

Distribution of Income around the World & in Brazil: Levels and Changes

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****Reference: Milanovic (2016) "Global Inequality" Chapter**

****Video Milanovic at Peterson Institute**
from 3:20 to 26:25 minutes

[://www.youtube.com/watch?v=zt8h0GC2KdY](http://www.youtube.com/watch?v=zt8h0GC2KdY)

****discussion Milanovic and Piketty at Paris School of Economics - first 20 minutes**

<https://www.youtube.com/watch?v=-PcdQld7Rww>

Obs:

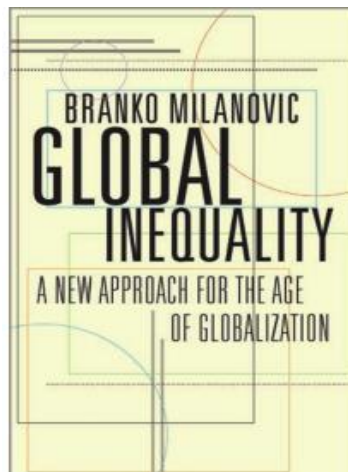
***means obligatory reference)**

****suggested optional reference**

Red means changed (take note in the printed slides)

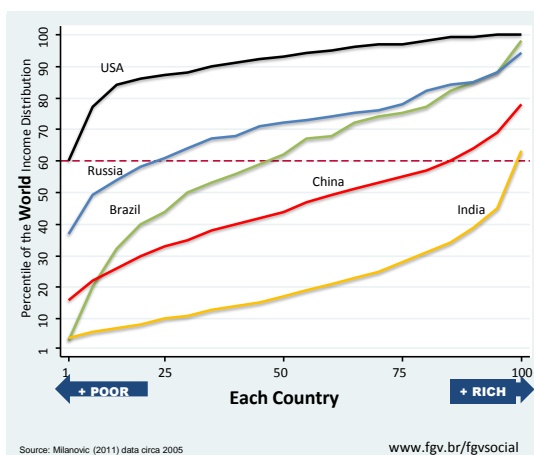
**** Obligatory reference that became a little less so**

OBS: Inequality here mostly based on Household surveys



GLOBAL INCOME DISTRIBUTION PORTRAIT – WHERE ARE BRAZIL, RELATIVE TO THE BRICS, THE US & THE WORLD

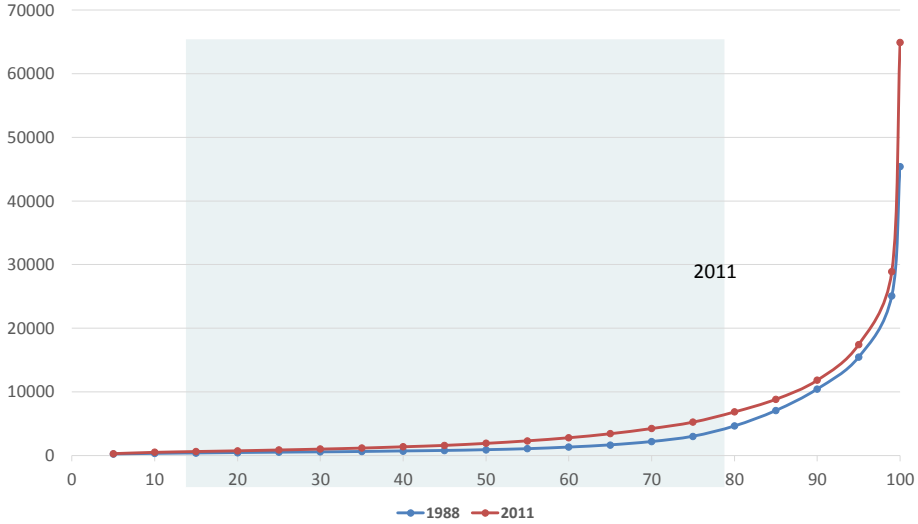
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GLOBAL INCOME DISTRIBUTION PORTRAIT 1988 and 2011

World Income Distribution 1988 and 2011 – CDF with Axis Inverted - Pen's Parade

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Source: Milanovic OBS: CDF means Cumulative Distribution Function in basic Statistics

Definition: The Growth Incidence Curve (GIC) refers to the growth rate of income for every quantile (percentile, vintile, decile etc) of the income distribution between two points in time.

