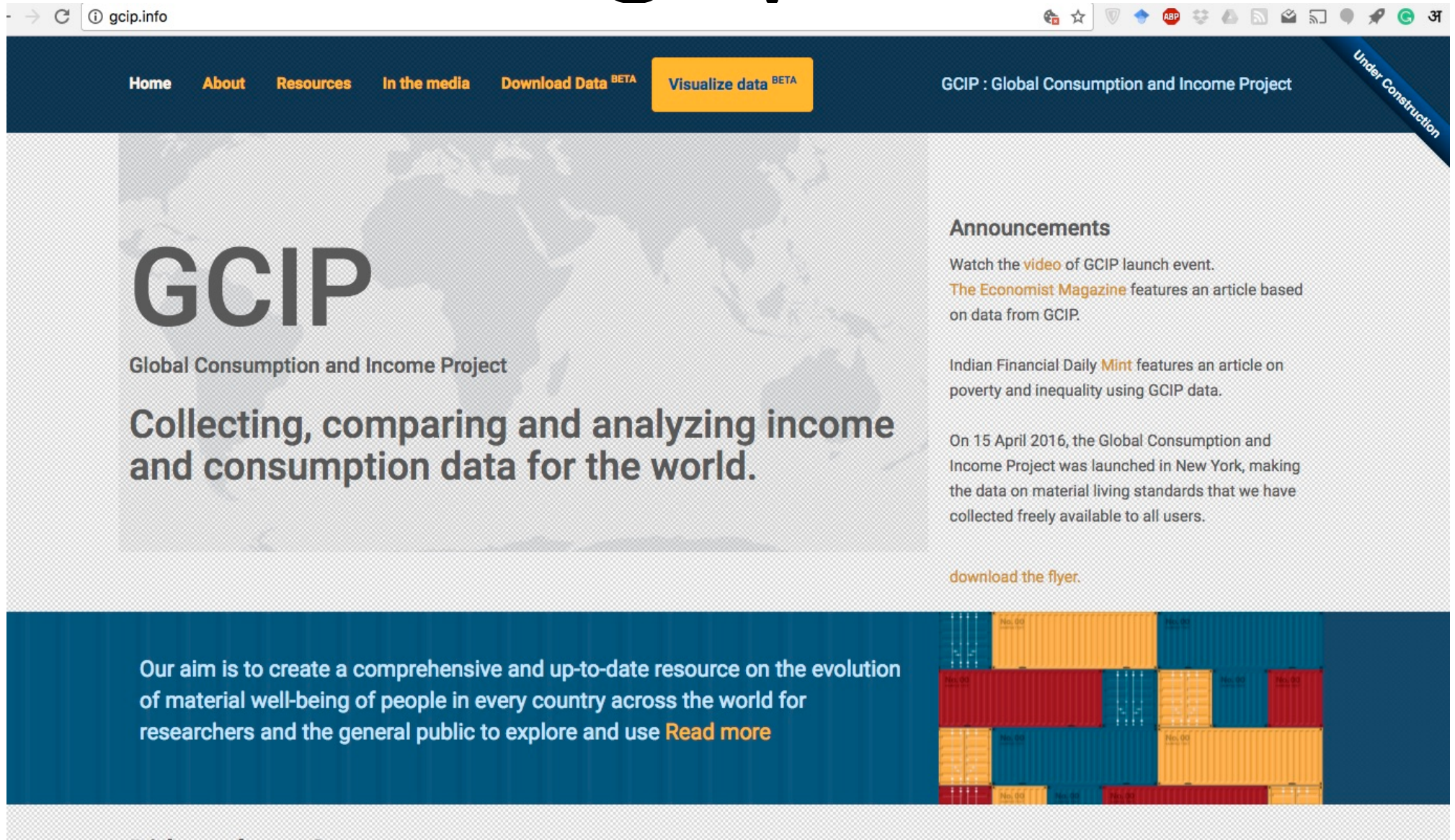


Who Gets What in the World?

Indian Statistical Institute, Bangalore

January 18th, 2018

www.gcip.info



The screenshot shows the homepage of the Global Consumption and Income Project (GCIP) website. The browser's address bar displays 'gcip.info'. The navigation menu includes links for Home, About, Resources, In the media, Download Data (marked as BETA), and a prominent orange button for Visualize data (also marked as BETA). The main content area features a large 'GCIP' title over a world map background, followed by the subtitle 'Global Consumption and Income Project' and the mission statement: 'Collecting, comparing and analyzing income and consumption data for the world.' To the right, an 'Announcements' section lists recent media coverage, including a video of the launch event, an article in The Economist Magazine, and an article in the Indian Financial Daily Mint. A 'download the flyer.' link is provided below the announcements. The footer contains the project's aim: 'Our aim is to create a comprehensive and up-to-date resource on the evolution of material well-being of people in every country across the world for researchers and the general public to explore and use', followed by a 'Read more' link. The footer also features a graphic of stacked shipping containers in orange, red, and blue.

gcip.info

Home About Resources In the media Download Data ^{BETA} Visualize data ^{BETA} GCIP : Global Consumption and Income Project

GCIP
Global Consumption and Income Project

Collecting, comparing and analyzing income and consumption data for the world.

Announcements

Watch the [video](#) of GCIP launch event.
[The Economist Magazine](#) features an article based on data from GCIP.

Indian Financial Daily [Mint](#) features an article on poverty and inequality using GCIP data.

On 15 April 2016, the Global Consumption and Income Project was launched in New York, making the data on material living standards that we have collected freely available to all users.

[download the flyer.](#)

Our aim is to create a comprehensive and up-to-date resource on the evolution of material well-being of people in every country across the world for researchers and the general public to explore and use [Read more](#)

DESCRIPTIVE STATISTICS ON GCIP

- (Not updated to reflect latest edition, being used in internal analyses but yet to be released)

	1960-69	1970-79	1980-89	1990-99	2000-09	2010-13	Total
Number of Surveys	79	82	288	496	716	285	1946
Number of Countries	44	44	98	133	151	111	161
% Consumption Surveys	14	12	24	48	54	41	43
% Surveys Covering all Areas in the Country	95	94	93	96	98	98	96
% Surveys with Mean Levels Information	41	49	65	90	96	100	86
Source of Surveys (%)							
EU-SILC	0	0	0	0	0	10	1
LIS	3	15	13	13	13	18	13
Povcalnet	0	0	15	35	61	59	42
Direct from Statistical Offices	0	0	0	0	0.4	0	0.1
SEDLAC	0	1	6	15	17	11	13
WYD	0	0	1	2	1	0	1
WIID	97	84	65	34	8	3	29
Regions (%)							
East Asia & Pacific	5	13	12	10	9	8	10
Europe & Central Asia	38	44	53	40	52	57	49
Latin America & Caribbean	23	20	19	28	22	20	23
Middle East & North Africa	5	6	3	4	3	2	3
North America	0	5	1	1	1	1	1
South Asia	19	7	4	3	3	2	4
Sub-Saharan Africa	10	5	8	14	11	9	11
Income Group (%)							
Low income	9	5	4	8	15	13	8
Lower middle income	31	16	23	23	13	7	22
Upper middle income	39	44	44	36	37	53	40
High income	21	34	28	33	35	27	30

Study:

- Living Standards
- Growth
- Inclusivity
- Poverty
- Inequality

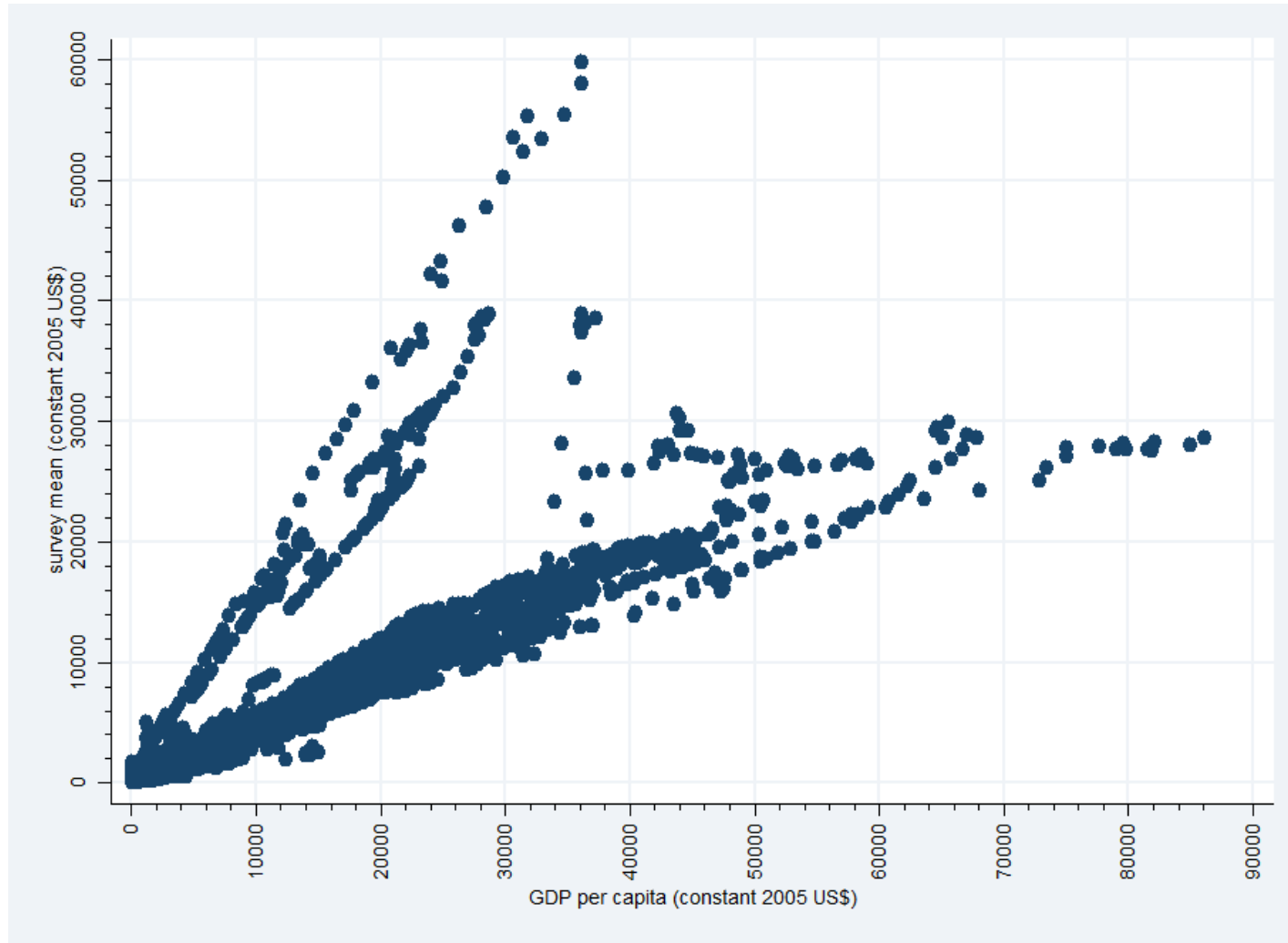
Caution regarding data

Just one example: Surveys vs. GDP per capita.

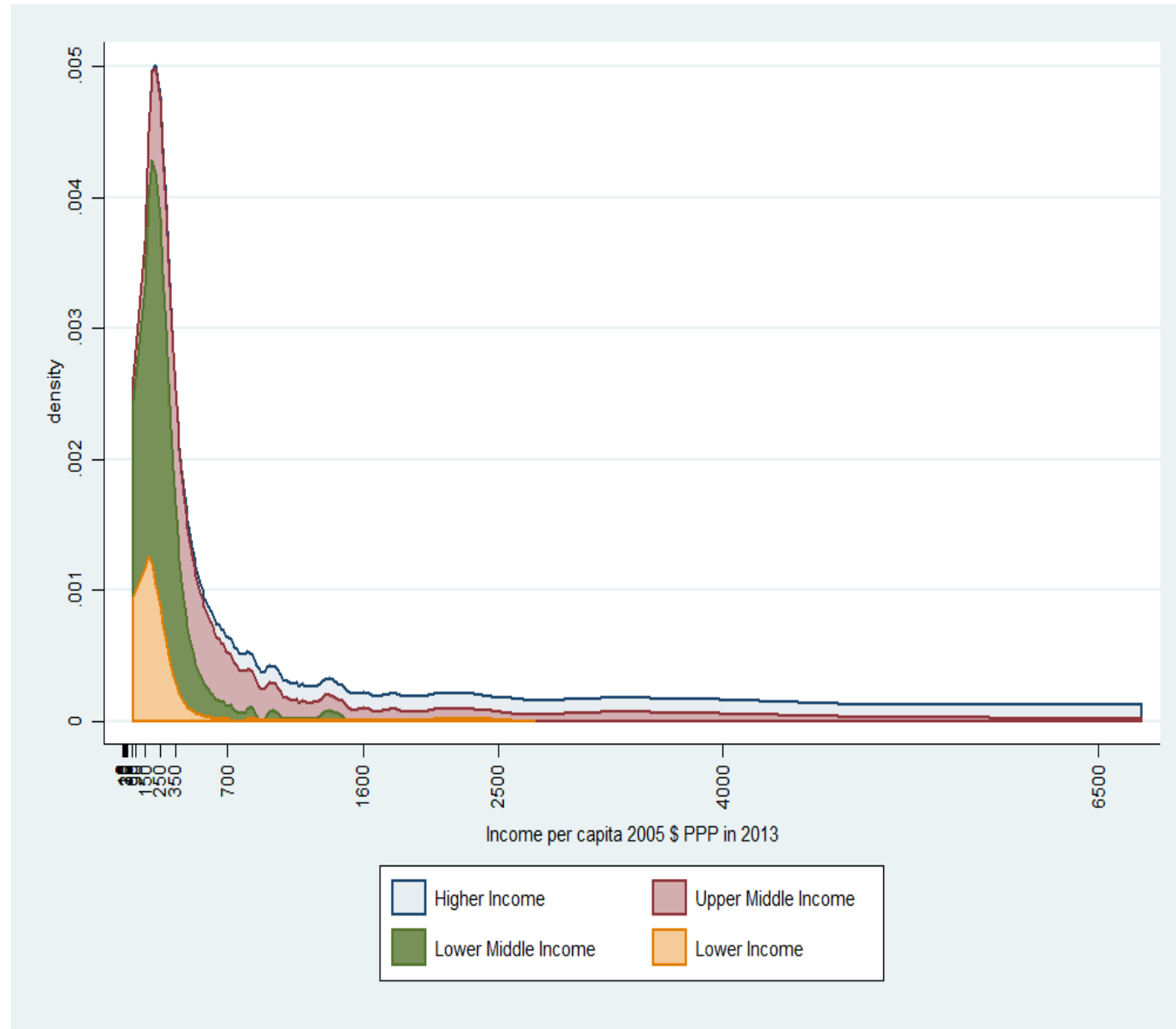
Other discrepancies:

- Variations in survey concepts (household definitions, pre- and post-tax, etc.)
- administrative source data (e.g. tax records) vs. surveys
- Private vs. public databases
- Income vs. wealth
- Income vs. non-income measures of social (dis-)advantage

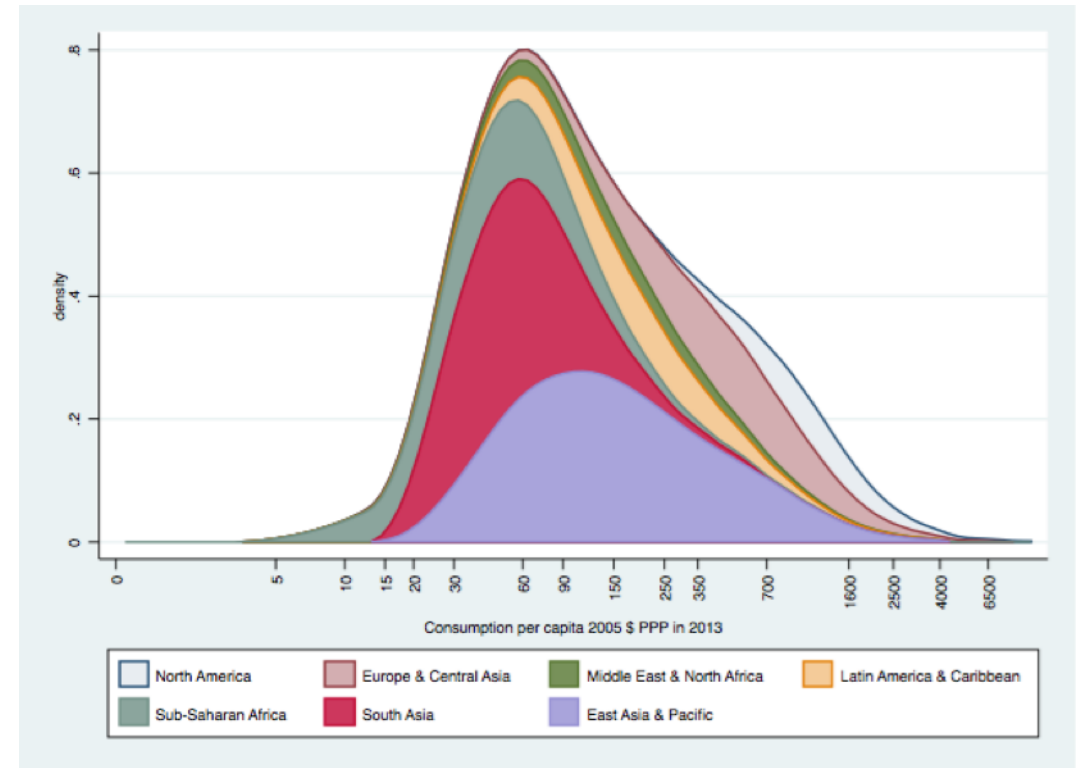
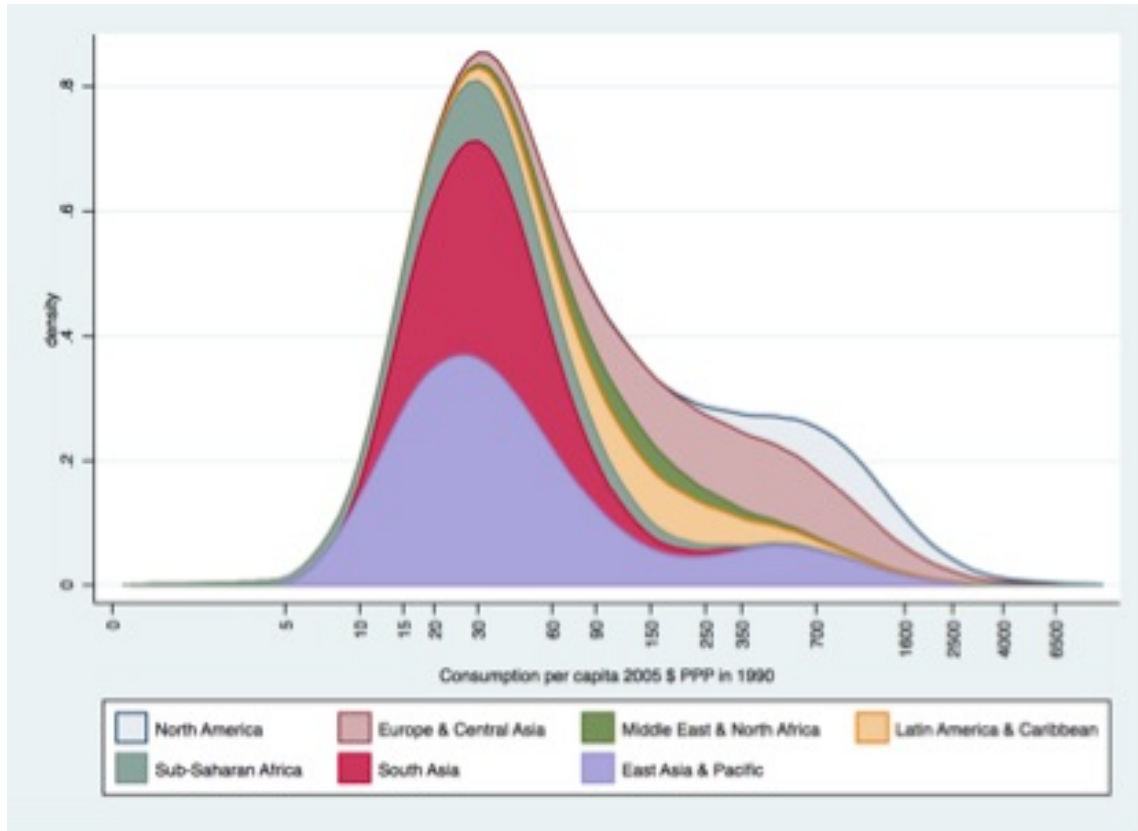
Survey Means vs. National Account Means



