

Economic growth is good- or is it?

Trends in the distribution of wealth 2001-2013

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Outline of seminar

- Introduction
- GDP/capita
- Mean wealth/adult
- Wealth inequality
- Discussion

Introduction

- Wealth inequality important dimension of social inequality
- Neoliberal policies = small gov.; low taxes; fewer services
- Deregulation = increased capital mobility
- Credit financed growth = asset bubbles = GFC
- Income from capital > income from labour

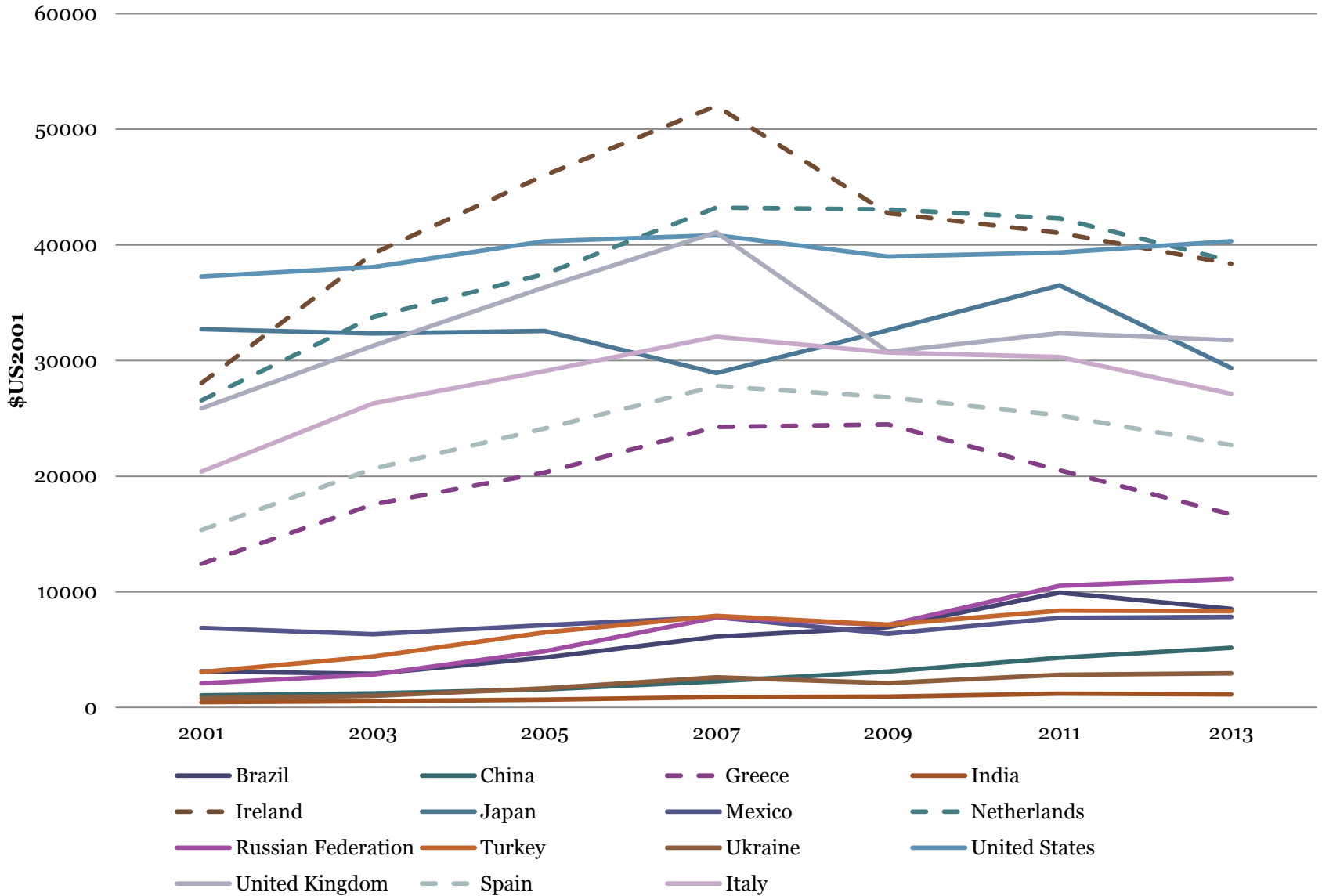
15 nations

- Western Europe: Greece, Ireland, Netherlands, Spain, United Kingdom
- Eastern Europe: Russia, Ukraine
- Americas: Brazil, Mexico, United States of America
- Asia: China, India, Japan
- Turkey

