

Australia, Canada, Ireland, UK, US: Summary of country reports

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**Scoil an Léinn Shóisialta
Fheidhmeannaigh UCD**

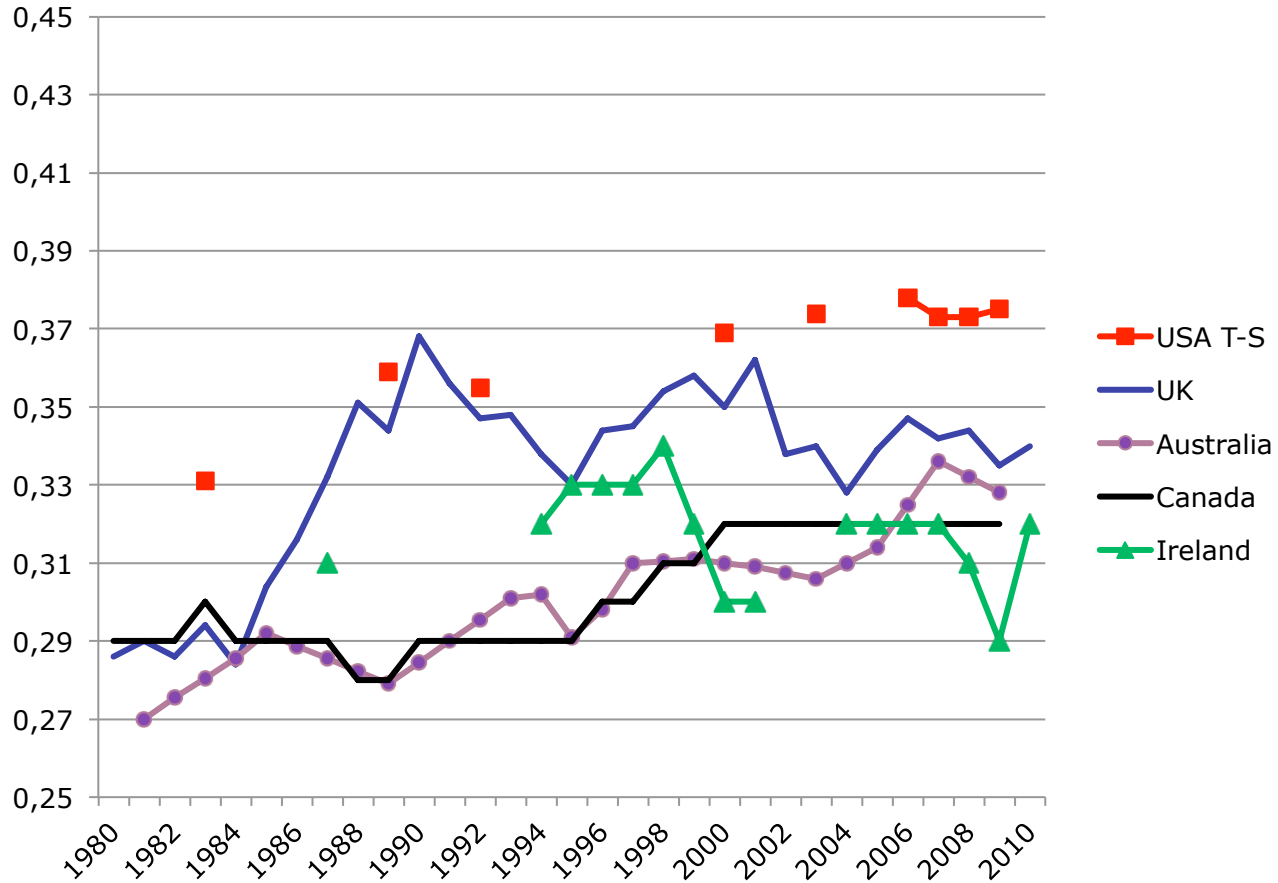
Country reports

- Peter Whiteford *Australia*
- Robert Anderson & Mitch McIvor *Canada*
- Brian Nolan, Chris Whelan et al. *Ireland*
- Abigail McKnight & Tiffany Tsang *United Kingdom*
- Lane Kenworthy & Timothy Smeeding *United States*