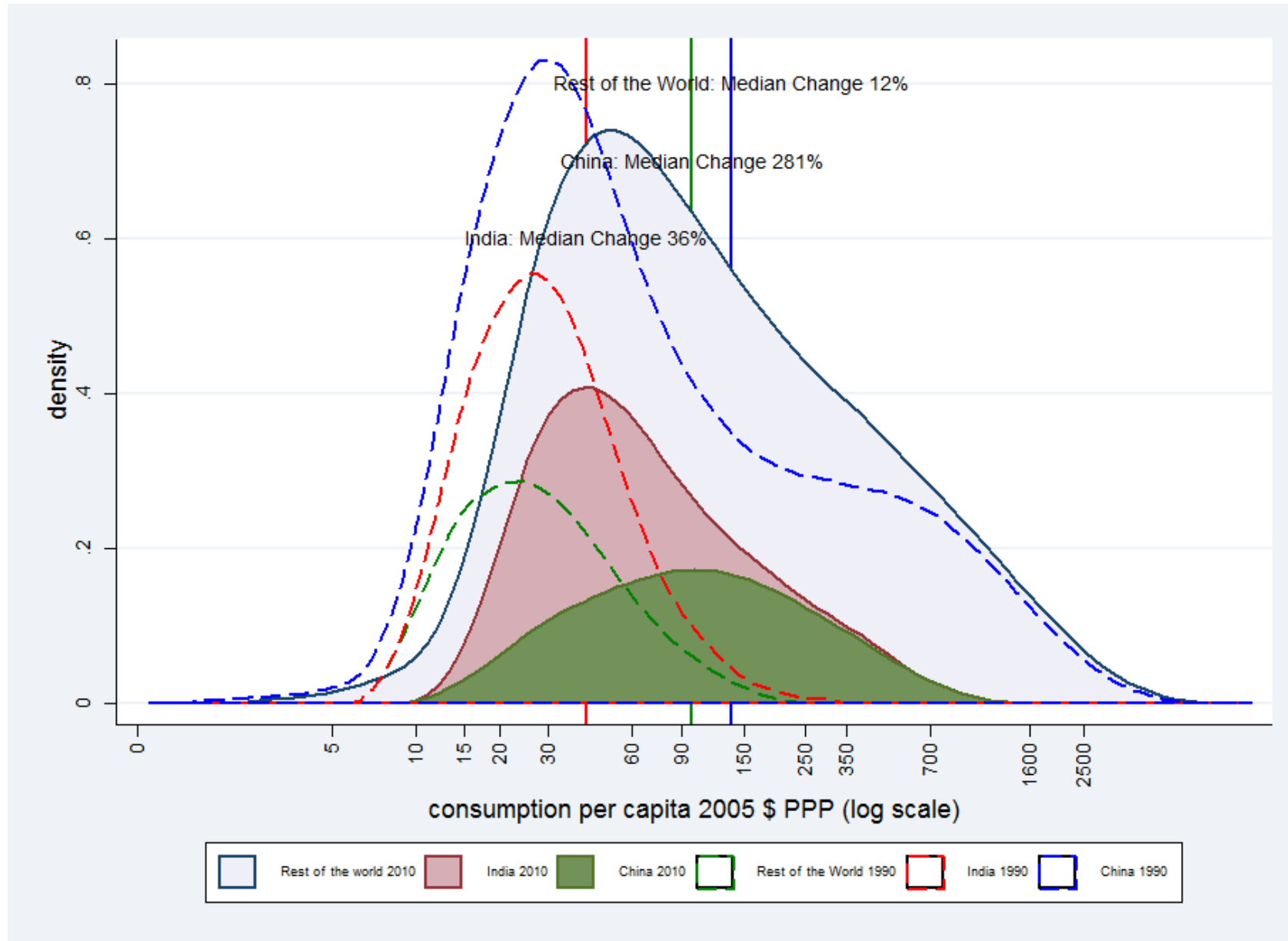
The Global Distribution: 2013



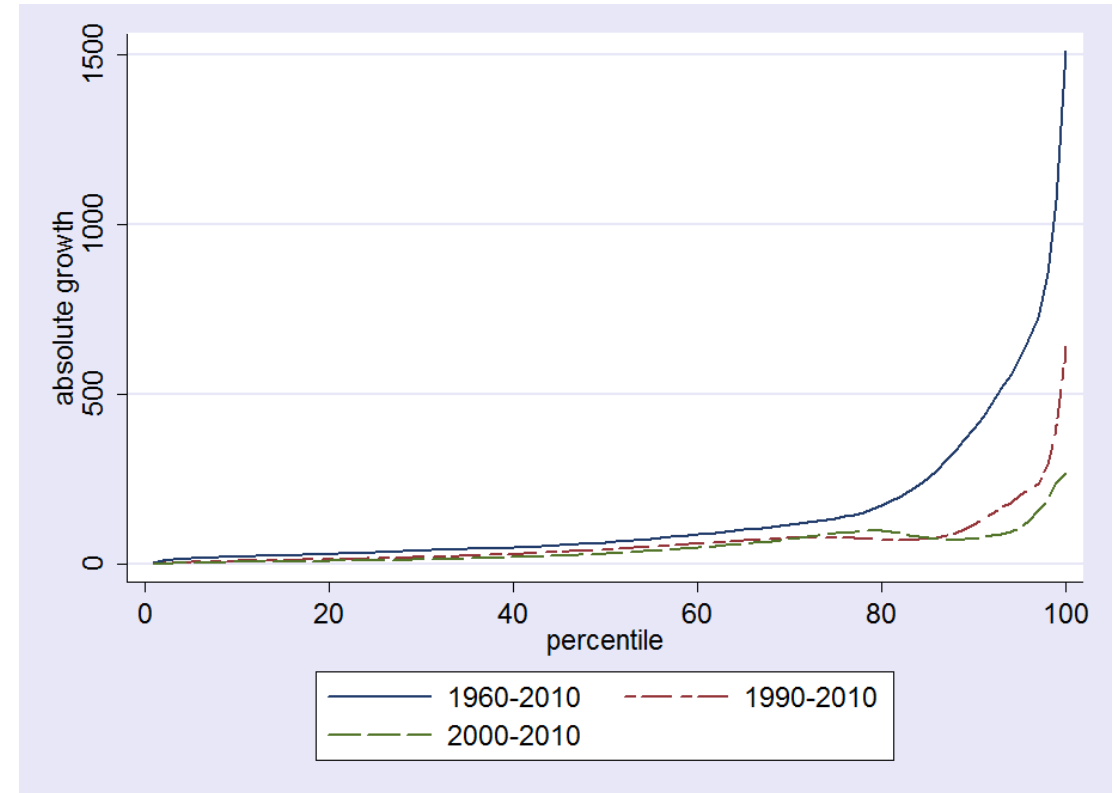
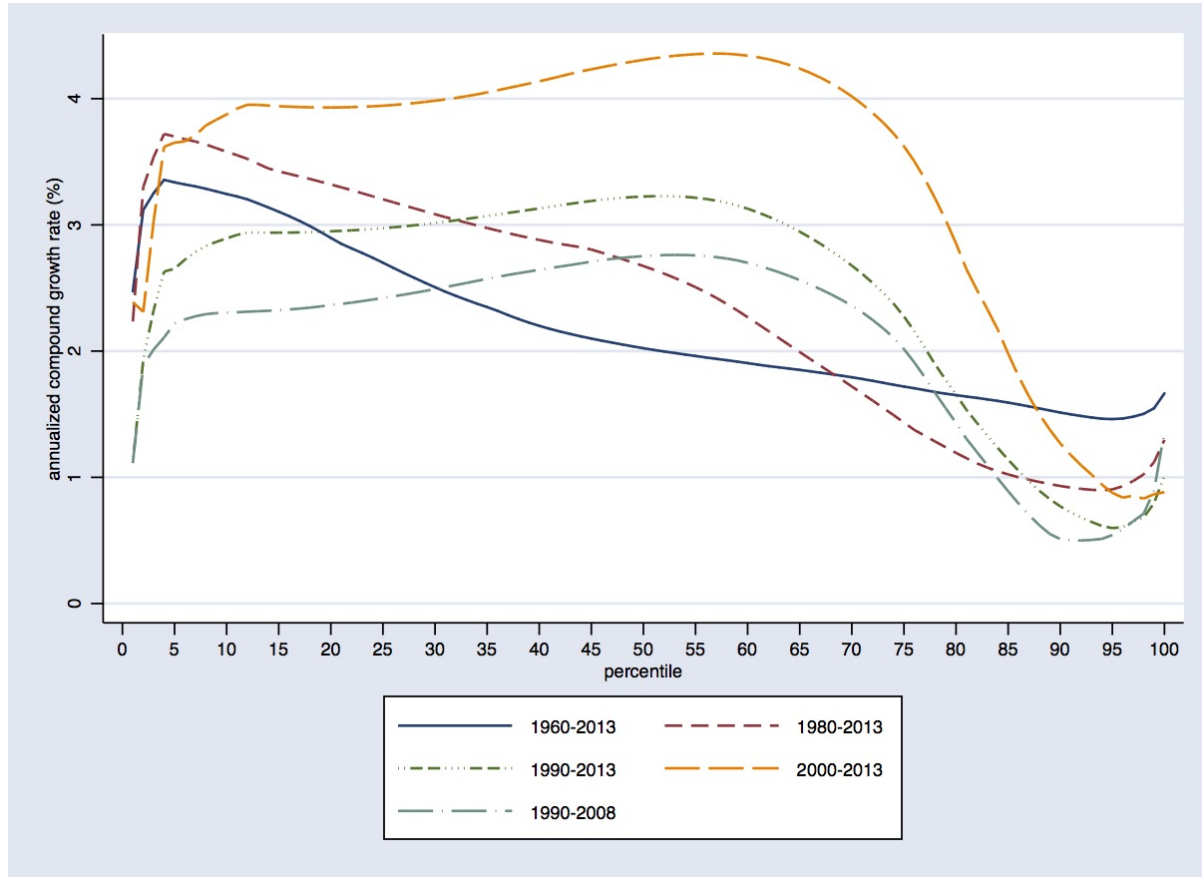
Changing Global Distribution: World Regions



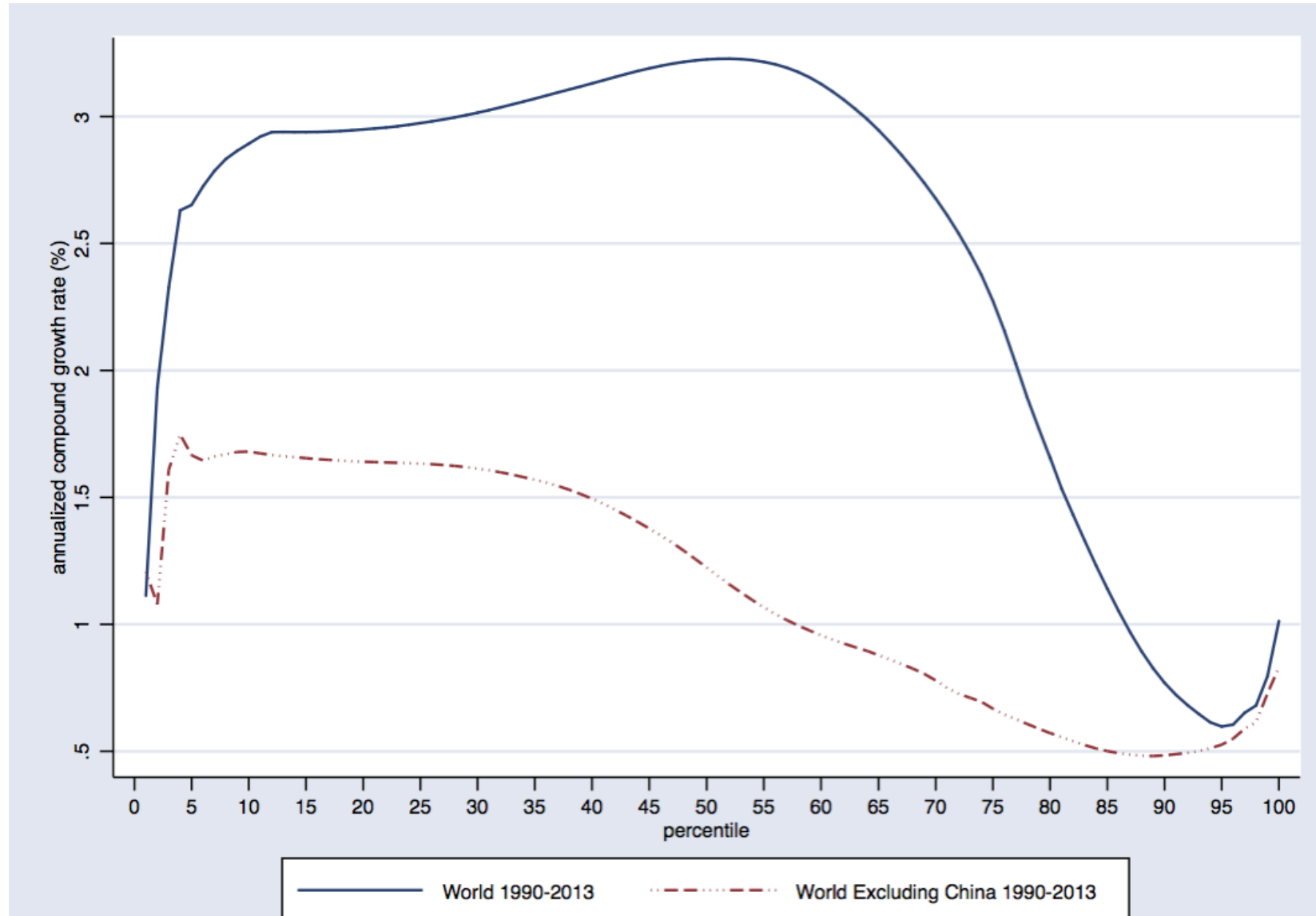
Changing Global Consumption Distribution – China, India, RoW



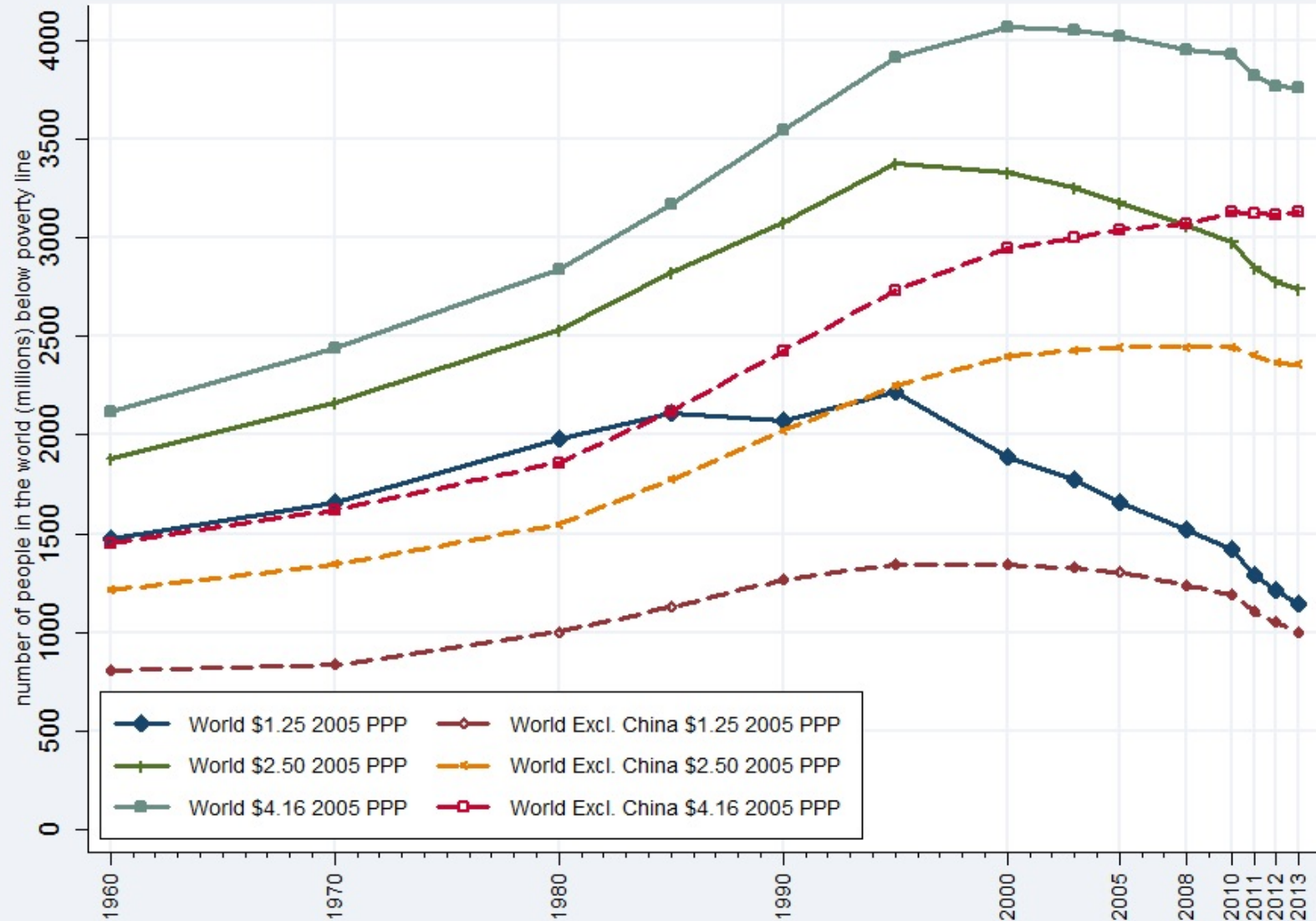
Global Consumption Growth Incidence Curves: Relative and Absolute



