



World Inequality Lab's newsletter

Editorial

What will the 2020s look like? The June 2020 [forecast of the International monetary fund](#) predicts a 4.9% drop in global GDP in 2020, with a 10.2% fall in the GDP of the Eurozone, - 8% in the US, -9.4% in Latin America, -4.5% in India. Such aggregate GDP statistics may indeed mask heterogenous impacts across the income distribution. Although the distributional effects have yet to be systematically measured, it is clear that the crisis will have major social and economic consequences, including soaring unemployment rates, reaching all-time records in some countries (13.3% in the United States and 7.4% in the Eurozone as of May 2020).

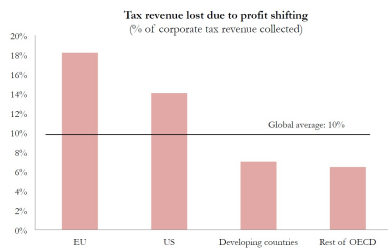
This extraordinary recession raises various challenges to governments. In this context, the World Inequality Lab carries on its core mission of publishing economic inequality statistics and analyses to facilitate debate on policy responses to the crisis.

Focusing on the European debate, Landais, Saez and Zucman show how a relatively limited wealth tax on the top 1% of Europeans could repay a 10% GDP debt after 10 years. Lucas Chancel explores different scenarios under which [Member States could emit mutual debt](#) and finance this debt via new progressive taxes on multinationals. The European Commission's recovery plan makes some progress on the EU's response to the 2009 crisis, but it remains limited in its scope, while negotiations on its practical implementation could take months or years. The debt and tax plans proposed by the WIL could ease borrowing restrictions to support a shrinking economy and constitute a longer-term solution to repay large amounts of debt through more progressive taxes. Regarding the situation in Latin America, De Rosa, Flores and Morgan address [here](#) how the magnitude of the crisis and its impact on the progress made on equality in the 2000's will largely depend on the response of governments. In Africa, Chatterjee, Czajka and Gethin show [in this piece](#) that R143 billion (€7.4 billion) could be raised from a new wealth tax in South Africa to finance Covid related expenses. At the global level, the WIL contributed, via Thomas Piketty, to the [latest report of the ICRICT commission](#), listing five steps to tackle tax avoidance and increase government tax revenues, including a minimum effective corporate tax rate of 25%.

As the Covid crisis is worsening in some regions, while others are now hit by the social and economic consequences of the lockdown, countries are standing at a crossroads. How do they exit the crisis in the right direction? Injecting large sums of money in the economy won't be politically sustainable without fairer tax systems, and rescue packages will not be environmentally sustainable if they do not incorporate objective ecological targets, which themselves can pose difficulties to economic actors in distress. In order to track governments' handling of such complex issues, research on income and wealth inequality, as well as on other dimensions of ecological and social injustices (gender, race or pollution) is critical. We remain committed to this goal.

The World Inequality Lab

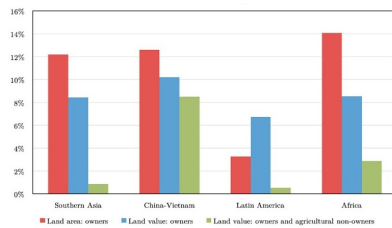
Latest WIL working papers



The Missing Profits of Nations

In this paper, **Thomas Tørsløv**, **Ludvig Wier** and **Gabriel Zucman** explore the extent to which globalization and tax competition are redistributing profits across nations. They analyze how the location of corporate profits would change if all countries adopted the same effective corporate tax rate

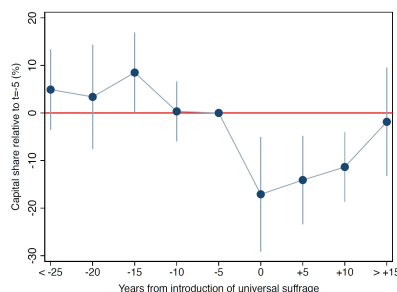
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Global Land Inequality

