



World Inequality Lab's newsletter

Editorial

The Covid crisis reinforces the need for tax justice

In 2020, the global economy collapsed: GDP fell by 6.4% in the EU, 5% in emerging countries (excluding China) and 3.5% in the US. Social, health, and economic inequalities soared and led to devastating consequences: 114 million jobs were lost in 2020 according to the International Labour Organization (ILO), with a disproportionate impact on women, on Black, Indigenous, and People of Color (BIPoC) communities, on migrant populations, and disabled people. In the US, the labor market remains 9.9 million jobs below pre-pandemic levels. The pandemic has also dramatically increased the number of people facing acute food insecurity in 2020: The World Food Programme estimates that the total number of acutely food insecure people increased to 272 million, compared to 149 million people in 2019. In the meantime, according to Bloomberg, the wealth of the world's top 500 billionaires grew by approximately 5% in a year.

In many countries, debates on the introduction of tax reforms to finance the economic recovery as well as health and social spending gained momentum. In December 2020, Argentina passed a one-off tax on wealth to fund medical supplies and relief measures amid the ongoing Covid-19 pandemic. Countries such as Canada and the US are likely to implement progressive tax reforms in the coming months. Growing voices were heard in favor of wealth taxation in Sweden, Germany, and the UK. In many countries, such measures were strongly supported by public opinions: In France, 76% of the population support a wealth tax, according to a poll from Odoxa. In Canada, 79% of the population are supporting a 1% wealth tax (Abacus data poll) and 64% of US citizens think that "the very rich should contribute an extra share of their total wealth each year" (Reuters/Ipsos poll). The idea also catches on within more conservative circles: 64% of conservative Canadians and 54% of US Republican-leaning voters are in favor of the idea. Yet, in most countries, governments are still reluctant to ask the well-off to pay their fair share of taxes.

More than ever before, the past months have demonstrated the need for timely, comparable public data to assess government's response to global challenges such as the health crisis and economic inequality. Continuing our core mission, the World Inequality Lab (WIL) released a major update of global inequality data for 173 countries. The data published, incorporates new estimates for almost 50 additional countries, covers a more extended time period, and income estimates for the entire distribution, from the poorest 1% to the richest 0.001%. Over the past months, the WIL collaborated with the French statistics bureau (INSEE) to develop a set of operational guidelines to distribute national income and wealth. This work has been largely inspired by the Distributional National Accounts Guidelines and the methods developed at the WIL. Information on income and wealth inequality remains nevertheless scarce across the globe: As the WIL's transparency Index shows, twenty-eight countries do not publish neither survey nor fiscal data, and all countries still need to make a fair amount of progress toward transparent and publicly available inequality data. This hinders states' capacity to respond to the crisis with adequate measures, while access to basic information on the distribution of income and wealth and their growth should be a public good. In the coming months, the World Inequality Lab will release novel data on global post-tax income estimates, global wealth inequality and global carbon inequality, hoping to stimulate a wide-ranging debate among all citizens and parties, and to pave the way toward a more resilient future.

The World Inequality Lab

**Major update of global inequality data
for 173 countries**



In November 2020, the World Inequality Lab released a major update of global inequality data for **173 countries, making up 97% of the world population** and 7.5 billion people. The data published, incorporating new estimates for almost 50 additional countries, distributes economic growth within each country making it possible to track inequality and poverty over time, countries and regions. These results are based on the [Distributional National Accounts methodology](#) developed by the World Inequality Lab and its international network of researchers.