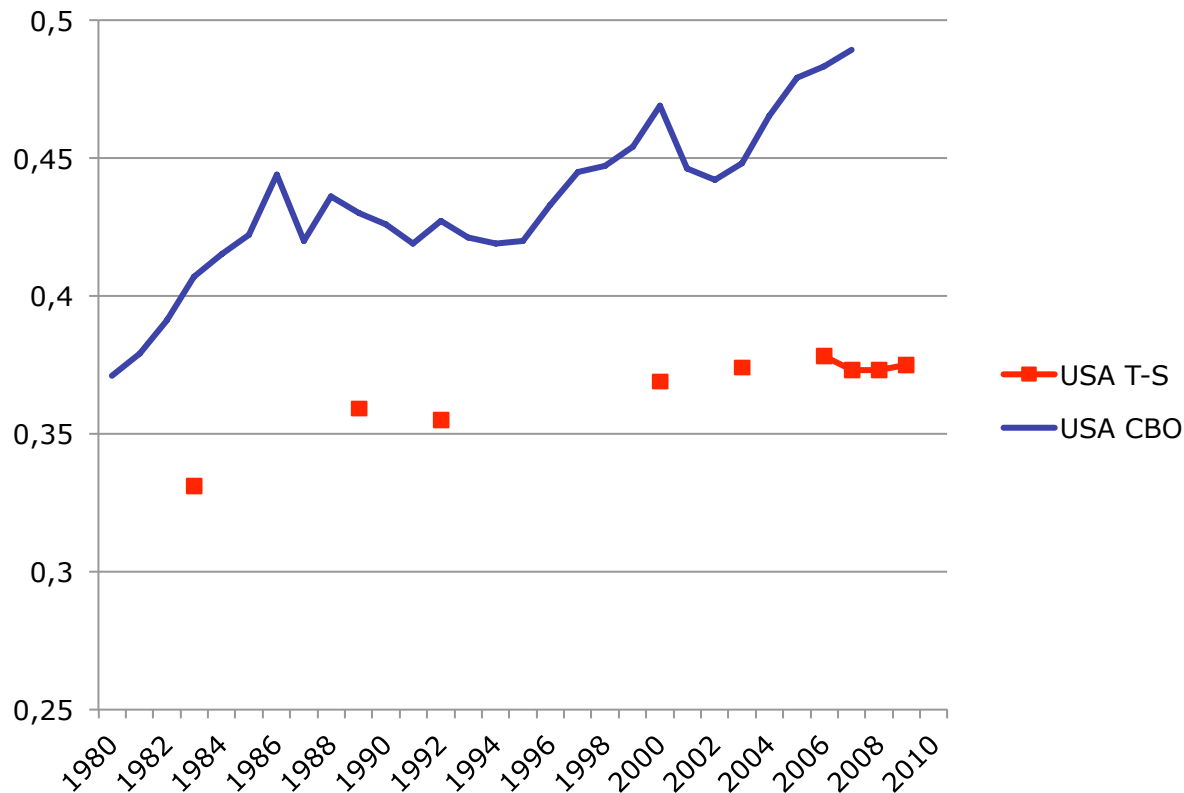


Trends in Gini

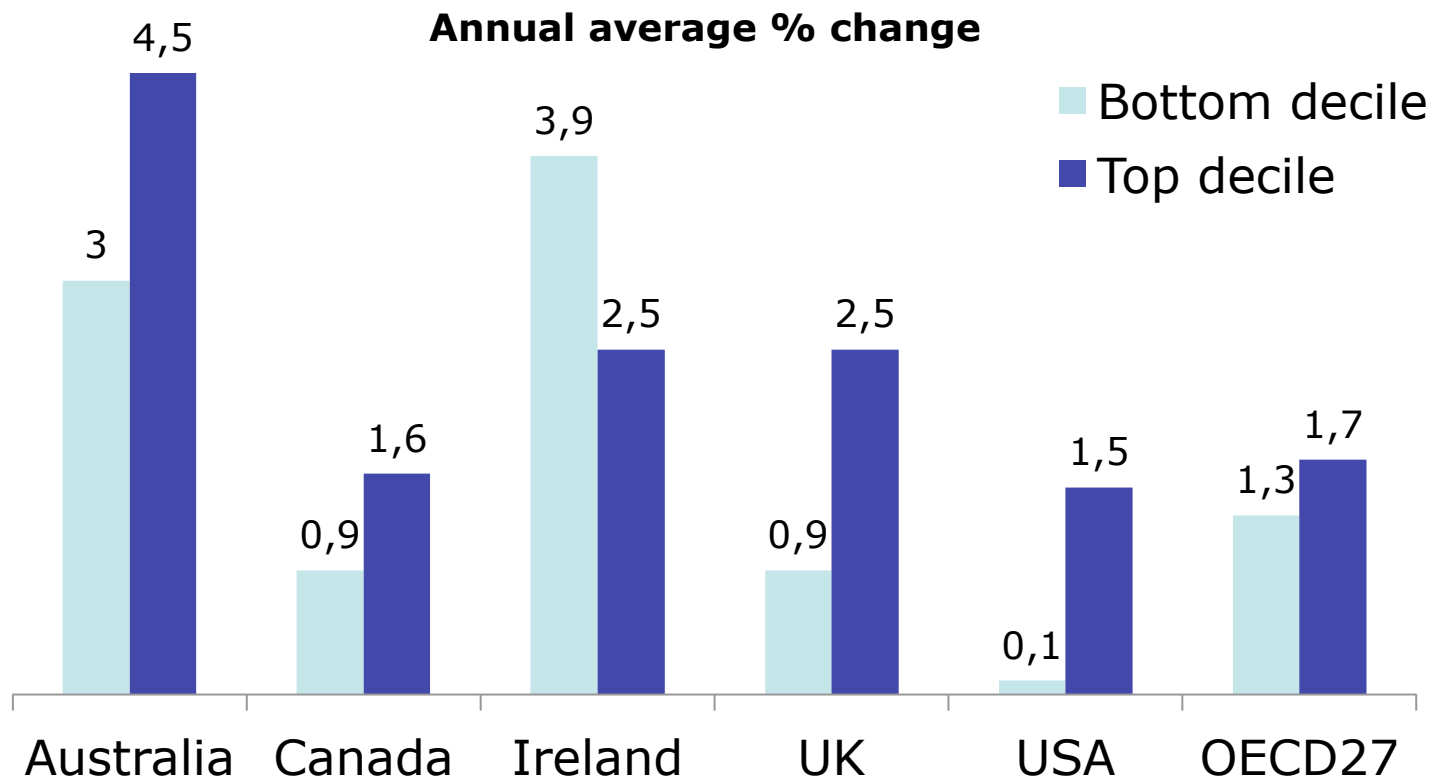
(net equivalised household income)



USA: Trends in Gini for Net Equivalised Income (Thompson-Smeeding) and Total After-Tax Income (Congressional Budget Office)