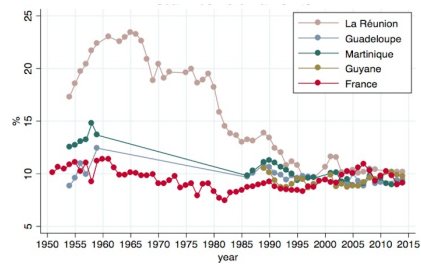
Agricultural land is vital for three out of four of the poorest billion individuals in the world. In this paper, **Luis Bauluz**, **Yajna Govind** and **Filip Novokmet** provide novel & consistent estimates of land inequality distribution across countries, based on household surveys....

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What Determines the Capital Share?

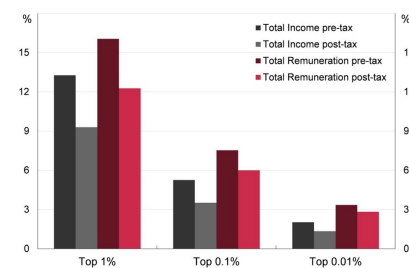
This paper, by **Erik Bengtsson**, **Enrico Rubolino** and **Daniel Waldenström**, explores how the capital share in national income is affected by radical institutional and political shifts in history in a sample of 20 countries...



Post-Colonial Trends of Income Inequality

In this paper, **Yajna Govind** analyzes the post-colonial trends of income inequality in four French ex-colonies, now overseas departments of France: La Réunion, Guadeloupe, Martinique and Guyane, since their decolonization in 1946 until recent years....

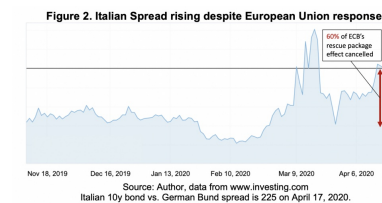
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Capital Gains and UK Inequality

In this paper, **Arun Advani** and **Andy Summers** include capital gains to fiscal income so as to study the implication for measured inequality over the past two decades. As a result, it changes who is at the top of the distribution by adding more business owners and older people....

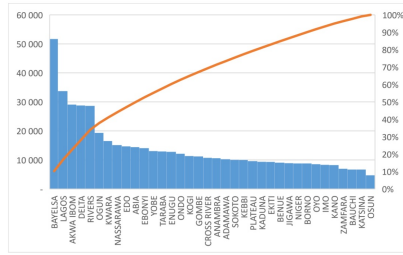
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Coronabonds With or Without Germany

This paper, written by **Lucas Chancel**, explores the rationale and feasibility of debt mutualization among Eurozone countries, ie Coronabonds (e.g. France, Italy, Spain, and Belgium). All Eurozone countries could participate but it would also work effectively without German and Dutch support...

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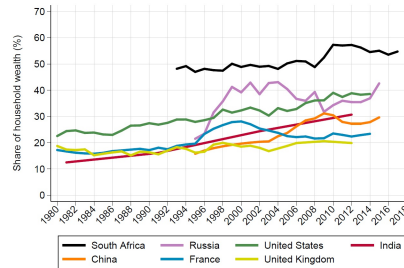


Green Welfare States in Developing Countries

In this paper, **Tancredè Voituriez** provides a typology of green welfare states or “ecostates” in developing countries, according to their performance in tackling inequalities and addressing environmental challenges. More specifically, it focuses on the particular type of “insecure ecostates”....

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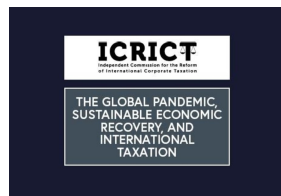
Wealth Distribution in South Africa

In this paper, **Aroop Chatterjee, Léo Czajka and Amory Gethin** estimate the distribution of personal wealth in South Africa. They combine tax microdata, household surveys and macroeconomic balance sheets statistics...

