



OECD Ministerial Meeting on Social Policy
Building a Fairer Future: The Role of Social Policy
Réunion ministérielle de l'OCDE sur les politiques sociales
Construire un avenir plus juste : le rôle des politiques sociales

2-3 May 2011, OECD, Paris - www.oecd.org/social/ministerial 2-3 mai 2011, OCDE, Paris - www.oecd.org/social/ministerielle

SESSION 2: Remedies against growing inequalities – policy responses

François Bourguignon, Director of the Paris School of Economics, France



Forum, Paris, 2 May 2011

Tackling Inequality

Paris, 2 mai 2011

Lutter contre les inégalités

The top income rise in Oecd countries

François Bourguignon
Paris School of Economics

Oecd, Paris 2 May, 2011

Change in within-country inequality: high income Oecd countries, 85-05

Australia		Italy	++
Austria	++	Japan	+
Belgium	++	Korea, Rep.	
Canada	+	Luxembourg	+
Czech Republic		Netherlands	
Denmark		New Zealand	++
Finland	++	Norway	++
France		Portugal	++
Germany	++	Slovak Republic	
Greece		Spain	
Hungary		Sweden	++
Iceland		Switzerland	
Ireland		United Kingdom	++
		United States	++

Source: Oecd, 2008

Are the ++'s forerunners ?

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The surge in inequality in the US

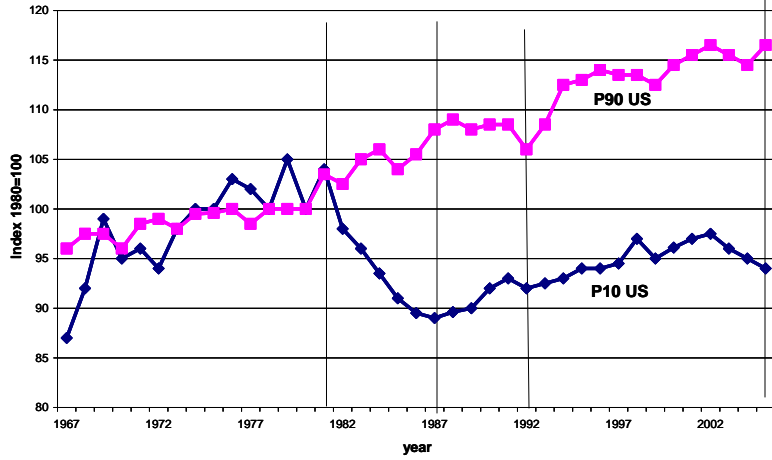
Average After-Tax Income by Income Group (in 2004 dollars)				
Income Category	1979	2004	Percent Change	Dollar Change
			1979-2004	1979-2004
Lowest fifth	\$13,900	\$14,700	6%	\$800
Second fifth	28,000	32,700	17%	4,700
Middle fifth	39,900	48,400	21%	8,500
Fourth fifth	52,300	67,600	29%	15,300
Top fifth	92,100	155,200	69%	63,100
Top 1	314,000	867,800	176%	553,800

Source: Congressional Budget Office, *Effective Federal Tax Rates: 1979-2004*, December 2006.

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Earnings inequality in selected OECD countries

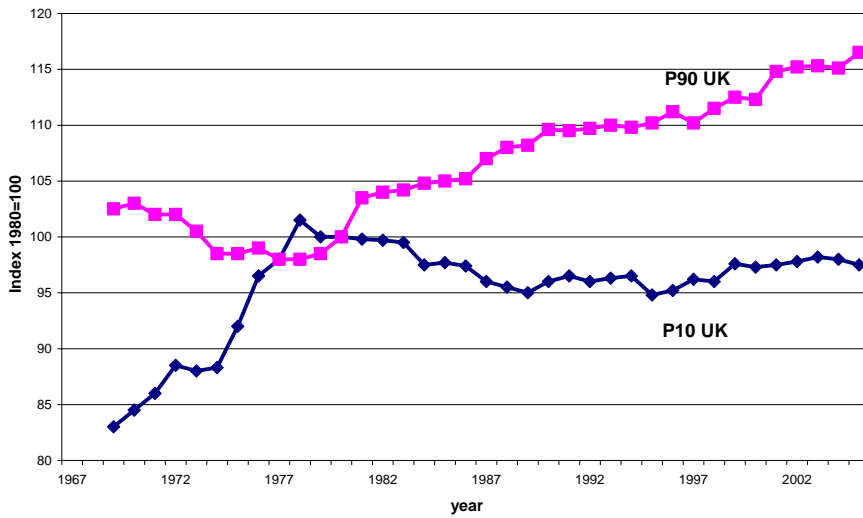
Changes in earnings dispersion: US, 1967-2005
(extreme deciles relative to the median, 1980=100)