Trends in bottom & top decile real income growth, mid-1980s to late 2000s



Source: OECD *Divided We Stand*, 2011

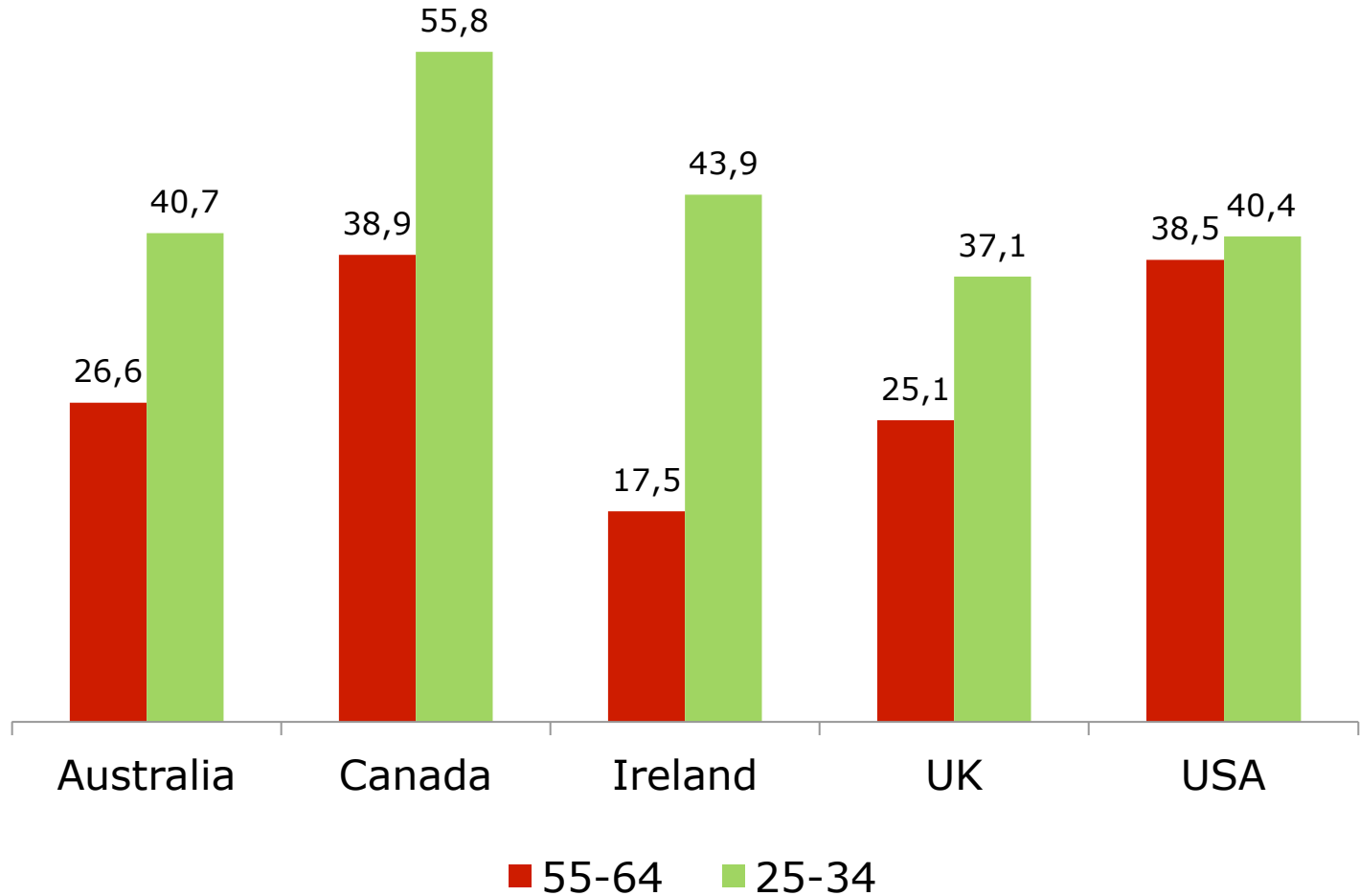
Drivers of income inequality

- Australia: Economic 'Golden Age' since 1990, no recession in 2008-09. Rapid growth in prosperity, even at the bottom, but rise in wage inequality raises Gini to intermediate levels
- Canada: rapid growth of national debt in 1980s/early 1990s leads to welfare state retrenchment from mid-1990s
- Ireland: wide range of factors (employment growth, collective bargaining, immigrant effect on incomes, etc.) prevents rise in inequality during boom, 'progressive' fiscal adjustment does so after the crash.
- UK: mixed pattern of drivers
- US: rising inequality in wages and income from capital (esp at the top) the main drivers; tax-benefit redistribution consistently modest, little effect on inequality trends. Large malign effects from Great Recession.