1.1 Change in real income between 1988 and 2008 at various percentiles of global income distribution (2005 international dollars)



Source: Milanovic (2016), Chapter 1

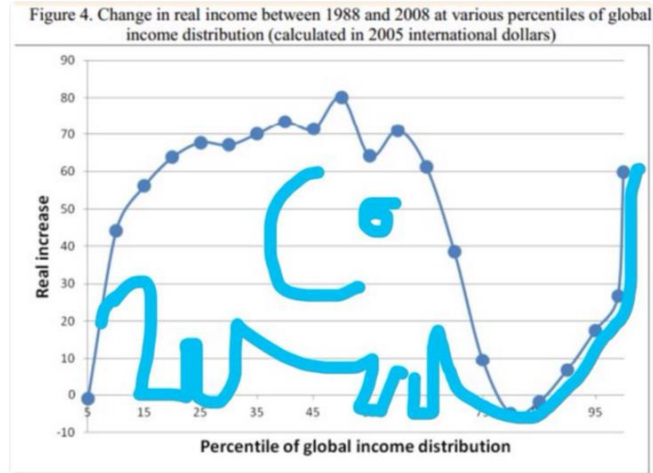


(((Toby Nangle)))
@toby_n



Following

The most powerful chart of the last decade:
Globalisation as an Elephant. @BrankoMilan



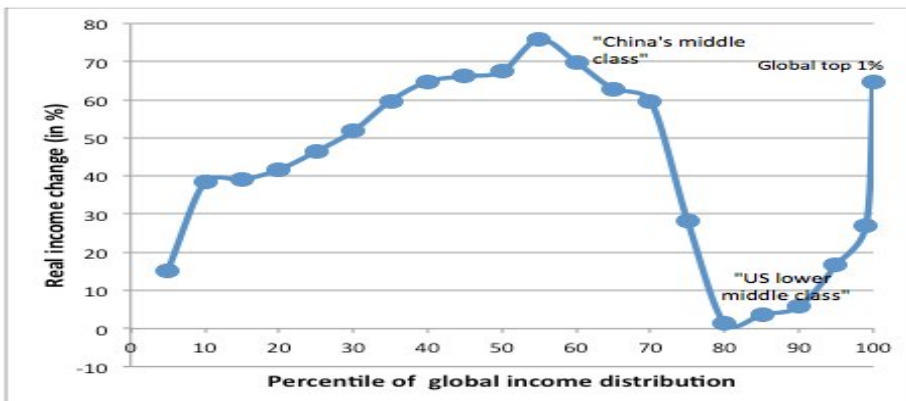
RETWEETS
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LIKES
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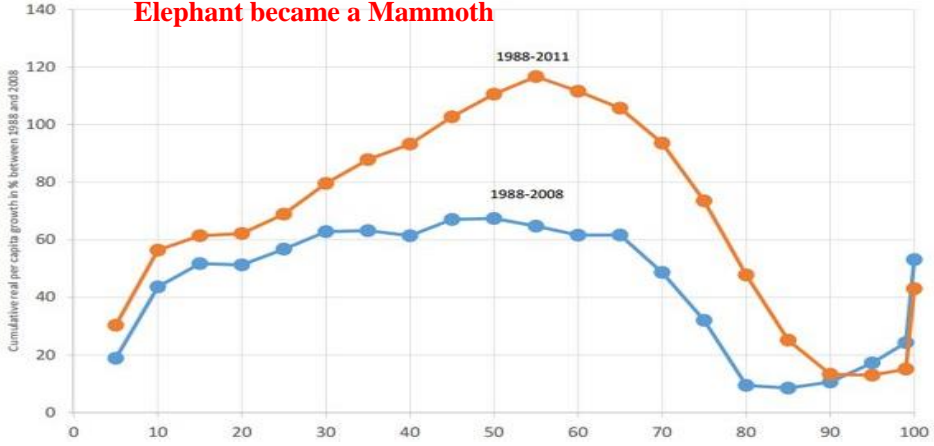
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Real income change at various percentiles of global income distribution between 1988 and 2008 (in percent) – According to this graph there is an improvement to every part of the distribution - Pareto Efficiency



