Economic growth is good- or is it? Trends in the distribution of wealth 2001-2013

Dr Jenny Chesters
University of Canberra
jenny.chesters@canberra.edu.au
Outline of seminar

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

- Wealth inequality important dimension of social inequality
- Neoliberal polices = 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

- Brazil
- China
- Greece
- India
- Ireland
- Japan
- Mexico
- Netherlands
- Russian Federation
- Turkey
- Ukraine
- United Kingdom
- United States
- United States
- United States
- United States
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- United States
- United States
Percentage change in GDP/capita 2001-07 and 2007-2013

- United States
- United Kingdom
- Ukraine
- Turkey
- Spain
- Russian Federation
- Netherlands
- Mexico
- Japan
- Italy
- Ireland
- India
- Greece
- China
- Brazil

% CHANGE 2001-07  % CHANGE 2007-13
% change in GDP/capita 2001-13

- Russian Federation
- China
- Ukraine
- Turkey
- Brazil
- India
- Spain
- Netherlands
- Ireland
- Greece
- Italy
- United States
- Mexico
- United Kingdom
- Japan

GDP/capita in $\%$
Wealth/adult

- Credit Suisse Global Wealth Report 2014
- Figures adjusted to 2001 US $
Mean wealth/adult 2001-2013

The chart shows the mean wealth per adult for various countries from 2001 to 2013. The countries included are Brazil, China, Greece, India, Ireland, Italy, Japan, Mexico, Netherlands, Russian Federation, Spain, Ukraine, United Kingdom, and United States. The y-axis represents wealth in US dollars, ranging from 0 to 300,000 US dollars, and the x-axis represents the years from 2001 to 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

- Italy
- Greece
- Japan
- Spain
- United Kingdom
- Netherlands
- Ireland
- China
- Mexico
- Turkey
- India
- Brazil
- United States
- Russian Federation
- Ukraine

2013

2001
Extreme wealth

- Forbes magazine 2001-2013 billionaires lists
- Figures converted to 2001 US $
- Comparison of wealth/adult and billionaire wealth
<table>
<thead>
<tr>
<th>Country</th>
<th>wealth/adult</th>
<th>number average adults/$1billion</th>
<th>total billionaire wealth $billion</th>
<th>number of billionaires</th>
<th>number of average adults</th>
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</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>23278</td>
<td>42,959</td>
<td>169.55</td>
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<td>123</td>
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<td>5,180</td>
<td>11.4</td>
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<tr>
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<td>3,179</td>
<td>1842.7</td>
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</tbody>
</table>
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

- Credit Suisse Global Wealth Report: 2014 Shorrocks, Davies and Lluberas
- Forbes Magazine: Billionaires lists 2001-2013
- World Bank: 2014 Indicators GDP/capita