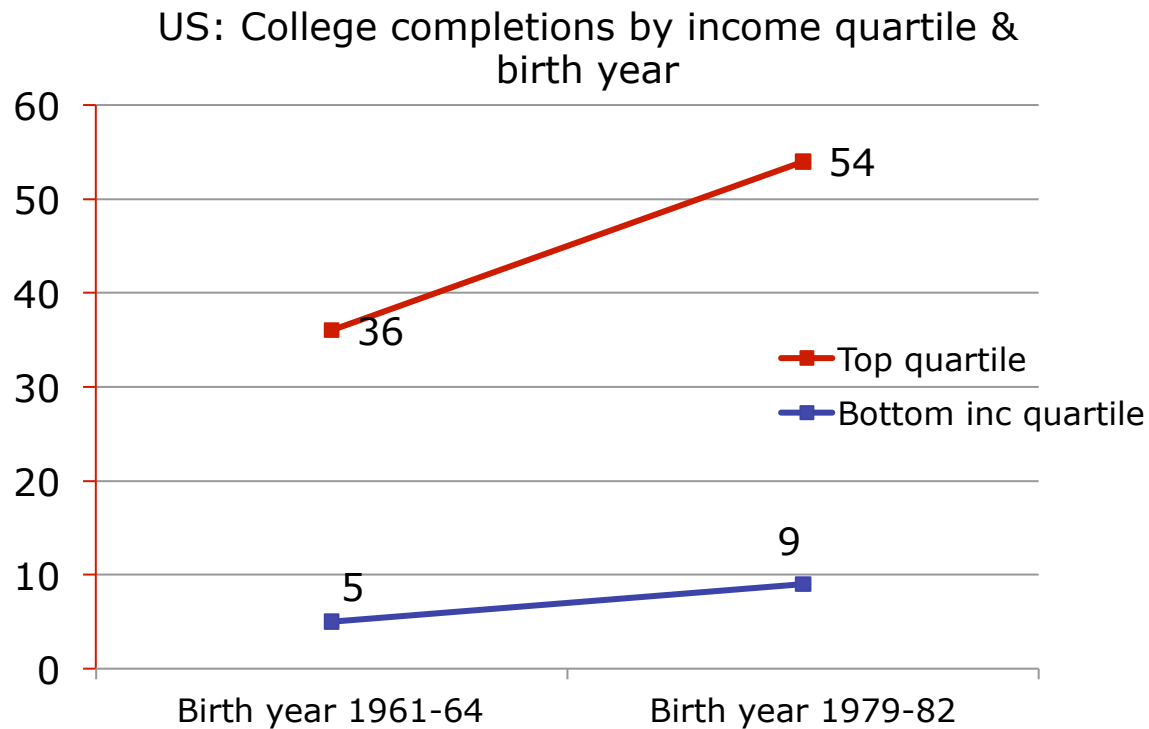
Trends in Education

% of population with tertiary education, by age-group, c. 2009



Educational inequality

- Ireland & UK: flat/declining trend in educational inequality (years of schooling -- Meschi & Scervini data)
- Canada & Australia ?
- US: widening educational inequality



Social & political impacts

- No clear, consistent social or political *downstream* effects
- Inequality itself, in various forms, the main problem, esp. in US -- static/worsening social circumstances of middle & bottom groups (incomes, education ...)
- Even in US: growth of major negative social problems (rising crime, declining social capital, increasing family instability) mainly precede rise in inequality
- In UK, weaker unions & declining political participation are major trends – but not caused by rise in income inequality?
- In Ireland, overall social & political trends similar to other countries, despite flat trend in income inequality
- Great Recession a bigger political (& social?) influence (US & Ireland)