Source: Milanovic (2016), Chapter 1

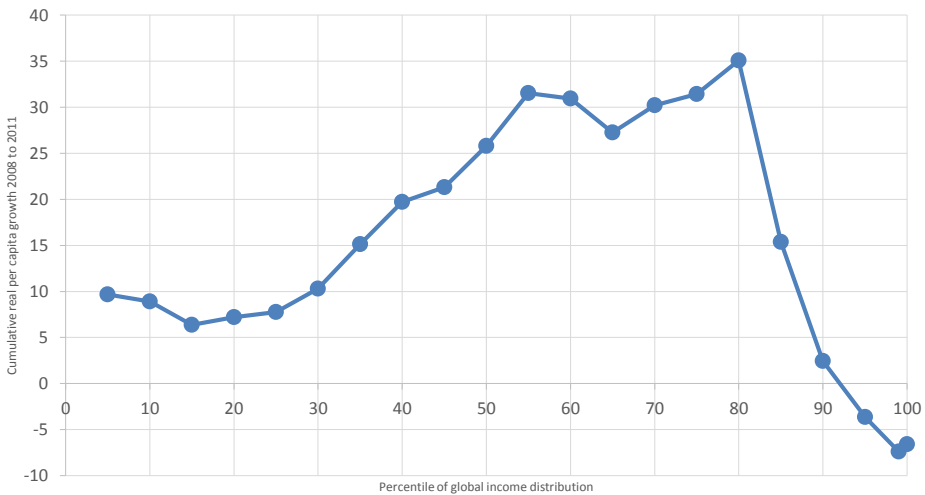
**Impressive cumulative change just in 3 years – Decoupling of the BRICS with respect to Developed countries at the on set of the Global crisis
Elephant became a Mammoth**



Source: Milanovic (2016), Chapter 1

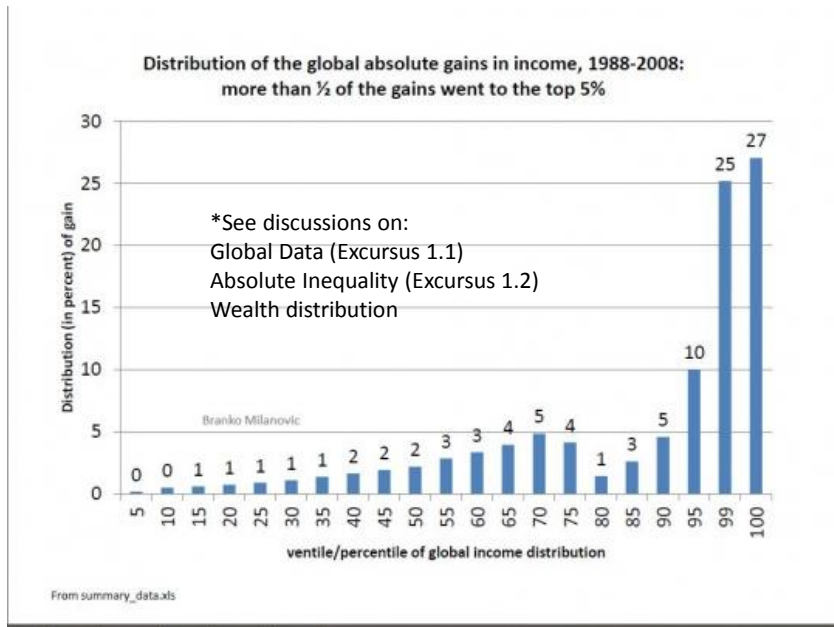
Real income growth over 2008-2011 (based on 2011 PPPs)

Real income growth over 2008-2011 period (based on 2011 PPPs) - **Top Incomes Lost at the start of the 2008 Global Crisis**

