WID.world & The World Inequality Lab Newsletter - March 2018

Welcome to the fourth WID.world and World Inequality Lab newsletter, which covers our main developments since October 2017. Plenty has happened at the turn of the year, with the release of the World Inequality Report 2018 in December 2017 and the organization of the first WID.world conference at the Paris School of Economics. The beginning of 2018 was marked by the publication of several new papers and data series to the website, as well as by the change in name of the database.

World Inequality Report 2018: the first systematic assessment of globalization since 1980 in terms of economic inequality

The World Inequality Report 2018 (WIR 2018) was released on December 14th 2017. The publication of the report inaugurated a two-day conference organized at the Paris School of Economics, which brought together scholars, journalists and students from all around the world. The replay videos of the presentation of the World Inequality Report are accessible here.

Presentation of the World Inequality Report at the Paris School of Economics
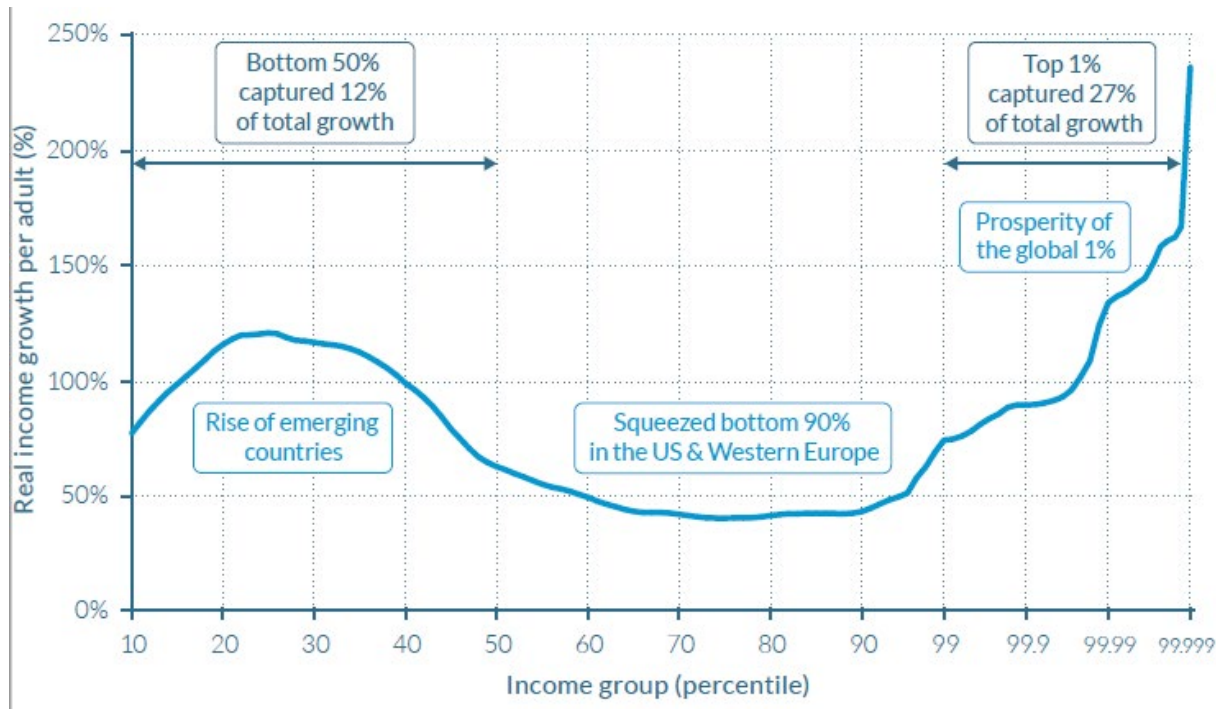**on December 14, 2017**

Click on the image to replay the presentation of the World Inequality Report 2018, with interventions by Thomas Piketty, Lucas Chancel, Lydia Assouad, Clara Martinez-Toledano, Emmanuel Saez, Esther Duflo, Branko Milanovic, Gabriel Zucman and Facundo Alvaredo.