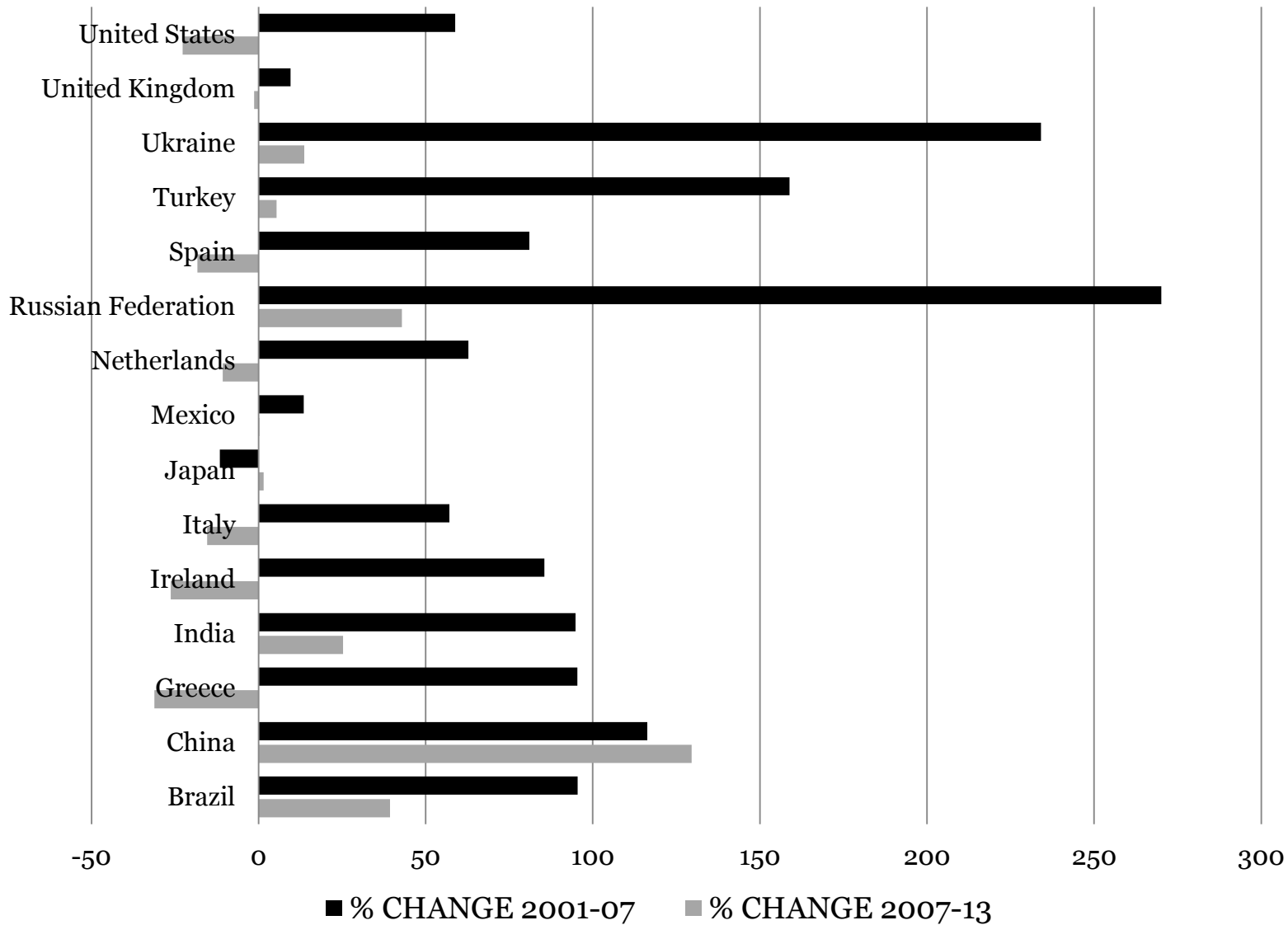
GDP/capita

- World Bank figures
- Converted to 2001 US \$

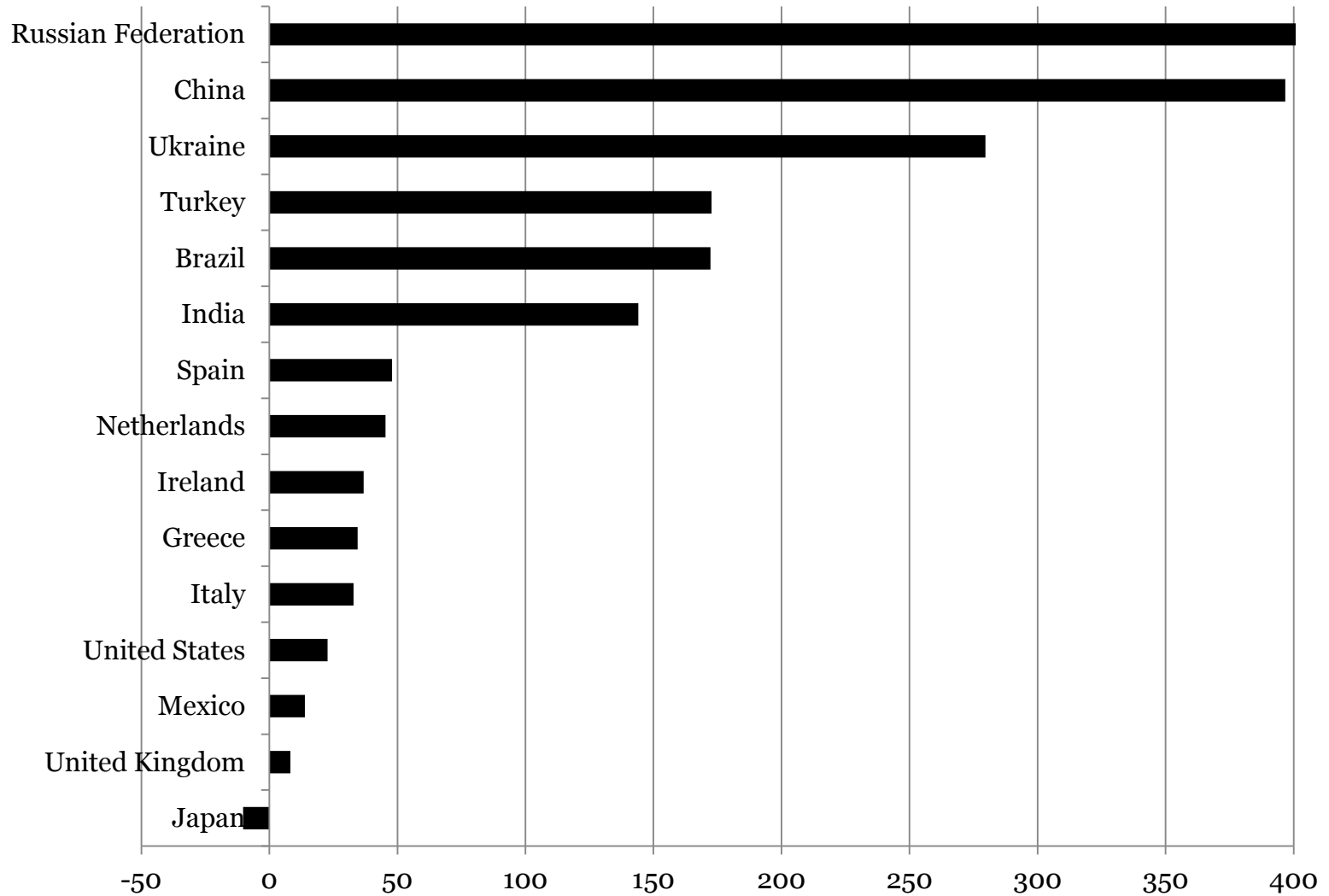