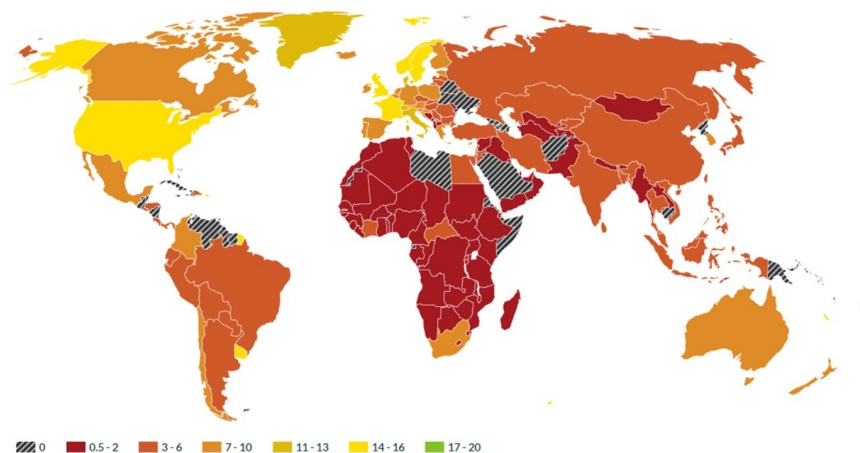
- >> [General overview of inequality worldwide and regional analysis](#)
- >> [Regions and countries inequality data](#)

Inequality Transparency Index

The Inequality Transparency Index gives an overview of the challenges ahead to end financial opacity by describing the availability and quality of income and wealth data for each country. As for 2020:

- 8 countries have scores between 13 and 16.5
- 28 countries have a score of "0", which means that neither survey data nor fiscal data is available. They appear in a striped pattern on the map.

- >> Download the [technical note](#) for a detailed insight on the construction of the index
- >> Download the [transparency data table](#) to understand how the index is calculated

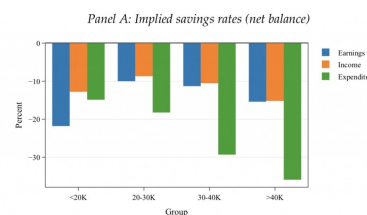


Selection of working papers



Distributional National Accounts Guidelines: 2020 update

This is the first major update of the document presenting the concepts, data sources and methods used in the World Inequality Database. The



The Distributional Impact of the Pandemic in the UK

In this paper, **Sinem Hacıoğlu Hoke, Diego R. Känzig, and Paolo Surico** show that the top quartile of the income distribution accounts for almost half of the pandemic-related

goal is to provide estimates of the distribution of income and wealth that are harmonized over time and across countries, to be comparable. They are also consistent with the macroeconomic aggregates produced by national statistical institutes

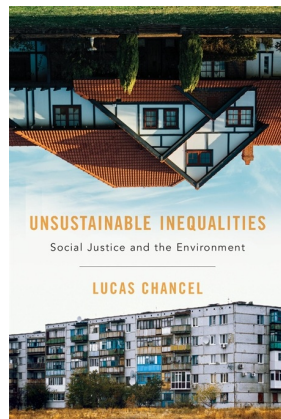
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decline in aggregate consumption, with expenditure for this group falling much more than income. In contrast, the bottom quartile of the income distribution has seen the smallest spending cuts and the largest earnings drop but their total incomes have fallen by much less because of the increase in government benefits.

[Read more](#)

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

Books



***Unsustainable inequalities*, by Lucas Chancel**

In the book [*Unsustainable inequalities: Social Justice and the Environment*](#), published by Harvard University Press in October 2020, Lucas Chancel explores the links between environmental protection and social justice, and discusses how environmental inequalities are becoming the new frontier of social injustices. The book argues that it is possible to reconcile social justice and environmental protection, provided substantial changes in how governments design their social policies as well as tax and investments policies.

The book features in the Financial Times' 2020 list of [best books in Economics](#), in Nature's pick of [top Science books](#) as well as in [Science Magazine](#) which describes it as a "sobering but essential" contribution to the inequality and sustainability debate.