The objective of the World Inequality Report 2018, coordinated by Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez and Gabriel Zucman, is to contribute to a more informed global democratic debate on economic inequality by bringing the latest and most complete data to the public discussion. The report presents results stemming from the WID.world database on the evolution of income and wealth inequalities in the long-run, as well as new results on global inequality. In particular, the report combines series on the evolution of income inequality in countries covering more than seventy percent of the world population to estimate the global distribution of income between 1980 and 2016. One key result of this analysis is that the global top 1% captured twice as much economic growth as the bottom 50% poorest individuals over the last 35 years (see the highlights below). All the data files and computer codes used to reproduce the results are available from wir2018.wid.world/methodology, and the methodology used to estimated global inequality series is explained in "Building a global income distribution brick by brick", by Lucas Chancel and Amory Gethin.

The World Inequality Lab would like to warmly thank all the researchers and staff who contributed to the World Inequality Report as well all the participants in the conference for their enthusiasm, their engagement and their contributions to the lively discussions.

Highlight from the World Inequality Report
The elephant curve of global inequality and growth, 1980-2016
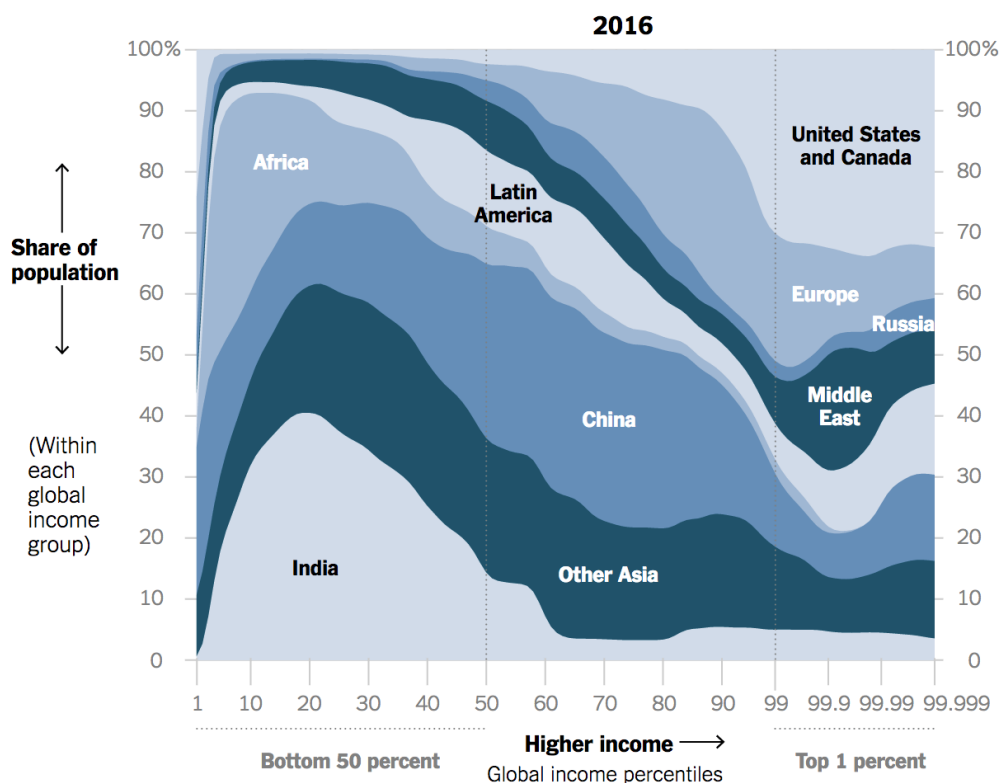

World Inequality Report 2018: a global outreach

We were delighted by the global outreach of the WIR 2018. Since the report's release mid-December, we had 300,000 visits on the report's dedicated website and on WID.world. Visitors came from the entire world as connections were recorded from 203 countries. More than 2 million inequality datasets have been downloaded on WID.world since the launch of the report, suggesting that global citizens have a strong appetite for interactive inequality data as they seek to make up their own mind about inequality.

Thousands of articles or stories on the report were also published in newspapers and media outlets throughout the world (a selection of these articles is available here). The executive summary of the report is currently available in eight languages: Arabic, Chinese, English, French, German, Hindi, Russian and Spanish, at this link. The full report will soon be available in bookstores in French and English (April and June, respectively) and later this year in Dutch, Portuguese, Italian, German, Korean, Japanese and Taiwanese. Other translations are likely to be forthcoming soon. We are glad to announce that the PDF versions of the translated books will be available in open access on the report's website.