GDP/ capita 2001-2013



Percentage change in GDP/capita 2001-07 and 2007-13



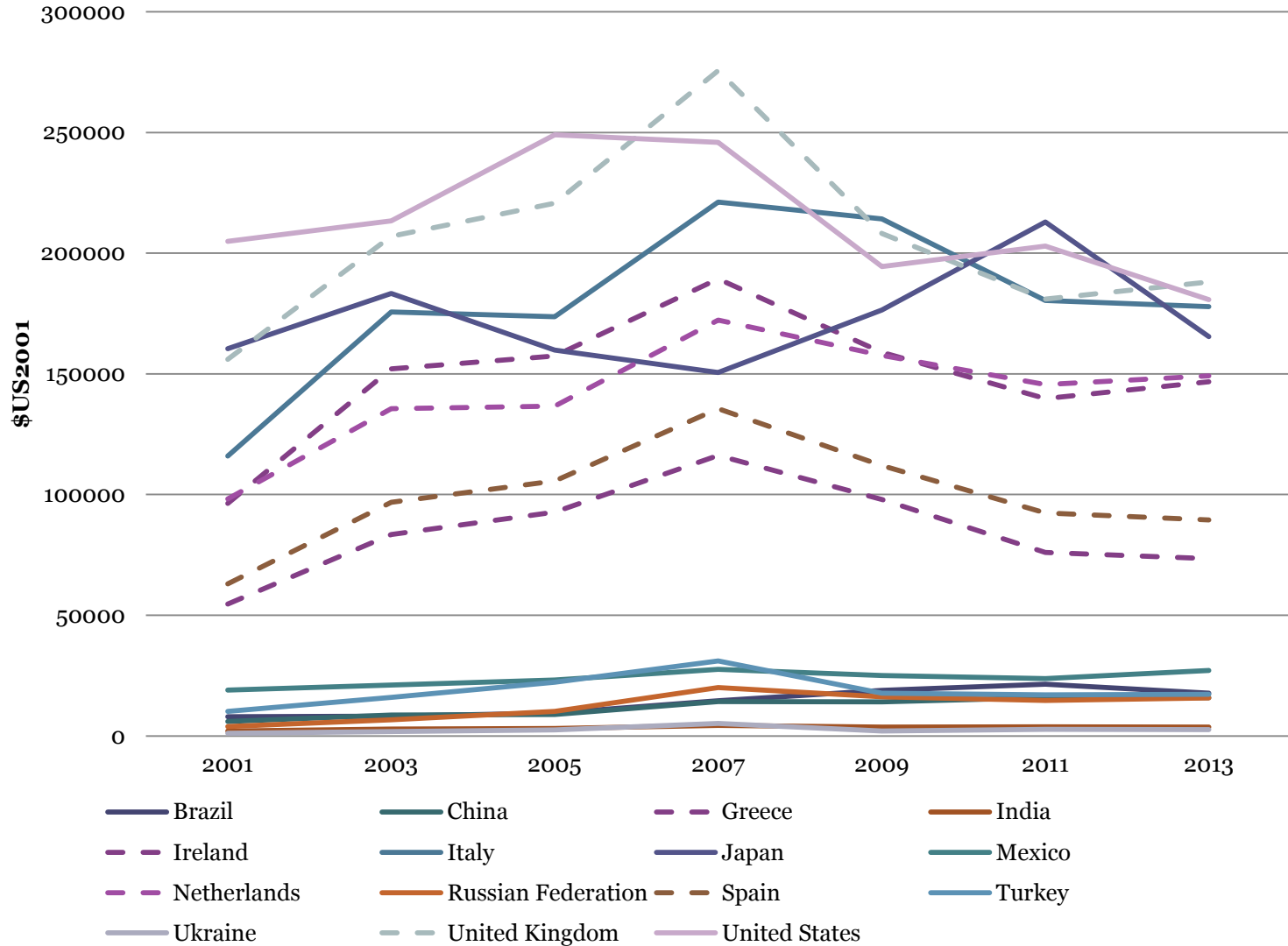
% change in GDP/capita 2001-13



