with the necessary facts to engage in informed public debates on inequality, the World Inequality Lab's team works closely with the media. The numerous incoming media requests led to over 500 interviews in major international TV, radio, and newspapers.

In addition, the World Inequality Lab published 35 opinion pieces in key media such as Project Syndicate, the New-York Times and Le Monde, to further analyze current events and foster discussion on methodological issues.

Access our selection of media interventions













MAIN FUNDERS





















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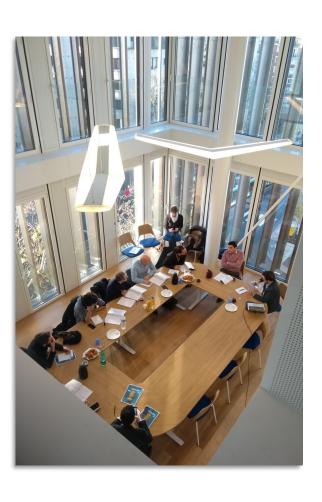
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