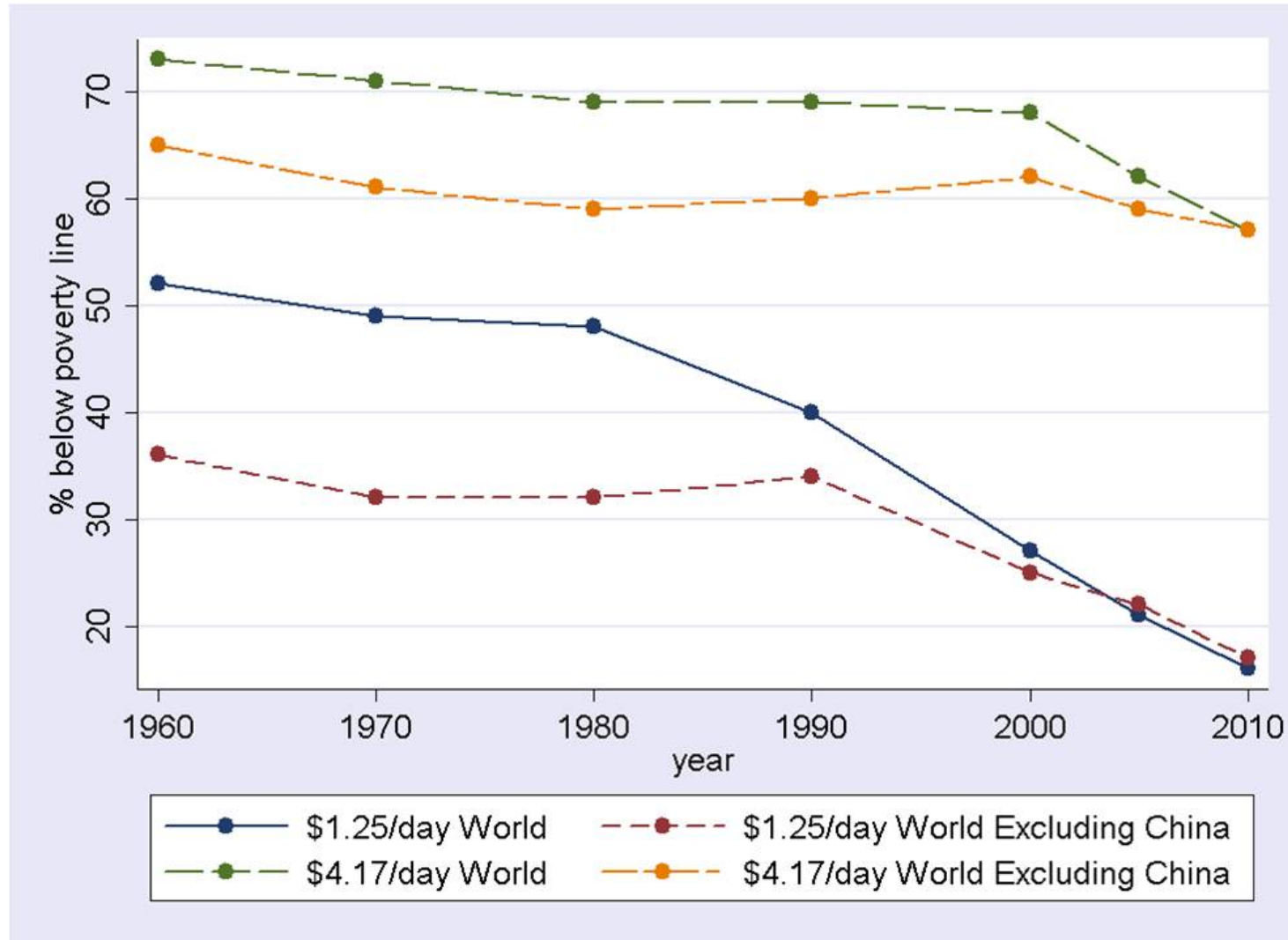
Global Consumption Growth Incidence Curves (1990-2013): Impact of China