Wealth/adult

- Credit Suisse Global Wealth Report 2014
- Figures adjusted to 2001 US \$

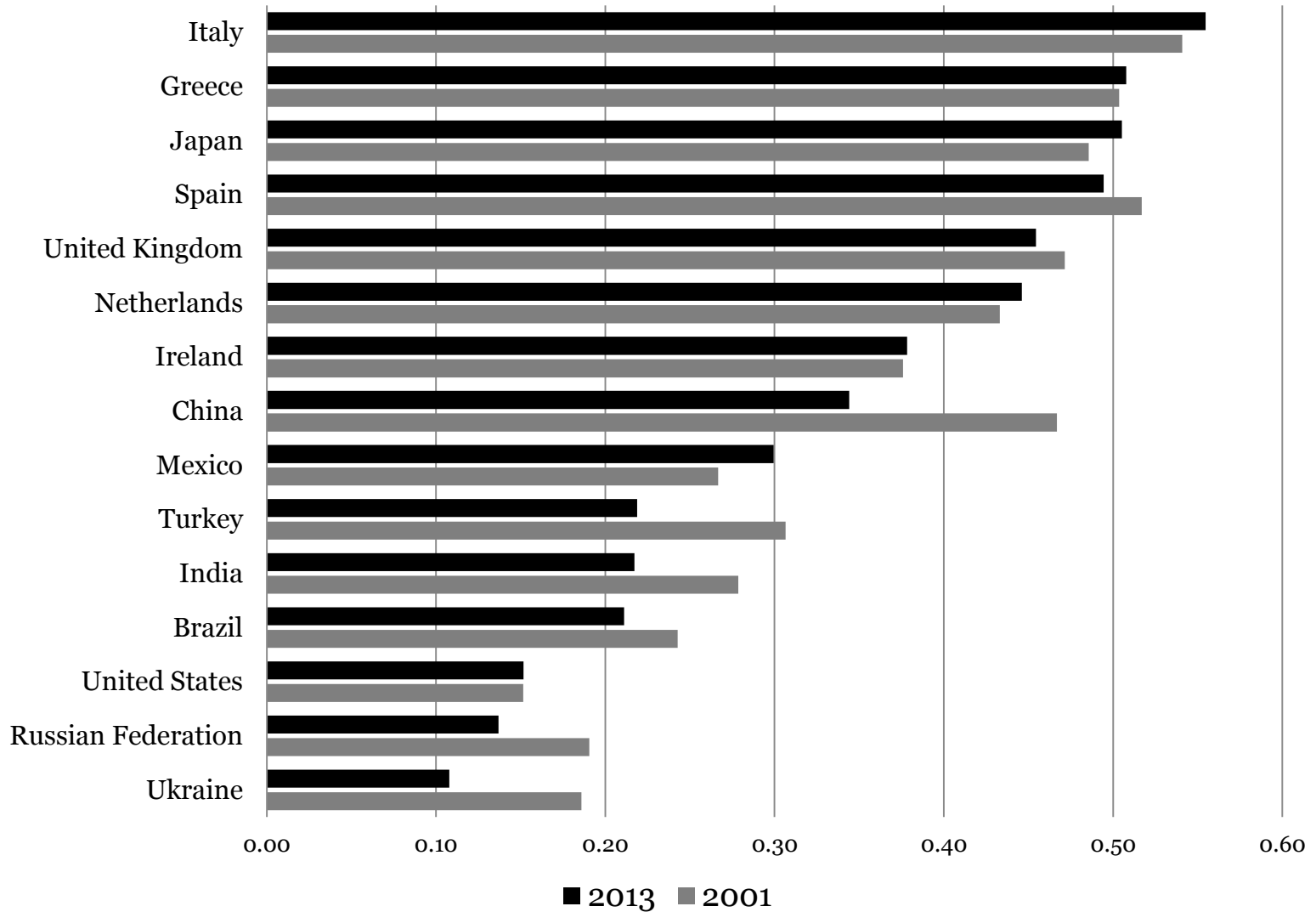
Mean wealth/adult 2001-2013



Wealth inequality

- Ratio of median wealth/adult to mean wealth/adult
- Higher ratio = lower inequality
- Lower ratio = higher inequality