New York Times coverage of the World Inequality Report 2018
(Read the full story here)

2016

Source: NYT, using data from the World Inequality Report 2018

First WID.world conference

As stated above, the First WID.world conference was held at the Paris School of Economics over two days on December 14 and 15 2017. WID.world fellows and economic inequality researchers from all continents were present at the conference and engaged with a large audience comprised mostly of researchers and students, but which also included journalists, policymakers and civil society professionals. The full conference program, the slides of the presentations and the associated research papers are available at this link. We would like to thank all participants for this intense moment for global inequality research.

Parallel session of the first WID.world conference at the Paris School of Economics on December 14-15, 2017

WID.world becomes the World Inequality Database

In March 2018, the name of WID.world was changed from the World Wealth and Income Database to the World Inequality Database. This was motivated by two reasons.

First, this change allows us to harmonize the name of the database, the name of the Lab which administers it (the World Inequality Lab) and the name of the flagship publication stemming from the database (the World Inequality Report). We believe that this coherence will make it easier for users to cite the database--as we noticed that there were several confusions in the past.

Second, this new name is in line with the mid to long-term objective of the database. While the database remains essentially centered on income and wealth inequality series, we seek to progressively expand the scope of the database with more data related to other dimensions of social inequality (gender, pollution, politics, etc.).

New papers, data series and maps

The publication of the World Inequality Report was an important moment for the World Inequality Lab and for WID.world, but the work of WID.world fellows continues all-year round. Several working papers and technical notes have been published over the past weeks on WID.world:

New WID.world Working Papers

- In "Top incomes in Germany, 1871-2013", Charlotte Bartels provides new homogeneous series on the evolution of top income inequality over more than a century. [news]
- In "Housing bubbles, offshore assets and wealth inequality in Spain", Clara Martínez-Toledano combines tax records, national accounts and wealth surveys to estimate detailed series on the evolution of wealth inequality in Spain between 1984 and 2013. [news]
- In "Revised and extended national wealth series: Australia, Canada, France, Germany, Italy, Japan, the UK and the USA", Luis E. Bauluz provides updates of macroeconomic national

wealth series in eight developed countries. He discusses the adaptation of Piketty and Zucman's (2014) series from the SNA93 and SNA2008 together with the inclusion of natural capital. [news]

- In "The end of the rentiers: Paris 1842-1957", Thomas Piketty, Gilles Postel-Vinay and Jean-Laurent Rosenthal exploit a unique individual-level database collected from Paris inheritance archives to study the long-run decline in wealth inequality in Paris, and quantify the role of the rise of progressive taxation in this process. [news]
- In "From communism to capitalism: private versus public property and inequality in China and Russia", Filip Novokmet, Thomas Piketty, Li Yang and Gabriel Zucman do a comparative analysis on the evolution of aggregate wealth and inequality in China and Russia since the 1980s. [news]
- In "Applying Generalized Pareto Curves to Inequality Analysis", Thomas Blanchet, Bertrand Garbinti, Jonathan Goupille-Lebret and Clara Martínez-Toledano discuss the theoretical advantages of Generalized Pareto Curves in estimating inequality and provide concrete examples of their possible applications. [news]
- In "Extreme inequality: evidence from Brazil, India, the Middle-East, and South Africa", Lydia Assouad, Lucas Chancel and Marc Morgan, study the long-run evolution of inequality in four countries characterized by extreme degrees of income concentration, and highlight the role of historical legacies as well as modern policies in shaping the polarization of these economies. [news]
- In "Wealth in Spain, 1900-2014: A country of Two Lands", Miguel Artola Blanco, Luis E. Bauluz and Clara Martínez-Toledano present new findings on the long-run accumulation of wealth in Spain by combining new official wealth data with historical sources. Their findings reveal the quick change from an agrarian country towards a service-oriented economy, reflected in the predominance of agricultural land in the first half of the 20th century and the rapid shift to urban land in the subsequent period.
- In "The long-run evolution of inequality in the Czech Lands: Top income shares, 1898-2015", Filip Novokmet presents new finding on the long-run dynamics of income inequality in Czech lands, from the end of the 19th century until today and shows that top income shares followed a U-shaped evolution in the course of the 20th century. [news]
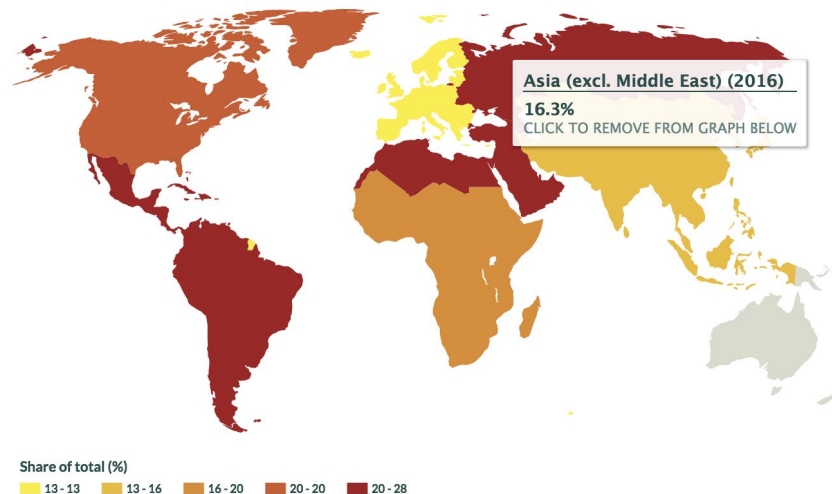
New Gini series: an inequality metric to interpret with care