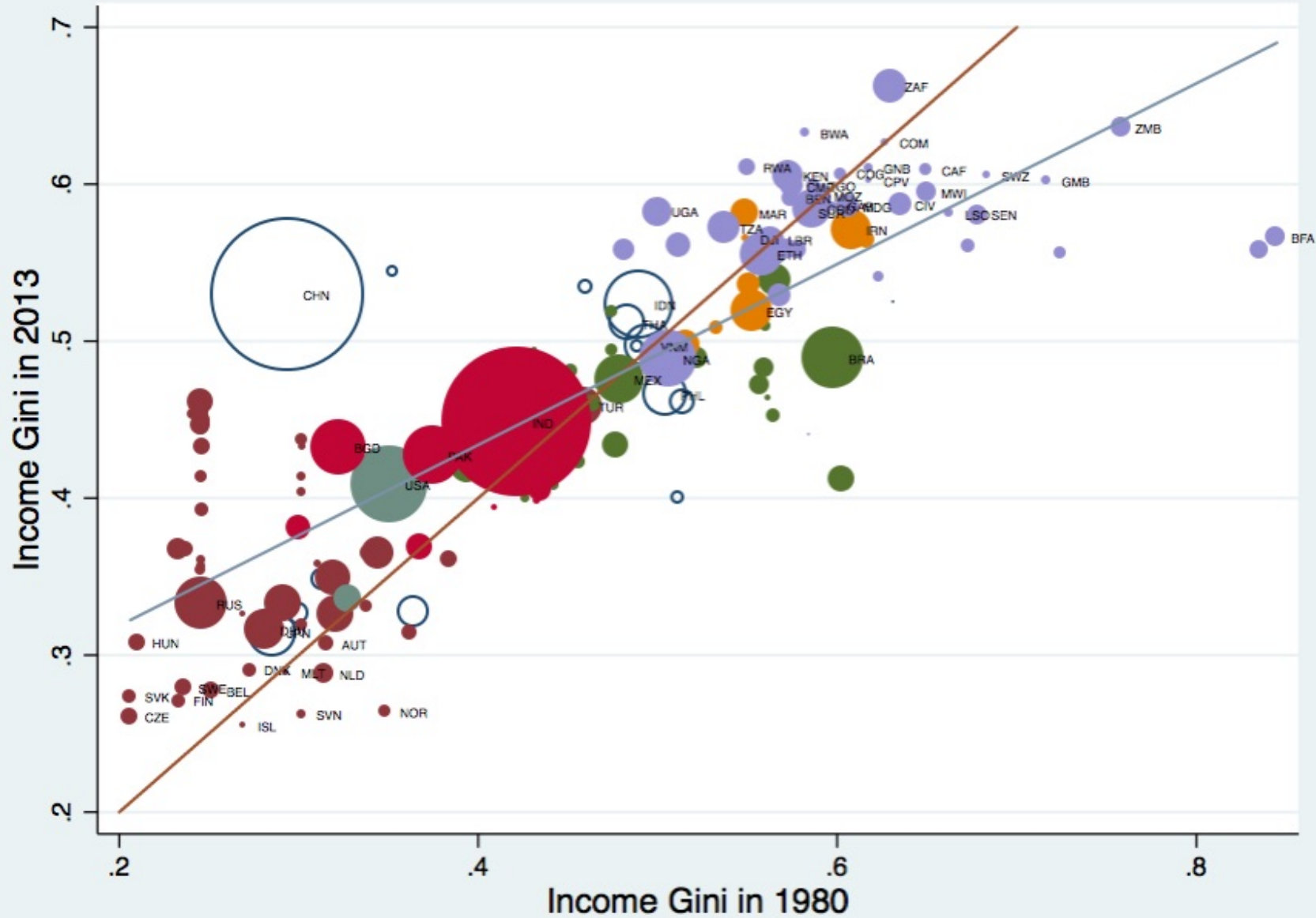
Global Poverty Headcount



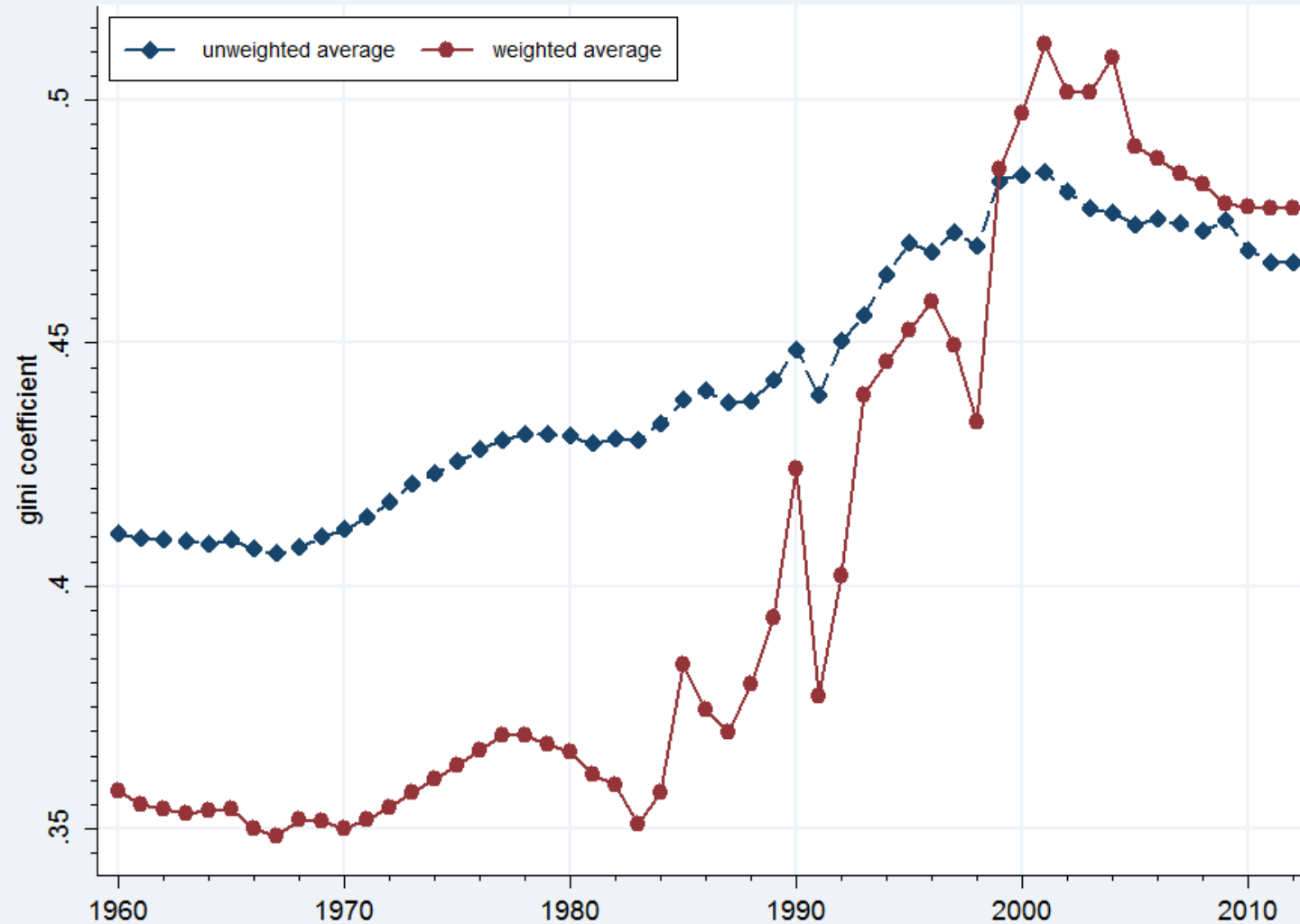
Global Poverty Headcount Ratio



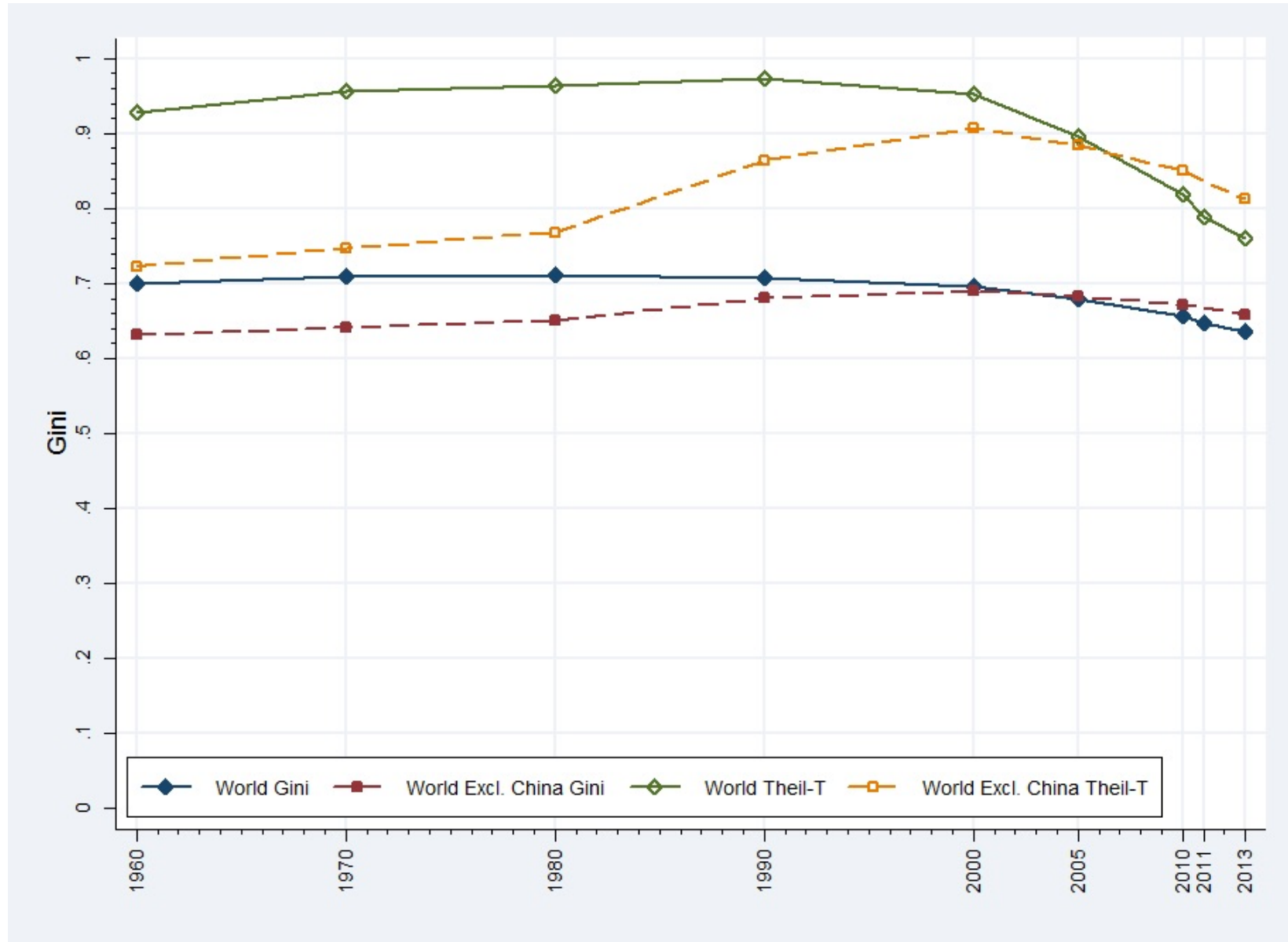
Within Country Income Inequality



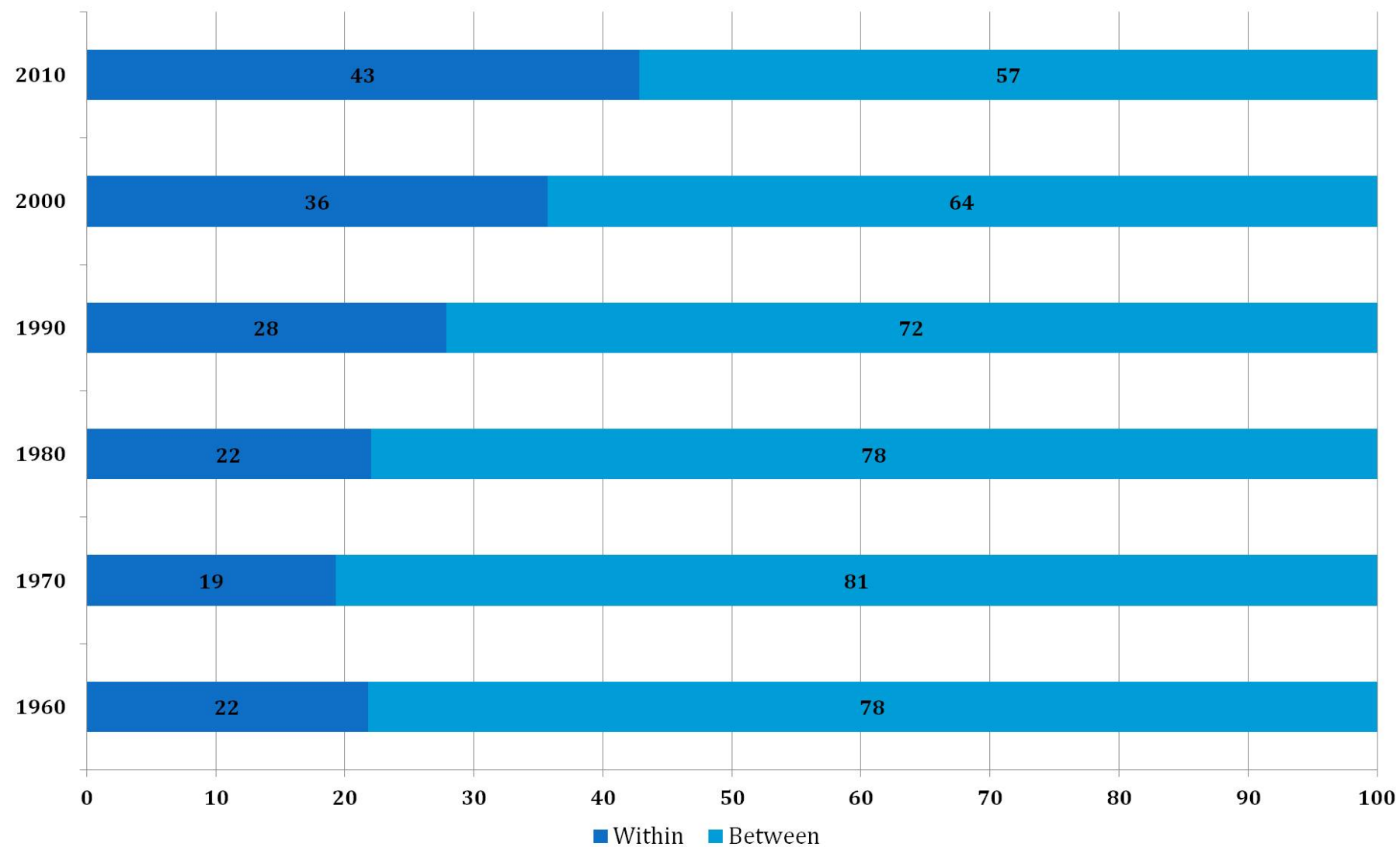
Average within-country inequality



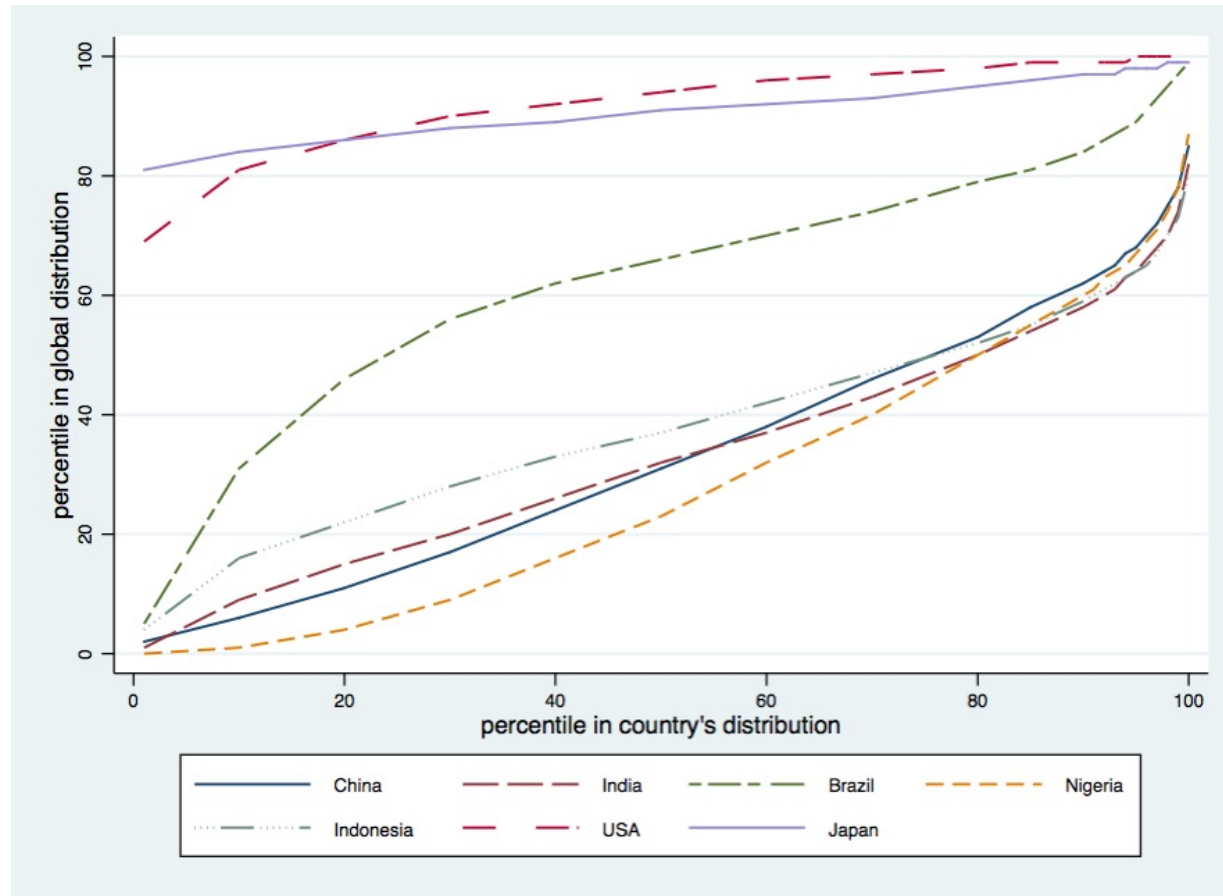
Trends in Global Inequality



Decomposition of Global Income Inequality

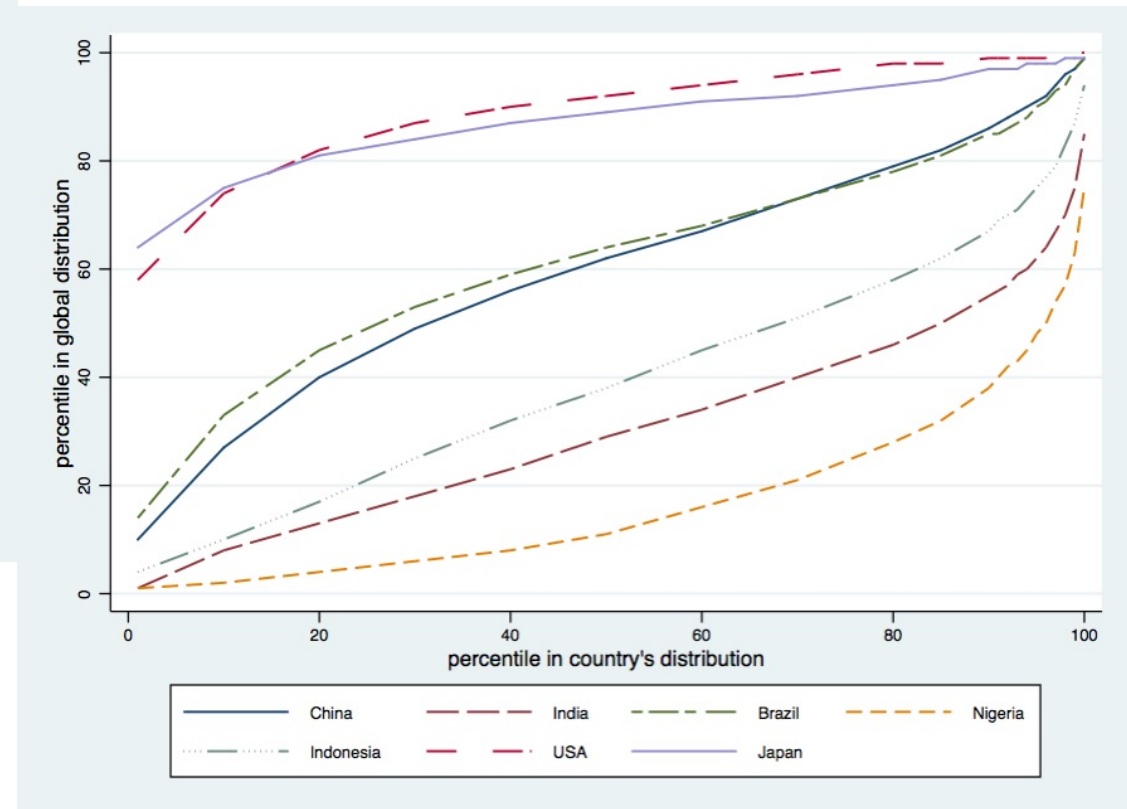


Relative Position of Countries (Income)

