

*The IFS Deaton Review and other more
important ones: Inequalities in the
Twenty-First Century*

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Useful documents and links

- <https://www.ifs.org.uk/inequality/>
- IFS: *Inequality: the Deaton Review*
- https://www.oecd-ilibrary.org/social-issues-migration-health/under-pressure-the-squeezed-middle-class_689afed1-en
- OECD: *Under Pressure: the squeezed middle class*
- <https://ourworldindata.org/income-inequality>
- Our World in data: *Income inequality*
- <https://www.oecd.org/social/in-it-together-why-less-inequality-benefits-all-9789264235120-en.htm>
- OECD: *In it together: why less inequality benefits all*

Would you give a clock to a monkey?
Or let micro-economists in the neo-classical tradition
engage with inequality?

Professor Sir Angus Deaton, Nobel Laureate and Chair of the Review

This project aims to rise to that challenge. In the most ambitious study of its kind yet attempted, we will aim to understand inequality not just of income, but of health, wealth, political participation, and opportunity; and not just between rich and poor but by gender, ethnicity, geography, age and education. We will cover the full breadth of the population – not just what is happening at the very top and very bottom. We will examine what concerns people about inequality, what aspects of it are perceived to be fair and unfair, and how those concerns relate to the actual levels of inequality

and the processes by which they are created.

We will examine the big forces that drive inequalities – from technological change, globalisation, labour markets and corporate behaviour to family structures and education systems.

What is missing?

What Deaton said:

At the risk of grandiosity, I think that today's inequalities are signs that democratic capitalism is under threat, not only in the US, where the storm clouds are darkest, but in much of the rich world, where one or more of politics, economics, and health are changing in worrisome ways. I do not believe that democratic capitalism is beyond repair nor that it should be replaced; I am a great believer in what capitalism has done, not only to the oft cited billions who have been pulled out of poverty in the last half century, but to all the rest of us who have also escaped poverty and deprivation over the last two and a half centuries. It also provides our jobs and the cornucopia of goods and services that we take for granted. And Milton Friedman, whose starry-eyed view of capitalism has much to answer for, was not entirely wrong when he extolled the freedom that free markets can bring. Though history has not been kind to his view that equality would be guaranteed by using markets to pursue freedom.

The OECD is running scared – Foreword to *Under Pressure*

every generation since the baby boom has seen the middle-income group shrink and its economic influence weaken. Three decades ago, the aggregate income of all middle-income households was four times larger than the aggregate income of upper income households; today, this ratio is less than three. ... By shedding light on the situation of a group that has traditionally been the main driver of economic growth and a pillar of social stability, this report makes a key contribution to the OECD argument and vision for inclusive growth. We hope it will continue building a strong case for policy action, help countries develop policies that alleviate the pressures on middle-class households and create economies that fulfil the “middle class dream” once again.

WHERE WE ARE: In a state of CRISIS

Capitalocene – the biggie – climate crisis

Political crisis – failure of traditional Labour and Social Democratic parties to do anything other than: “ameliorate the inevitable”

So POPULISM – but what kind of populism?

GROWTH IS GOOD – is it? Do we need more or less shared more equally?

Is it inequality in wealth and income that matters or inequality in well-being? Can't have equality in one without equality in the other.

Alternatives to GDP

ALTERNATIVES TO THE GDP WEB SITES

1. FORDHAM INDEX OF SOCIAL HEALTH – FISH - <http://www.ccsd.ca>
2. GENUINE PROGRESS INDICATOR – GPI - <http://www.rprogress.org>
3. UNITED NATIONS HUMAN DEVELOPMENT INDEX – UNHDI - <http://www.un.org>
4. GROSS SUSTAINABLE DEVELOPMENT PRODUCT – GSDP - <http://members.home.net/g.dufour>
5. GROSS ENVIRONMENTAL SUSTAINABLE DEVELOPMENT INDEX - <http://globalcommunitywebnet.com/globalcommunity/measurementofsd.htm>