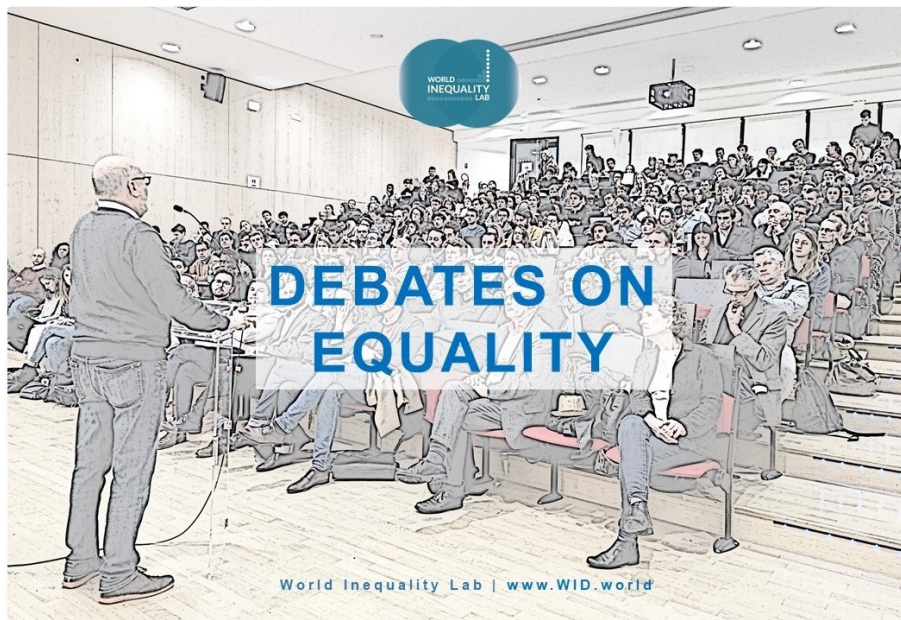


***Vivement le socialisme!*, by Thomas Piketty**

"It has become common to say that the current capitalist system has no future, as it deepens inequalities and depletes the planet. Yet, one cannot only be "against" capitalism or neoliberalism: one must also be "in favor of" something else, because in the absence of a clearly articulated alternative, the current system still has a long way to go."

[*Vivement le socialisme!*](#), by Thomas Piketty (Seuil, October 2020), is a collection of his columns published in *Le Monde* (2016-2020). They provide analysis on current socio-political events, in English and in French. The columns in English are available [here](#)

Debates on equality



Next Debate on equality (Zoom):

March 2nd, 2021: "La démocratisation des grandes écoles", by Cécile Bonneau, Pauline Charoussat, Julien Grenet and Georgia Thebault from the Institut des politiques publiques (French)

Upcoming sessions in March:

- **March 16th, 2021: "The Great Demarcation"**, with Rafe Blaufarb (English)
- **March 31st, 2021: "Accumulating Capital Today"**, with Marlene Benquet and Théo Bourgeron (English)

Follow our events on this page: <https://wid.world/event/>

In the media

Selection of recent contributions:

English

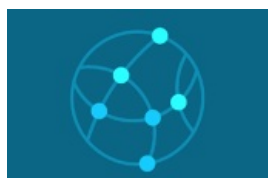
- **Nature**: "[The science of sliminess, the secrets of bones, and mathematicians who took to the air: Books in brief](#)", with Lucas Chancel, 17/11/2020.
- **Quartz**: "[The main metric economists use to measure inequality is deeply flawed](#)", with Thomas Blanchet, 04/12/2020.
- **Jerusalem Post**: "[Middle East suffers from worst income inequality in the world - report](#)", with Rowaida Moshrif, 17/11/2020.
- **Politico**: "[Economists urge New York to hike taxes on billionaires](#)", with Emmanuel Saez, 12/11/2020.

Other languages

- [AUDIO] **France Inter**: "[Covid : faut-il donner la priorité à la santé ou à l'économie ?](#)", with Thomas Piketty, 11/09/2020. (French)
- [AUDIO] **Blu Radio**: "[Datos de la DIAN no dan suficiente transparencia para evaluar desigualdad: Ignacio Flores](#)", with Ignacio Flores, 19/11/2020. (Spanish)
- **Le Grand Continent**: "[10 points sur les inégalités mondiales](#)", by Lucas Chancel, 04/12/2020. (French)
- [AUDIO] **Slate - La Fnac**: "[Thomas Piketty, des perspectives plutôt que des diagnostics](#)", with Thomas Piketty, 14/01/2021. (French)

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

More about WID.world



WID.world relies on the combined effort of an



The World Inequality Database is funded by



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