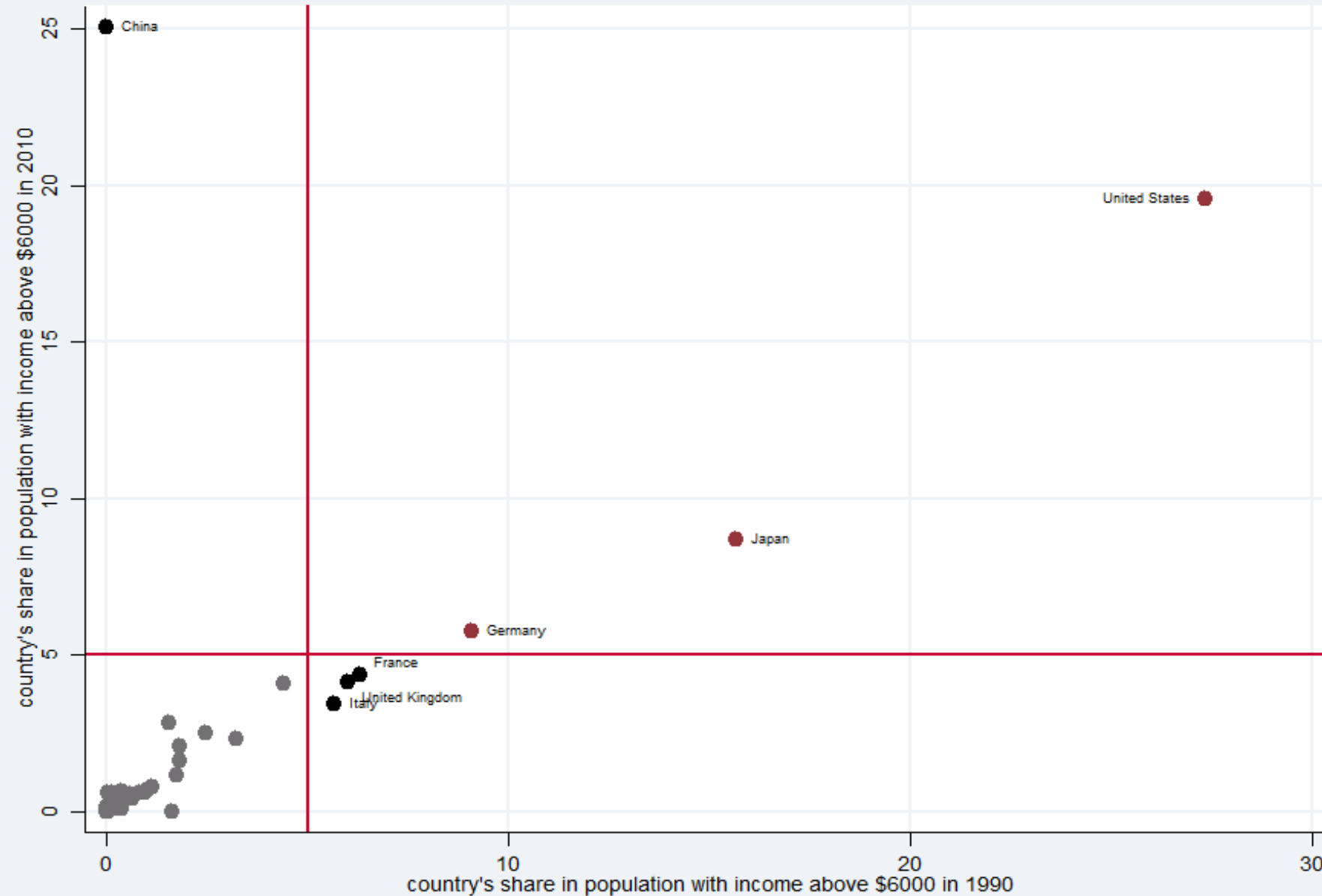


1990

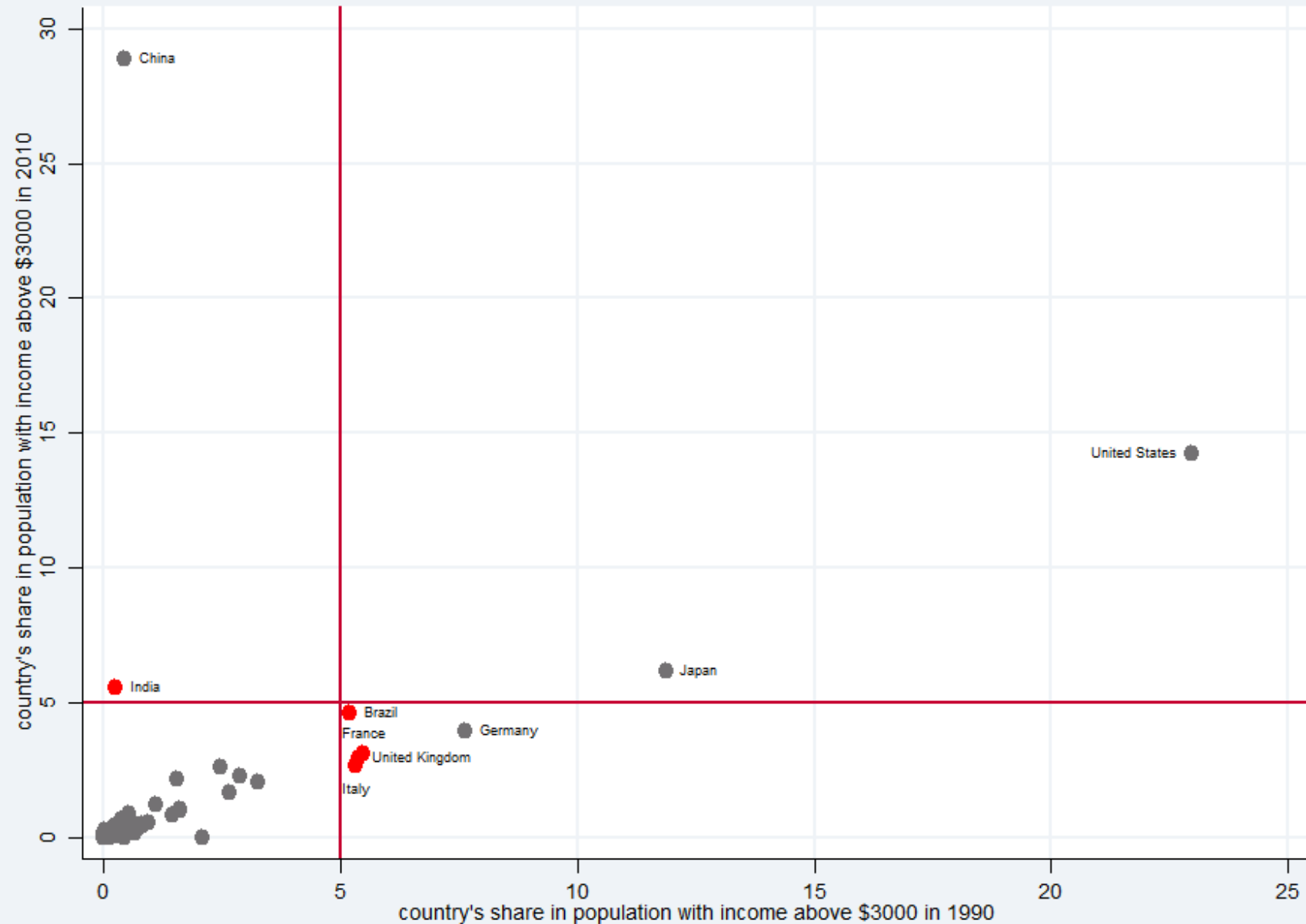
2013



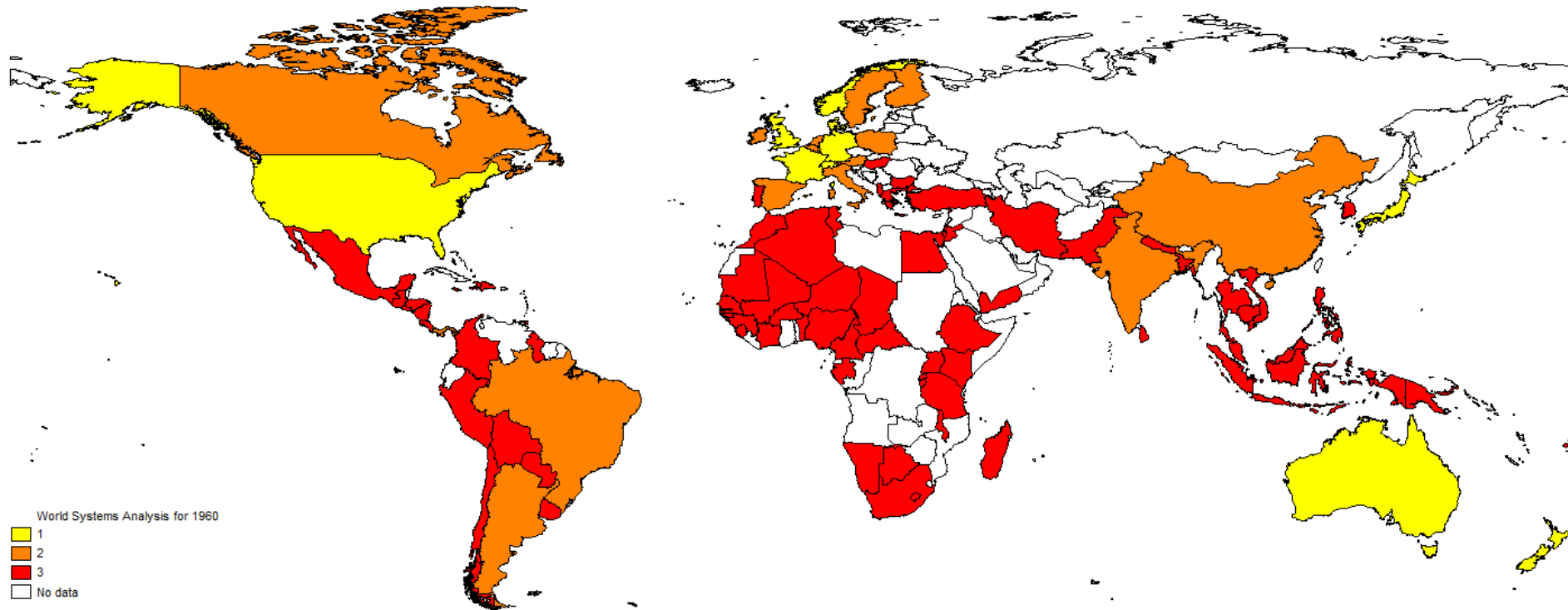
Share in World's Population with MktExchRate Survey Income Above \$6,000 (2005 US\$) 1990-2010



Share in World's Population with MktExchRate Survey Income Above \$3,000 (2005 US\$) 1990-2010