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To access all the publications of the World Inequality Lab, check out the dedicated page on [WID.world](http://wid.world)

“The Global Pandemic, Sustainable Economic Recovery, And International Taxation”, ICRICT



Thomas Piketty, member of the [ICRICT commission](#), contributed to its latest report, published on June 15th. The report lists five steps governments can take to tackle tax avoidance—which has left governments with fewer resources to meet critical priorities in the wake of the pandemic—end the era of tax havens and the ‘race to the bottom’ on corporate taxation.

>> Download the [report](#) and the [executive summary](#)

UNDP-WIL Partnership



For its second year, the collaboration between the United Nations Development Program and the World Inequality Lab will be centered the study of environmental issues and challenges, with a special focus on the Covid crisis. The partnership between the two organizations will pursue its objective of producing and analyzing inequality data.

In the media

Selection of recent contributions:

English

- **The Economist:** "[Covid-19 threatens Europe’s success at fighting inequality](#)" with Lucas Chancel, 06/06/2020
- **Washington Post:** "[U.S. spends twice as much on law and order as it](#)

[does on social welfare, data show](#)" with Gabriel Zucman and Emmanuel Saez, 04/06/2020.

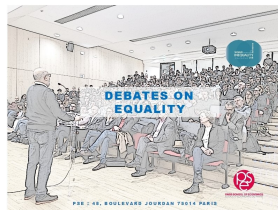
- [VIDEO] **The Daily Show**: "[Why capitalism must be reformed](#)" with Thomas Piketty, 05/05/2020.
- [VIDEO] **Politico**: "[Virtual Brussels Playbook Interview with Thomas Piketty](#)", 28/04/2020.
- **Voxeu.org**: "[A progressive European wealth tax to fund the European COVID response](#)", with Camille Landais, Emmanuel Saez and Gabriel Zucman, 03/04/2020.

Other languages

- **Rai**: "[Il Mondo dopo il Covid](#)", with Thomas Piketty, 23/06/2020
- **Libération**: "[Covid-19 : quatre économistes plaident pour faire contribuer les multinationales et les riches](#)", with Thomas Piketty, 16/06/2020
- **El País**: "[La crisis es inevitable en América Latina, la desigualdad no](#)", by Mauricio De Rosa, Ignacio Flores and Marc Morgan, 31/05/2020
- [VIDEO] **France Info**: "[Crise économique : "En 2008, l'État est intervenu massivement et le système n'a pas changé"](#)", with Lucas Chancel 12/05/2020.
- **La Repubblica**: "[Italia e Francia devono fare gli eurobond senza la Germania](#)", with Lucas Chancel, 28/04/2020.

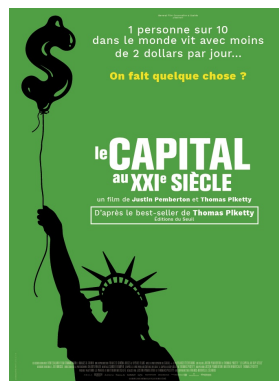
*To access all the media contributions of the World Inequality Lab, check out the dedicated page on [WID.world](#)
Any questions: press@wid.world*

Debates on equality



The Debates on Equality will start again as of September 2020. The programmation will be announced soon on [WID.world](#), [Twitter](#) and [Facebook](#)

Capital in the 21st century - The movie



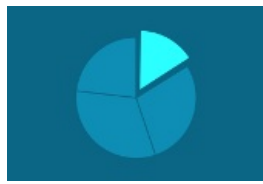
Adapted from Thomas Piketty's book, the movie [Capital in the 21st Century](#), directed by Justin Pemberton, is an eye-opening journey through wealth and power, shining a new light on the growing inequalities. Traveling through time from the French Revolution and other huge global shifts, to world wars and through to the rise of new technologies today. The movie features key-economists, among whom Lucas Chancel and Gabriel Zucman, co-directors of the World Inequality Lab.

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The World Inequality Database is funded by public and non-profit institutions...

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WID.world aims to provide open access to the most extensive available database on the historical evolution of the world distribution of income and wealth...

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