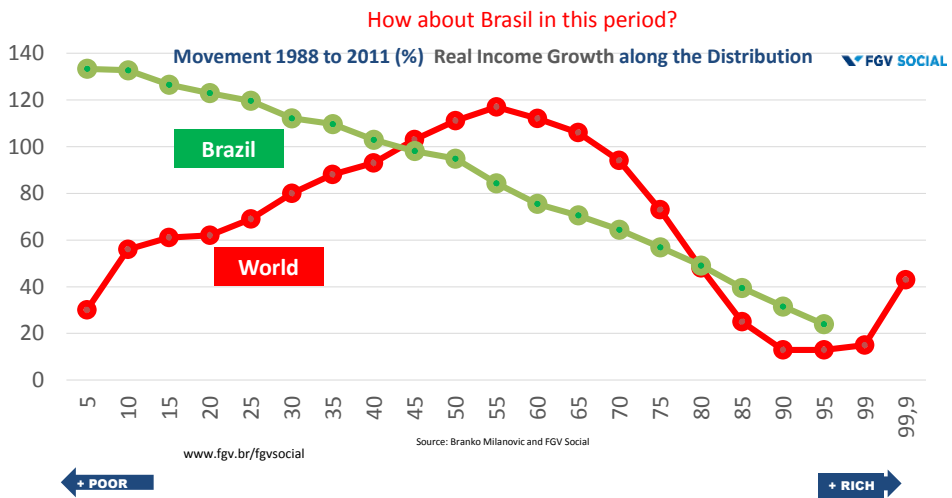


Source: Milanovic

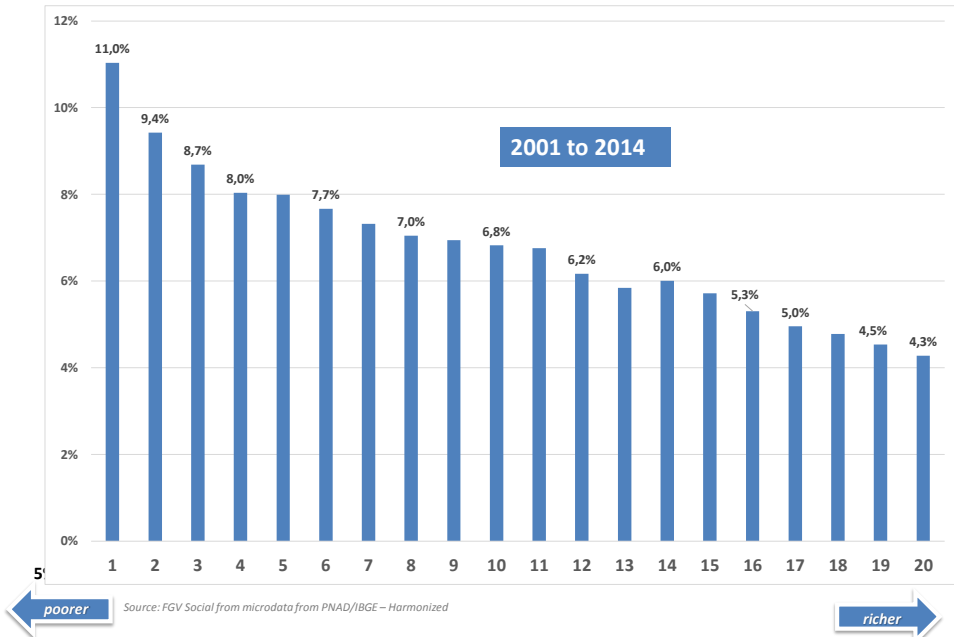
1.2 (Variation of 1.2) Absolute income gains 1988 and 2008 (in percent)