Source: Atkinson (2007)

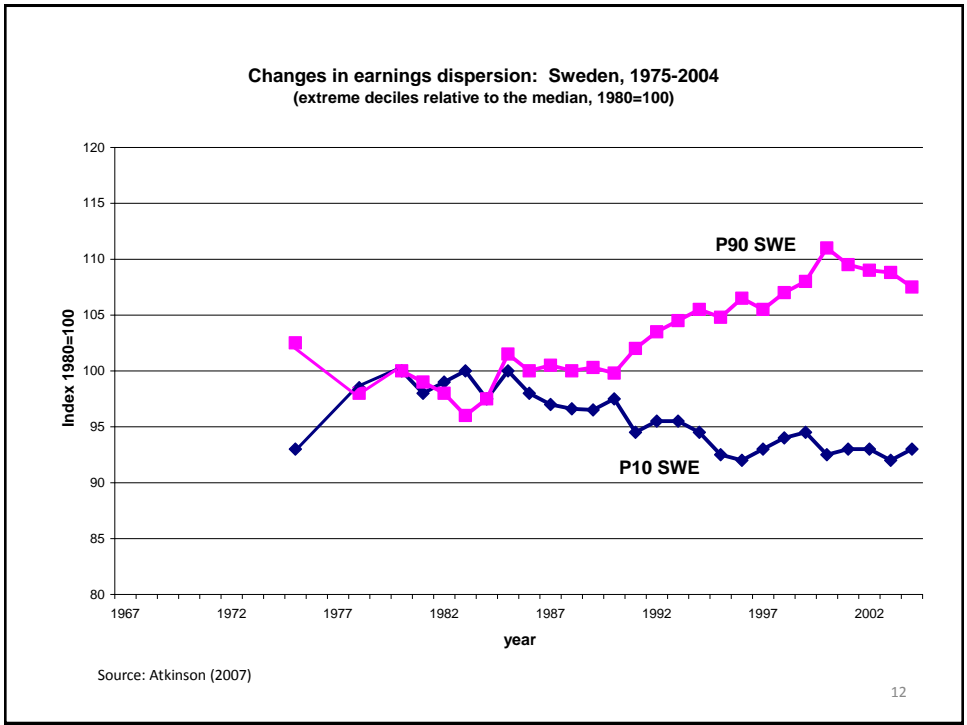
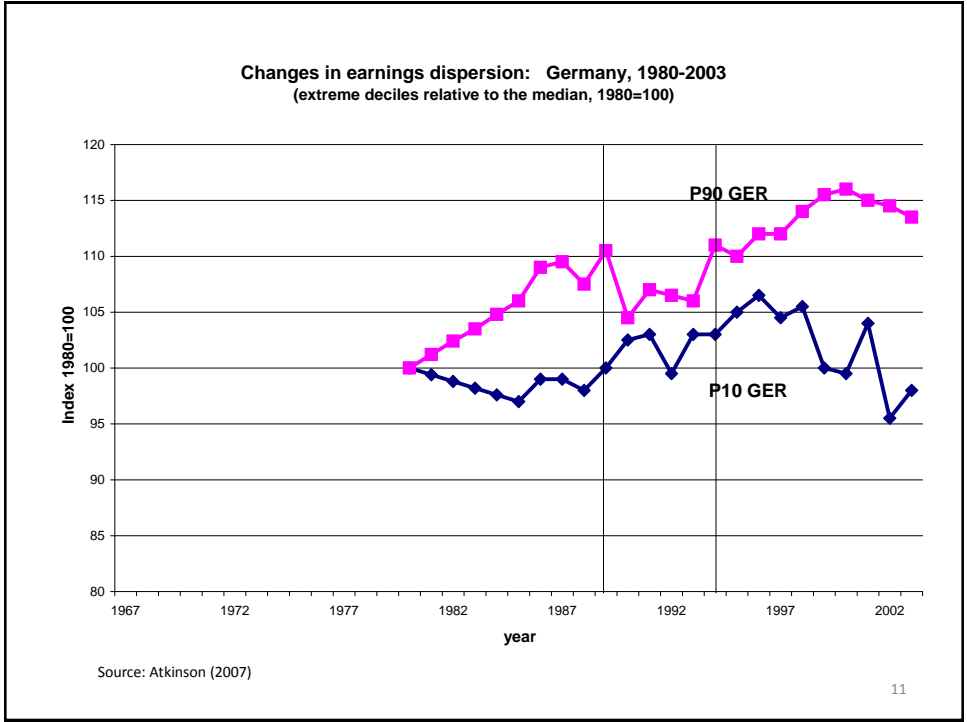
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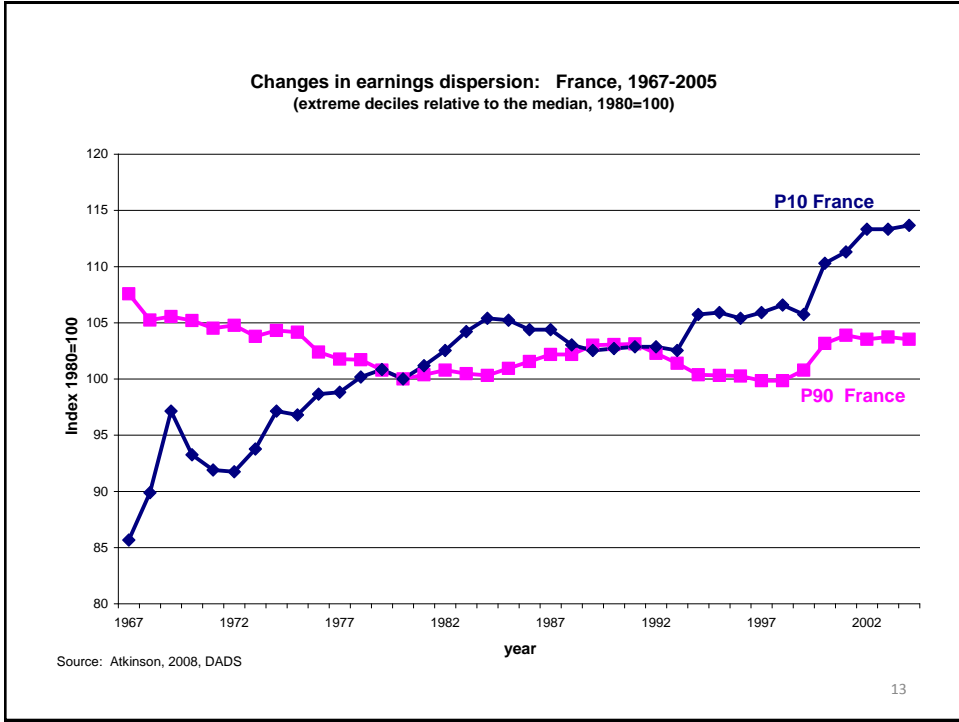
Changes in earnings dispersion: UK, 1967-2005
(extreme deciles relative to the median, 1980=100)