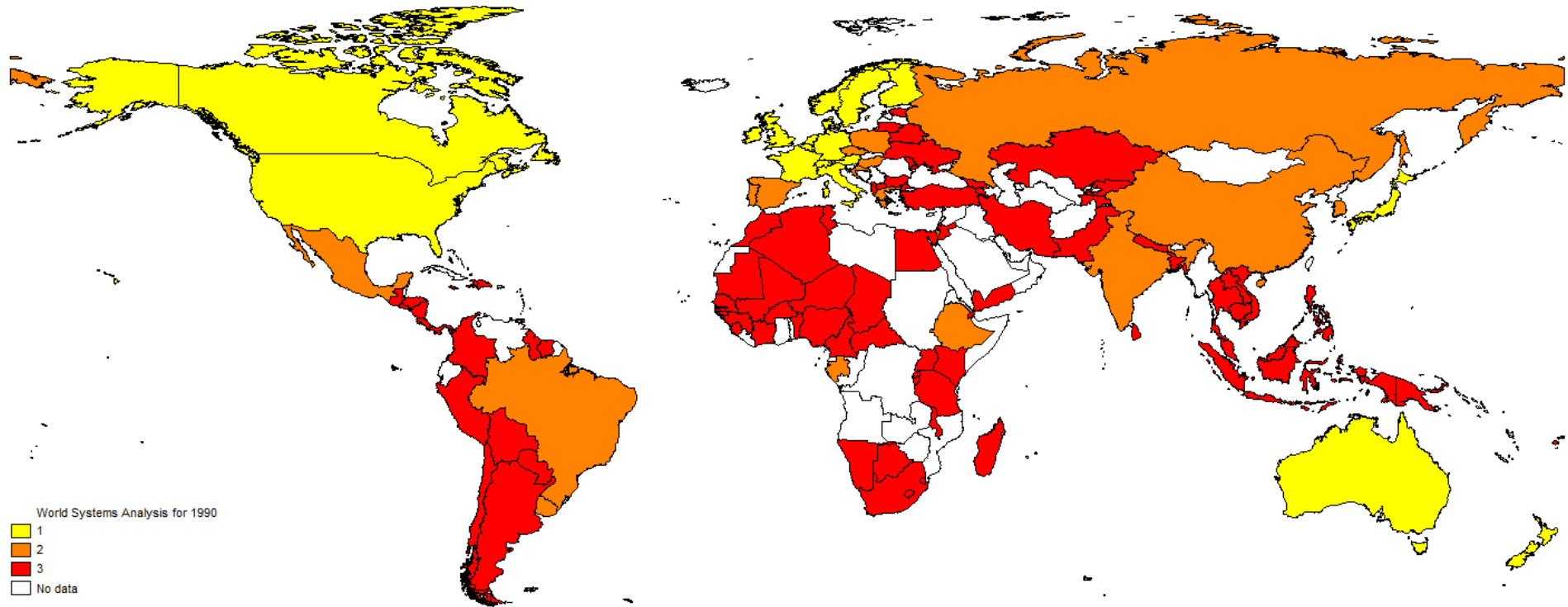


World System - 1960

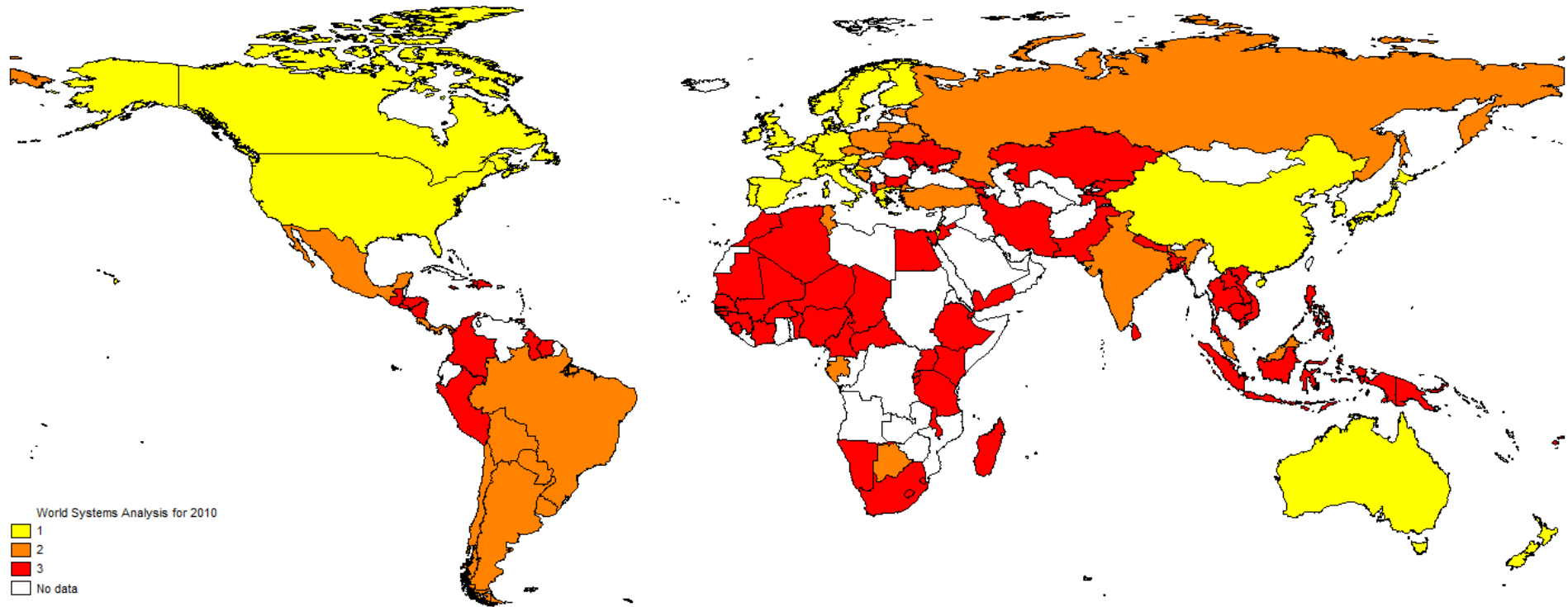


Core (Yellow) – Countries which satisfy any of the three non-per-capita income (w,x,y,z) criteria (5%, \$6000, 50%, 5%)
Semi-Periphery (Orange) – Countries which satisfy any of the three non-per-capita-income criteria and are not part of the core (1%,\$3000,30%,5%)

World System - 1990



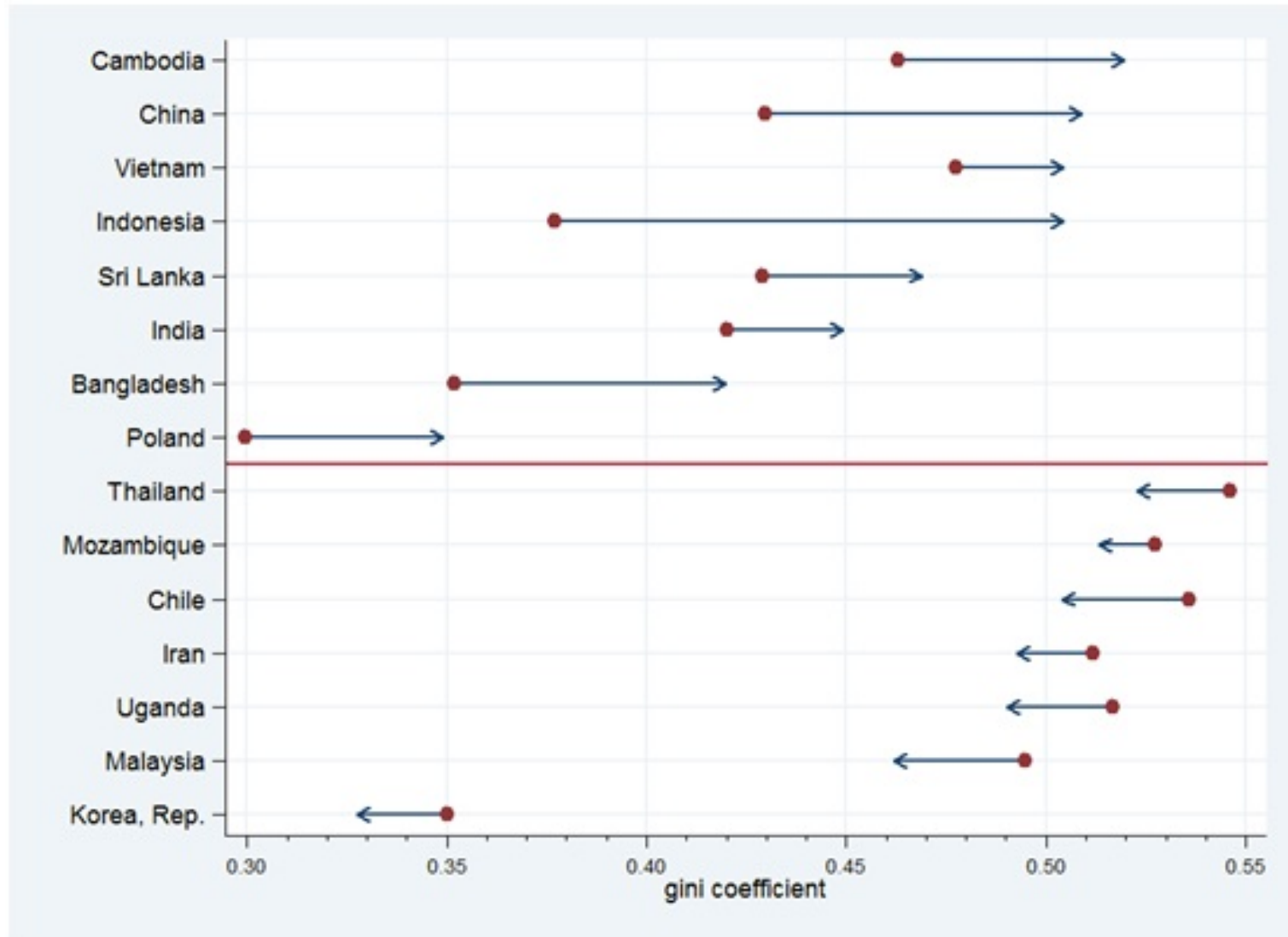
World System - 2010



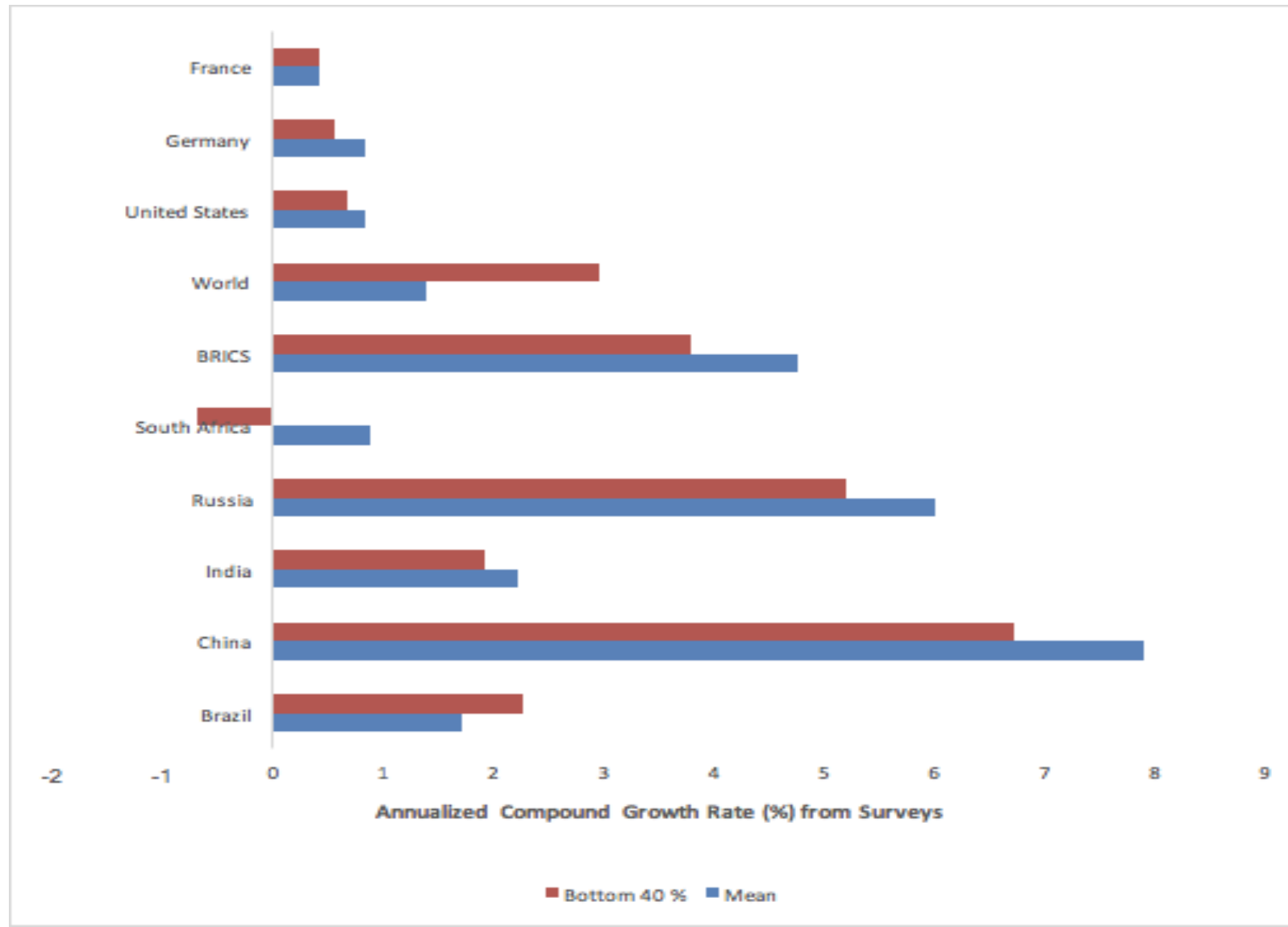
Inclusive Growth? Learning from Divergent Experiences

- Paretian Dominance?
- Not the same as focus on relative inequality.
- Both matter for social assessment, but in very different ways

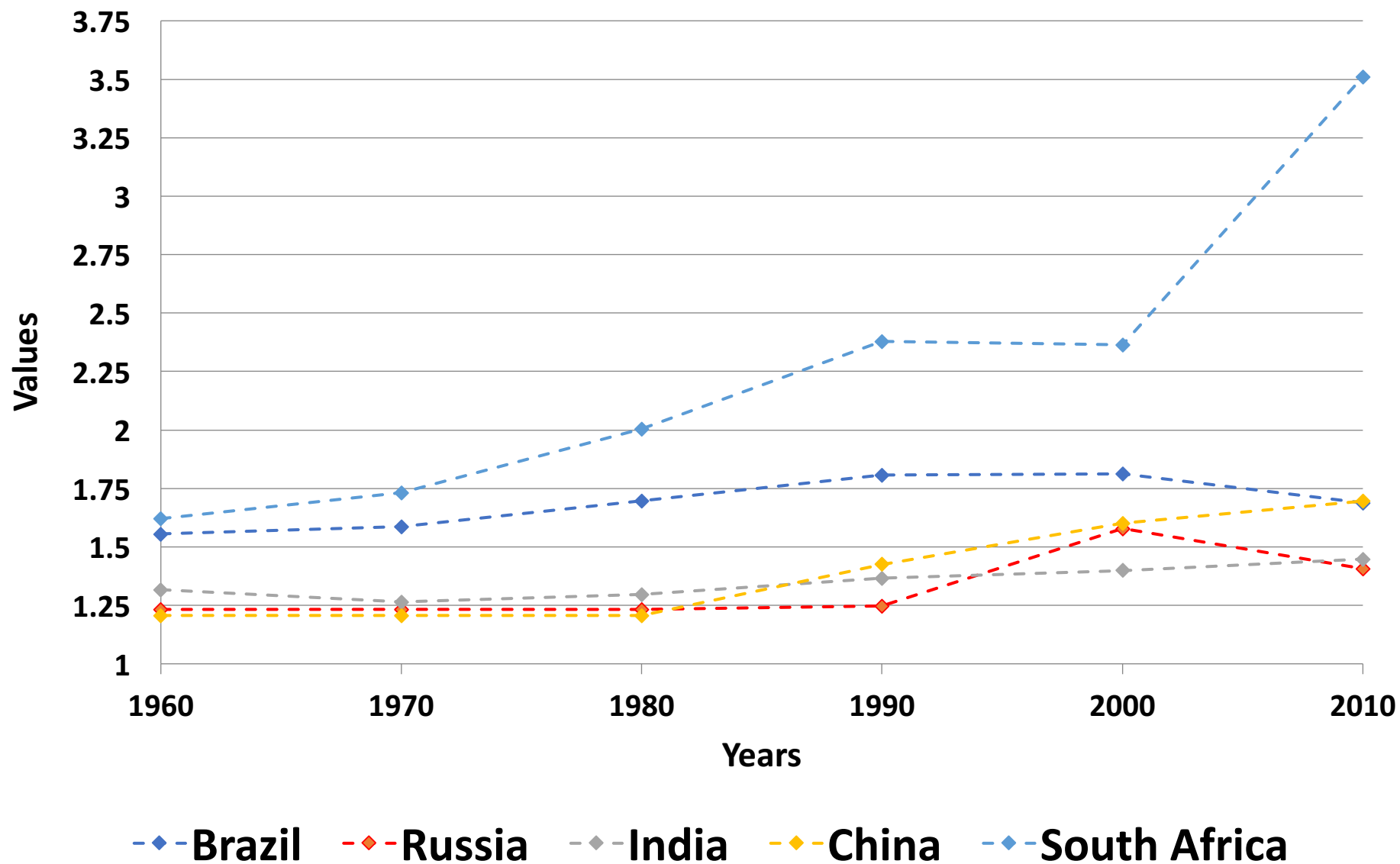
Fast Growing Countries (1990-2013) - Inequality