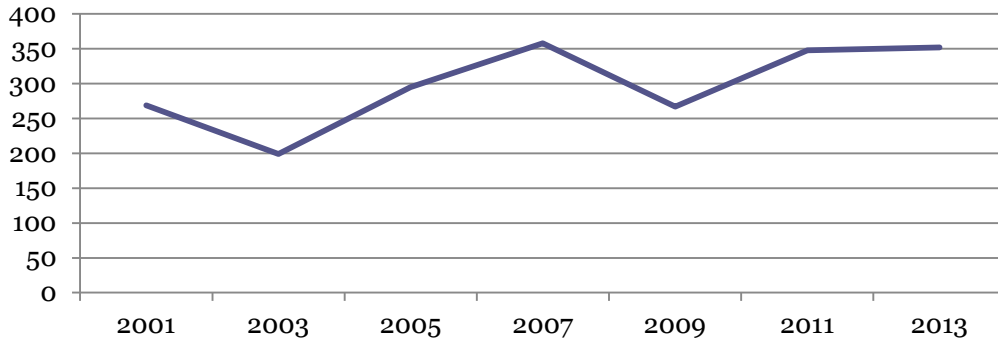
Ratio of median wealth to mean wealth 2001 & 2013



Extreme wealth

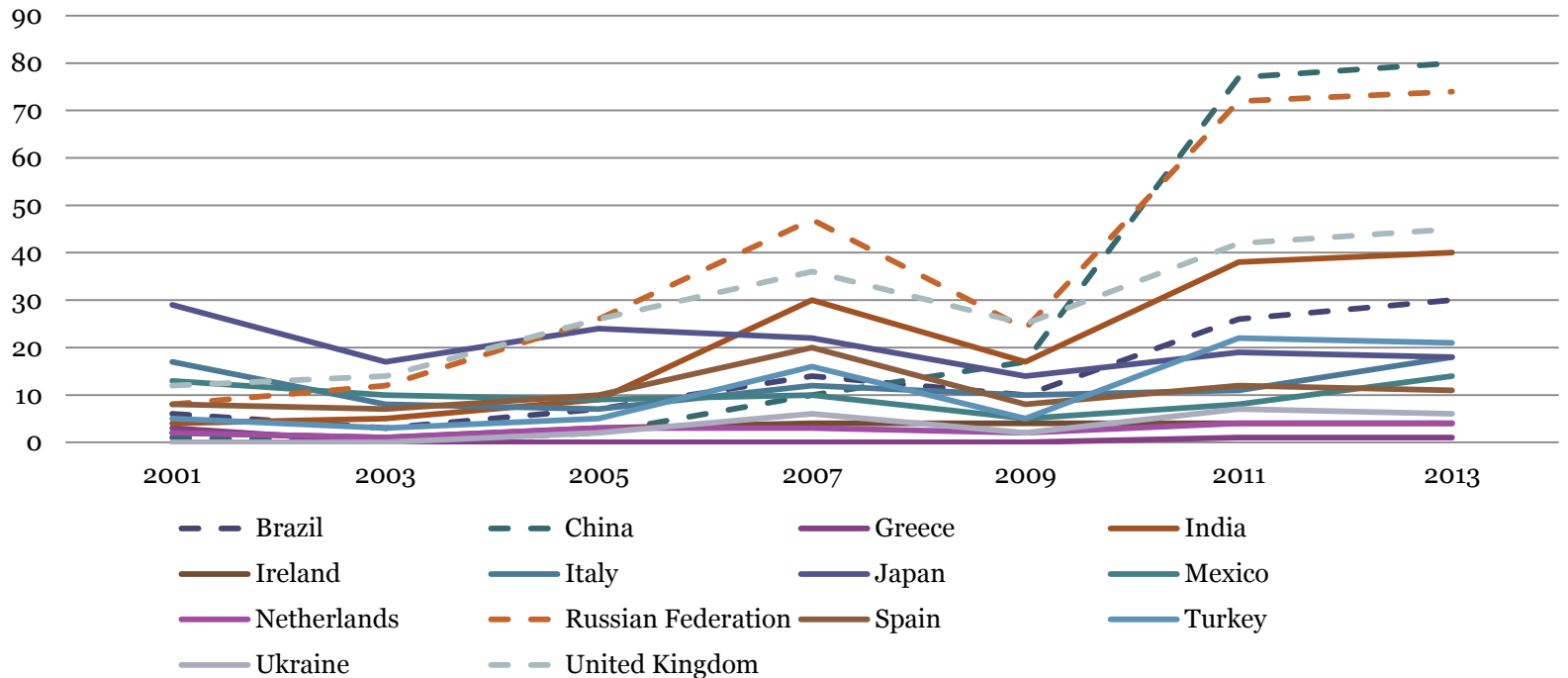
- Forbes magazine 2001-2013 billionaires lists
- Figures converted to 2001 US \$
- Comparison of wealth/adult and billionaire wealth