Source: Atkinson (2007)

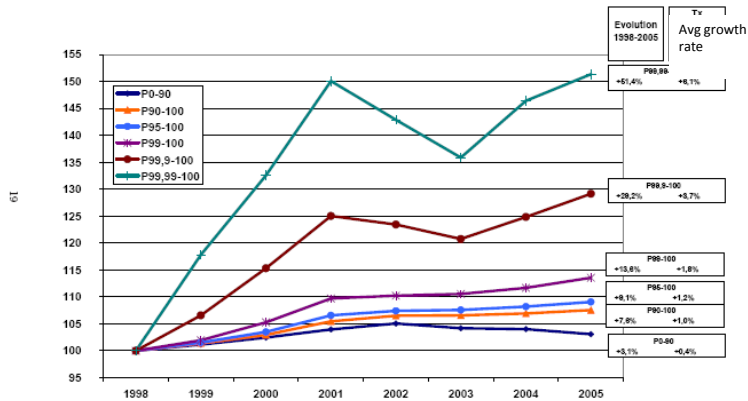
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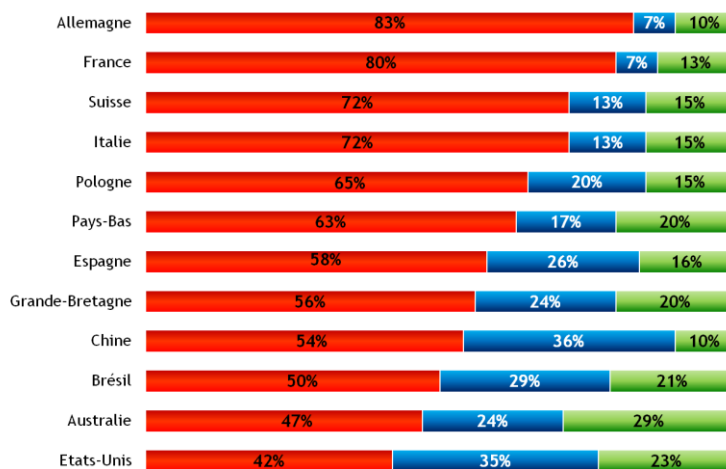


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Caution: P90/median may hide changes at the very top of the distribution:
following chart for France from Landais, 2008



Overall, over the last 10 years, would you say that inequality in our country ... have increased, decreased or remained the same?



Source: Ifop , Jean Jaurès

■ Ont plutôt augmenté ■ Ont plutôt diminué ■ Sont restées stables

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