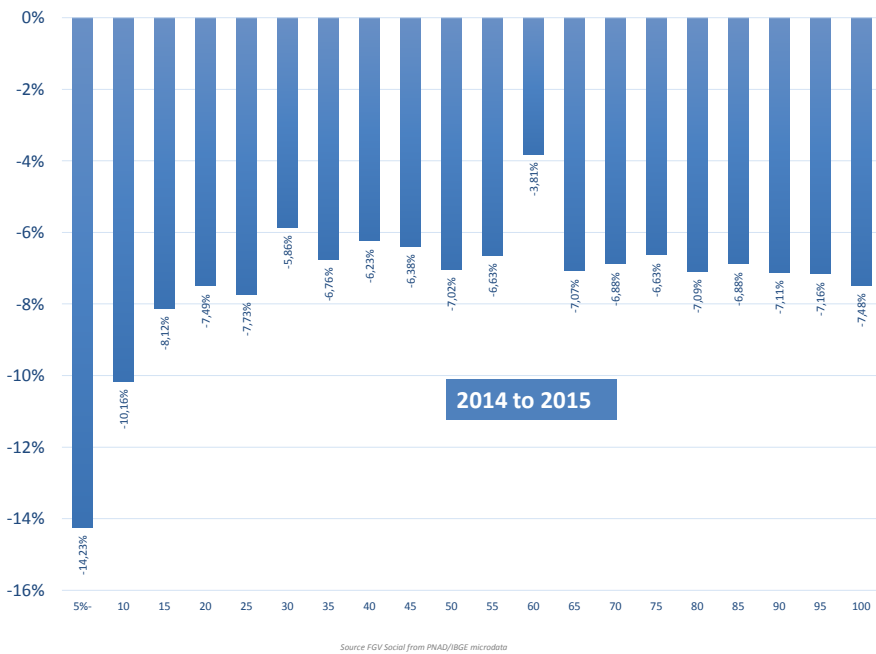
Source: Milanovic (2016), Chapter 1



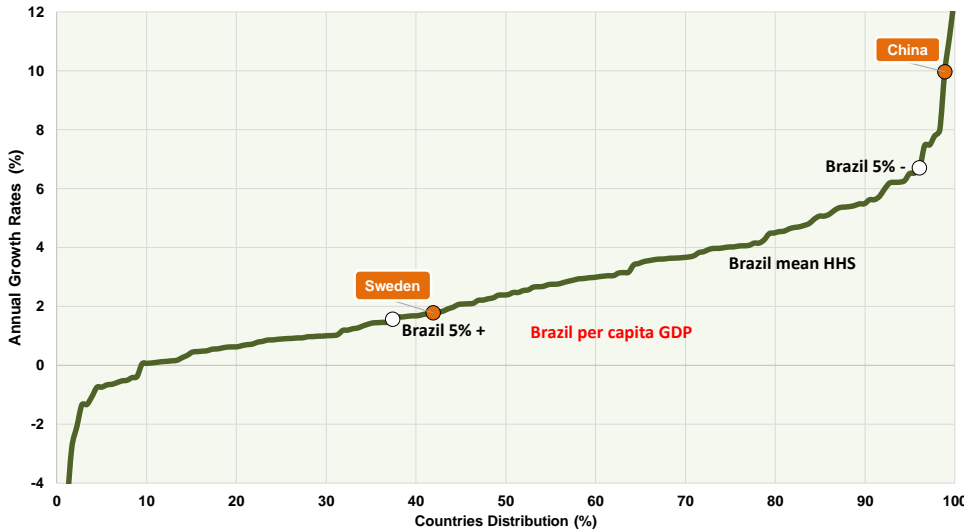
Real Per Capita Household Income Annual Growth – By Vintiles: 2001-2014



Real Per Capita Household Income Growth – By Vintiles: 2014-2015



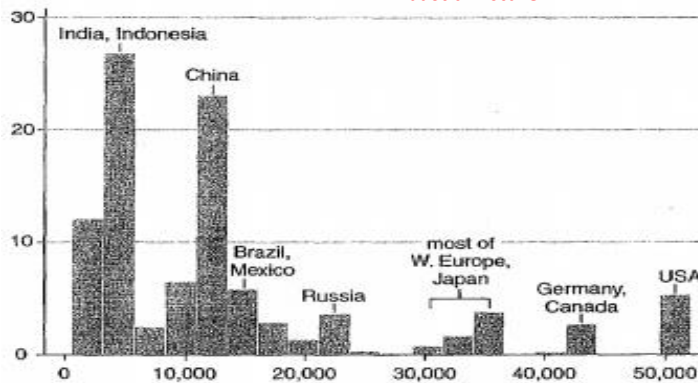
Growth Incidence Curve - Distribution of countries according to their average annual growth rate of per capita GDP: 2001-2011



Source PNAD/IBGE microdata and Pen World Tables

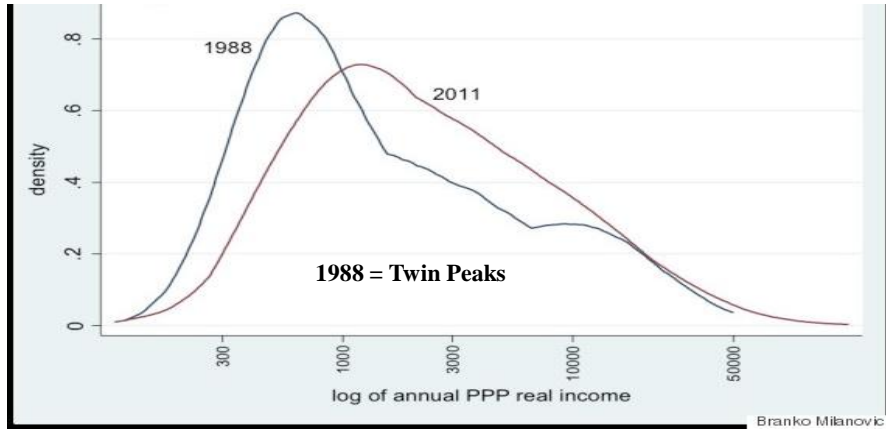
1.5 Distribution of World Population by Real GDP per capita of the country in which people live (2005 international dollars)