United States: 2001-2013

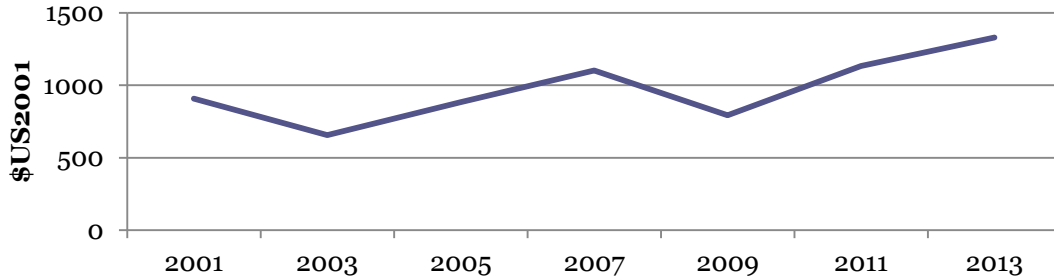


Number of billionaires

Other nations: 2001-2013

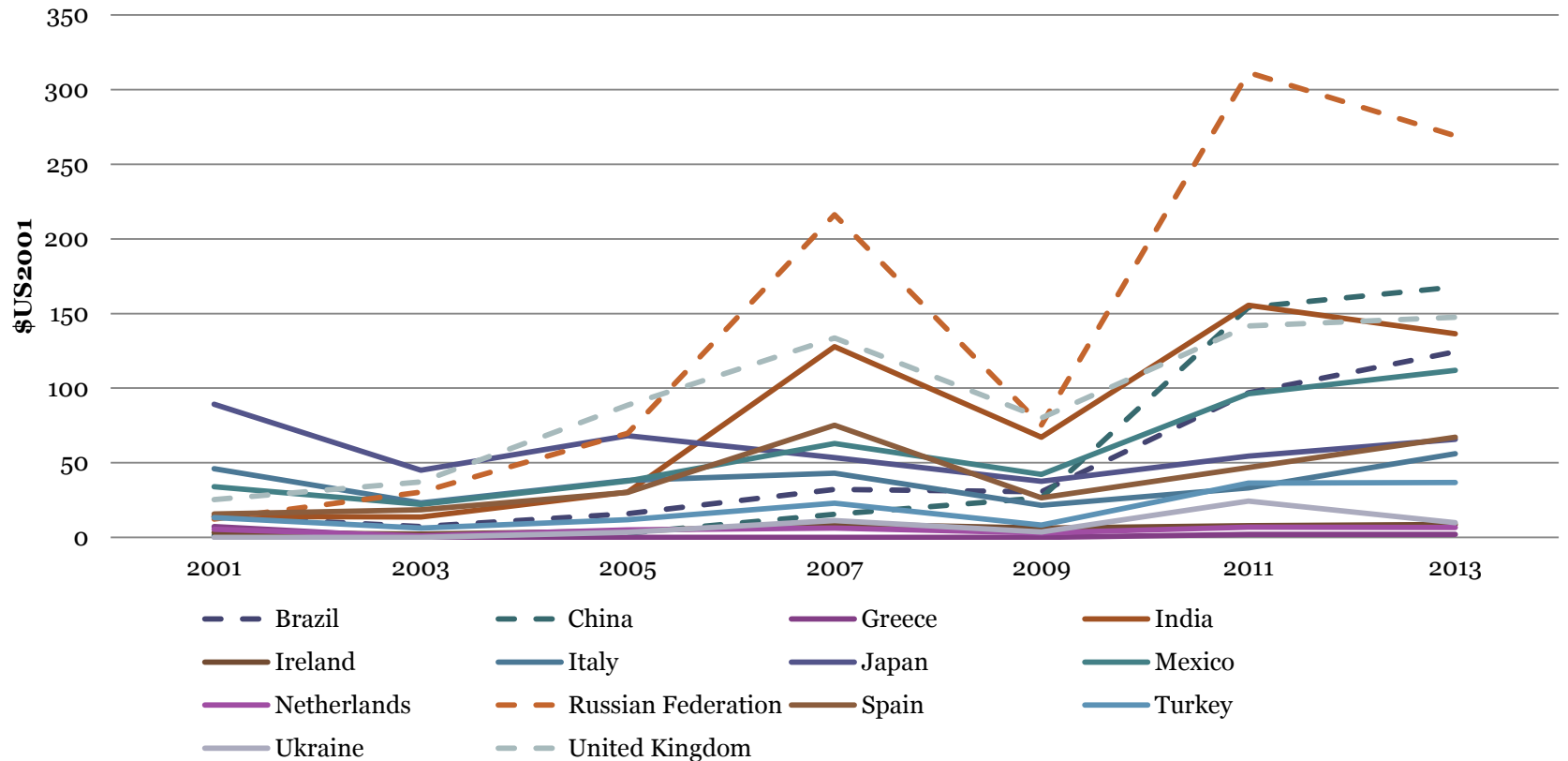


United States: 2001-2013



Total billionaire wealth

Other nations: 2001-2013



	wealth/adult	number average adults/\$1billion	total billionaire wealth \$billion	number of billionaires	number of average adults
Brazil	23278	42,959	169.55	35	7,283,701
China	20842	47,980	268.86	123	12,899,914
Greece	96646	10,347	2.6	1	26,902
India	4793	208,638	193.6	52	40,392,239
Ireland	193068	5,180	11.4	4	59,047
Italy	234030	4,273	75	19	320,472
Japan	217682	4,594	94.4	25	433,660
Mexico	35628	28,068	147.2	14	4,131,582
Netherlands	196323	5,094	8.7	4	44,315
Russian Federation	20733	48,232	376.9	94	18,178,749
Spain	117706	8,496	97.25	19	826,211
Turkey	22634	44,181	70	39	3,092,692
Ukraine	3431	291,460	14	7	4,080,443
United Kingdom	247424	4,042	203.15	53	821,060
United States	314521	3,179	1842.7	433	5,858,750

Discussion

- Rapid growth & increasing wealth inequality in Brazil, China, India, Russia, Turkey & Ukraine
- Low growth & no change in wealth inequality in Ireland & US
- Low growth & slight decline in inequality in Greece, Italy, Mexico & Netherlands
- Low growth & slight increase in inequality in Spain & UK
- No growth & slight decline in inequality in Japan

Trends in UK

- GDP/capita +10% 2001-2007; -1% 2007-2013
- Wealth inequality increased slightly 2001-2013
- Number of billionaires increased from 12 to 45
- Billionaire wealth increased from 25 to 148 billion
- Migration of billionaires into UK

Sources

- Bureau of Labor Statistics: 2015 Consumer Price Index
- Credit Suisse Global Wealth Report: 2014
Shorrocks, Davies and Lluberas
- Forbes Magazine: Billionaires lists 2001-2013
- World Bank: 2014 Indicators GDP/capita