- On top of the series provided with each of the papers cited above, WID.world now provides Gini coefficients on WID.world. The Gini, which provides a synthetic measure of inequality, ranges from 0 (in case of perfect equality) to 1 (a situation in which one person captures all resources in an economy). This index has been widely used for inequality research and several users asked for its inclusion in the database. In order to facilitate comparison of our data with other research material, we have decided to include Ginis.
- This measure however has several important drawbacks. Most important, it lacks intuitive meaning and hence cannot resonate with the broader public of non-specialists. Because it is synthetic, it can be used to mask very poor underlying data. It may also mask important evolutions for certain groups of the distribution. (For a review of the issues associated to the Gini coefficient, refer to Chapter 1 of the World Inequality Report 2018.) To users looking for Ginis, we suggest also referring to more explicit inequality measures of inequality. WID.world provides as the top 1%, top 10%, middle 40% and bottom 50% as "key indicators", but other groups can be obtained from the custom menus of the database. The Ginis can be obtained in the menu "more indicator" / "income (or wealth) inequality" / "key" (scroll the menu down to see the indicator).

New maps: regional inequality

- WID.world now allows users to map inequality at a regional scale. This development follows the focus of the World Inequality Report 2018, in which inequality is studied at different scales (national or subnational, as well as continental and global levels).

New regional inequality visualization mode
Top 1% national income share across world regions, 2016

Note: In 2016, the top 1% income share was 20.2% in North America, 27.9% in Latin America, 19.9% in Sub-Saharan Africa, 26.4% in the Middle-East and North Africa, 12.5% in Europe, 20.2% in Russia and 16.3% in Asia.

Life at the World Inequality Lab

Richard Clarke, who participated in the writing and design of the World Inequality Report, left the WIL for new horizons, we thank him for his dedication to the Lab over the past year. Léo Czajka, who was working at the Lab as a research assistant, started a PhD at the Catholic University of Louvain. He will continue to work in collaboration with the Lab on inequality in Africa. Mauricio de la Rosa, who was a research assistant at the Lab, went back to Uruguay to complete his studies. He will also continue to work in collaboration with the Lab.

We look forward to seeing you soon on WID.world !

Warm regards,

Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman

WID.World & The World Inequality Lab

The World Wealth and Income Database (WID.world) aims to provide open and convenient access to the most extensive available database on the historical evolution of the world distribution of income and wealth, both within and between countries. WID.world was initiated in 2011 and is administered

by the World Inequality Lab. It regroups more than a hundred researchers located over five continents. Read more about us here.

The World Inequality Lab aims to promote research on global inequality dynamics. Its core mission is to maintain and expand the World Wealth and Income Database. It also produces inequality reports and working papers addressing substantive and methodological issues. It is located at the Paris School of Economics, and comprises a small team of about ten permanent staff members and research assistants. The World Inequality Lab works in close coordination with a large international network (over one hundred researchers covering nearly seventy countries) that contributes to the WID.world database, and is supervised and coordinated by the same executive committee as WID.world.

Disclaimer

You have received this email as the WIL team thought you would be interested in updates on economic inequality data and research. If you are no longer interested in receiving news from WIL, you can unsubscribe using the link above.