Just a Picture



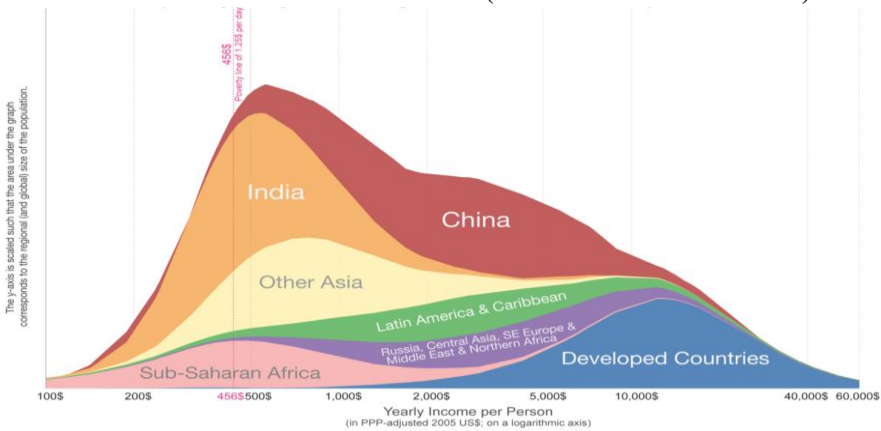
Source: Milanovic (2016), Chapter 1

1.4 Global income distribution in 1988 and 2011 (levels) – **Density in Statistics**



Source: Milanovic (2016), Chapter 1

Global Income Distribution 2011 (2005 international dollars)



Source: Lakner and Milanovic 2015

Countries with more than 1% of their population in top global percentile
(above \$PPP 72,000 per capita in 2008 prices) **Top Incomes into the picture**

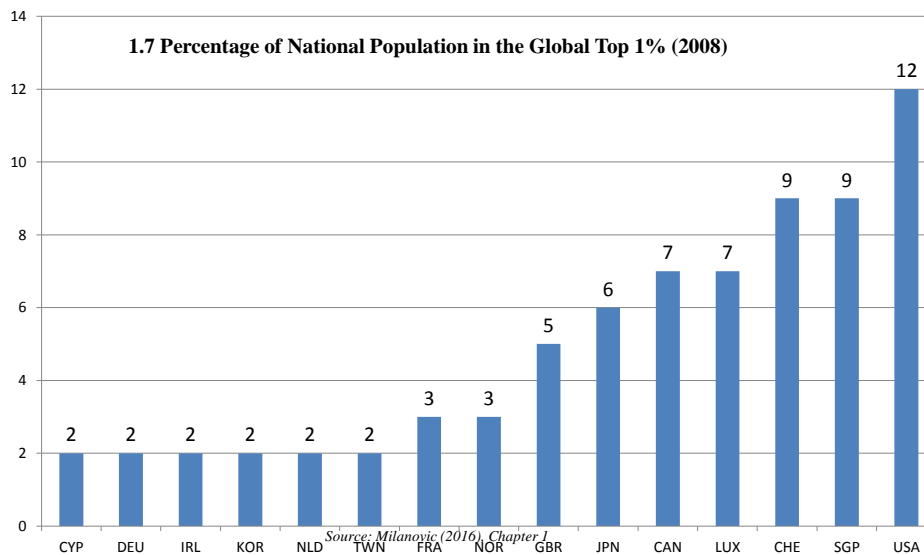


Table 1.1 Global Top 1% Shares in Global Income and Global Wealth

Estimate of income or wealth share	Around 2000	Around 2010
Top 1% share in global income based on household surveys alone ^a	14.5	15.7
Top 1% share in global income based on surveys and adjustment for underreporting ^a	29	28
Top 1% share in global income based on surveys, adjustment for underreporting, and adjustment for hidden wealth ^b	—	29
Top 1% share in global wealth ^c	32	46

Source: Milanovic (2016), Chapter 1