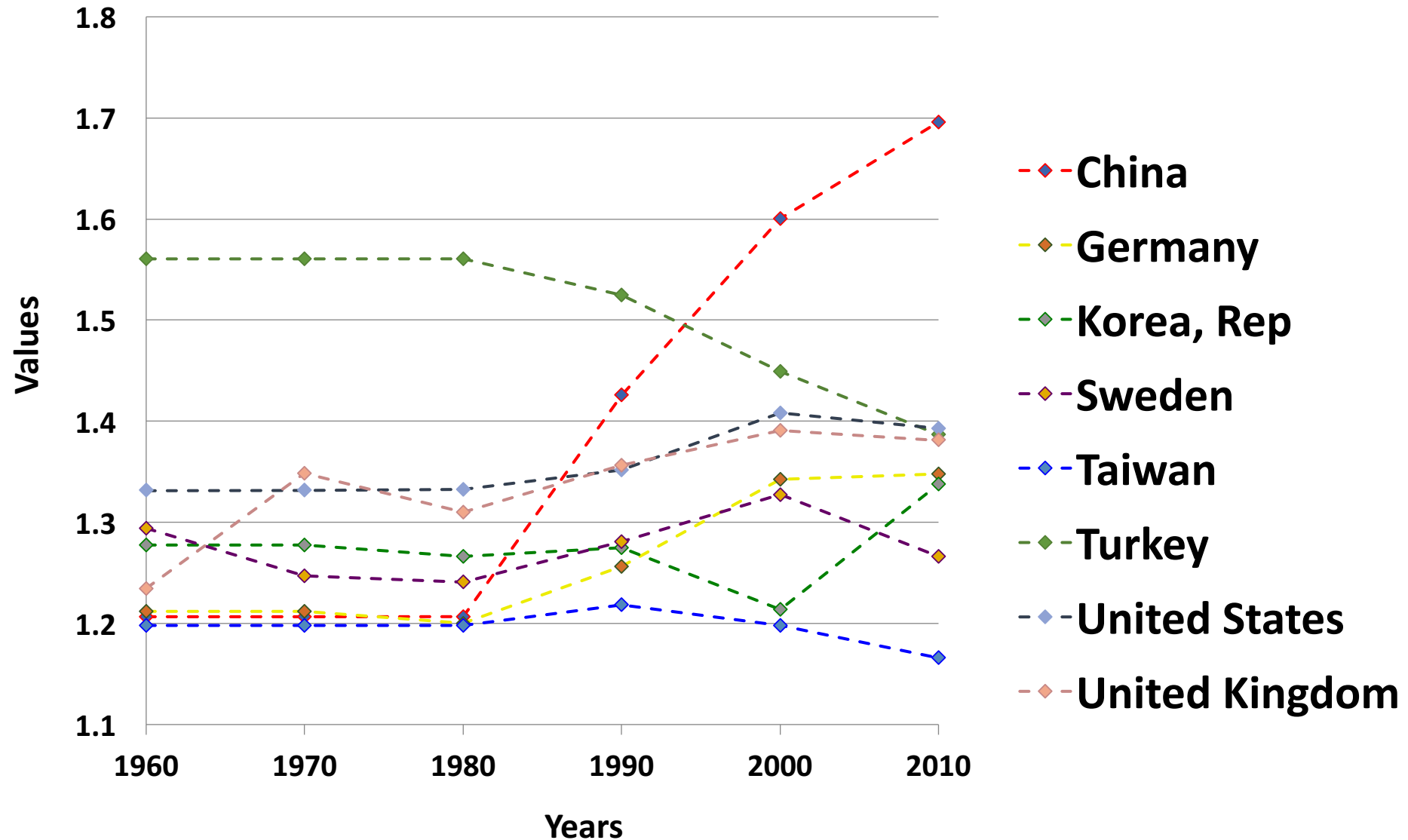
Bottom 40% vs. Mean Growth Rates (1990-2013)



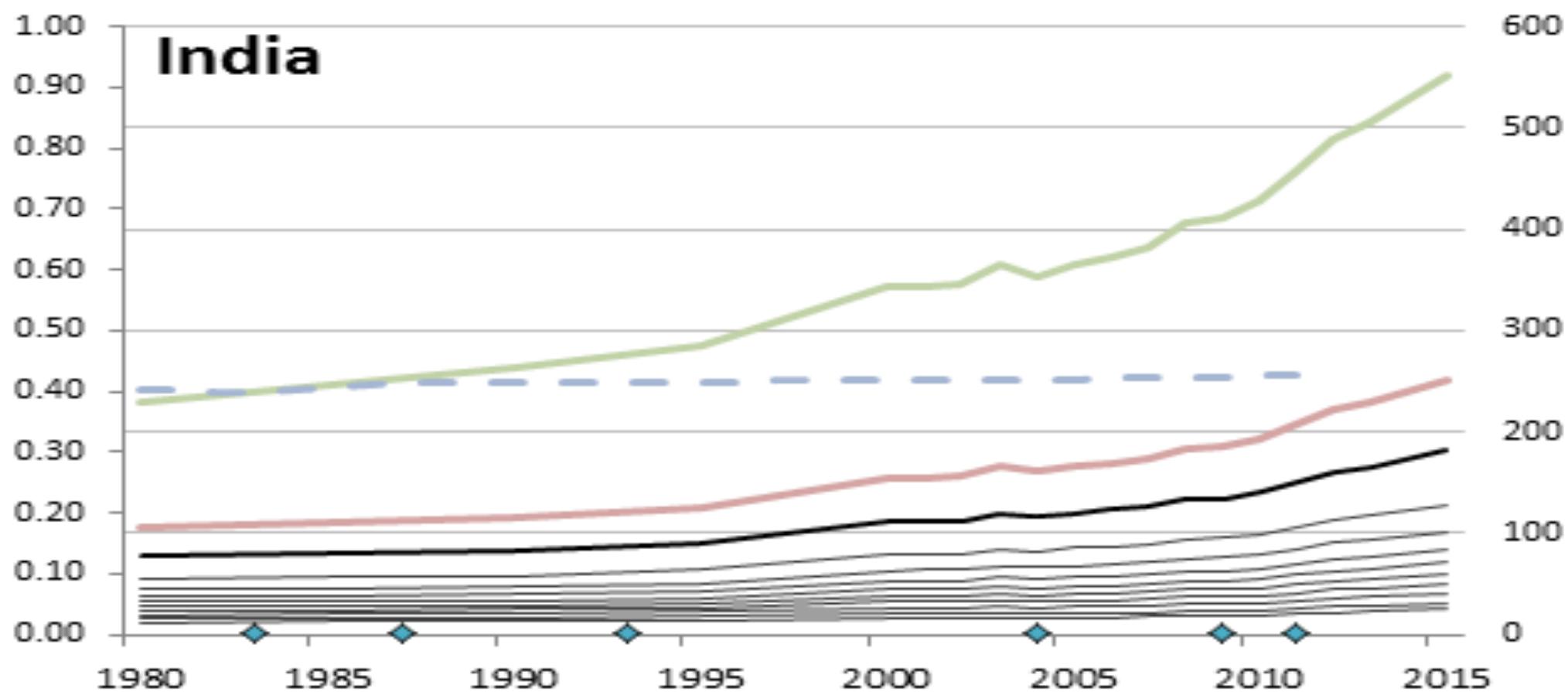
RATIO OF MEAN TO MEDIAN CONSUMPTION FOR BRICS NATIONS, INCLUDING INDIA, 1960-2010



RATIO OF MEAN TO MEDIAN CONSUMPTION FOR SELECTED OTHER COUNTRIES , 1960-2010



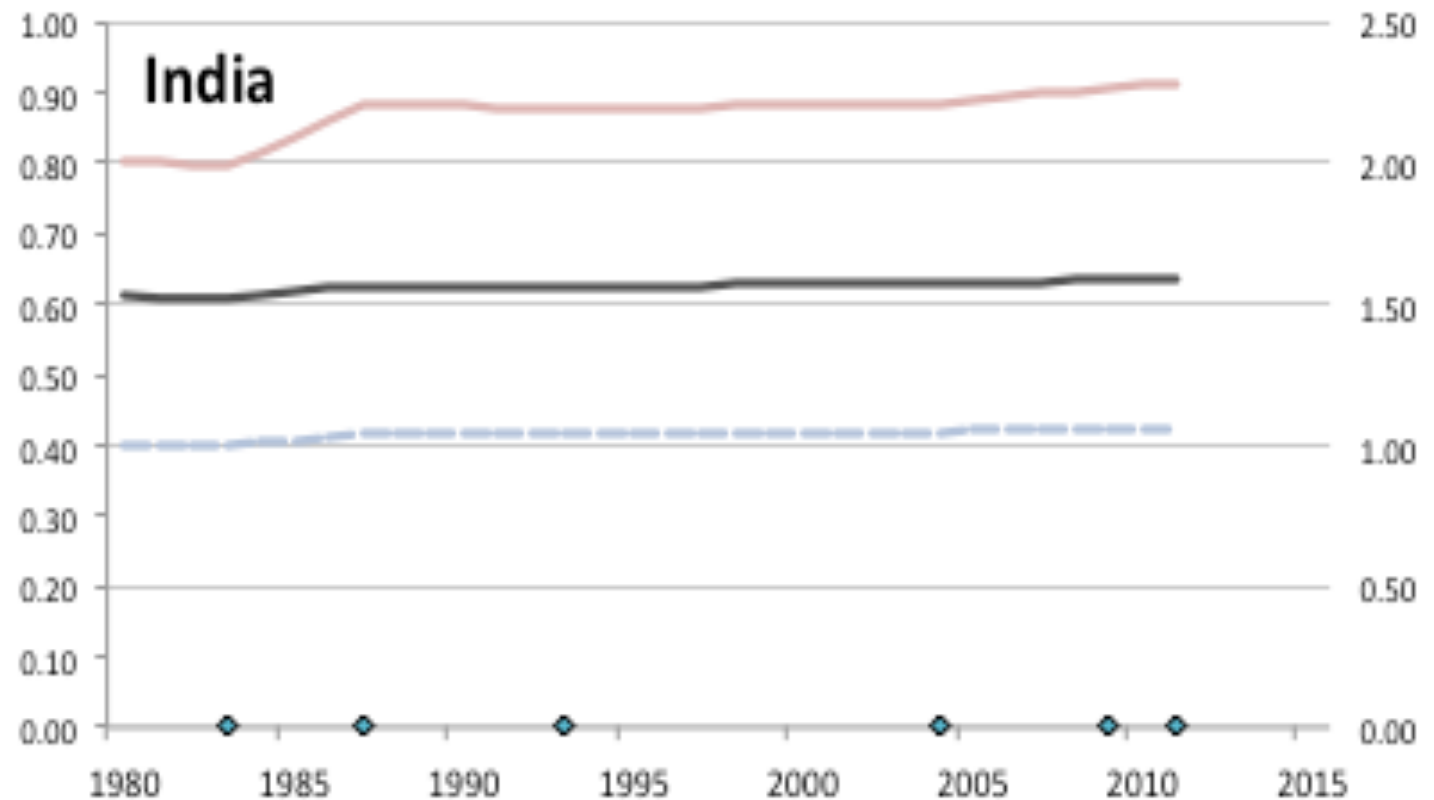
Inclusivity of Growth: India



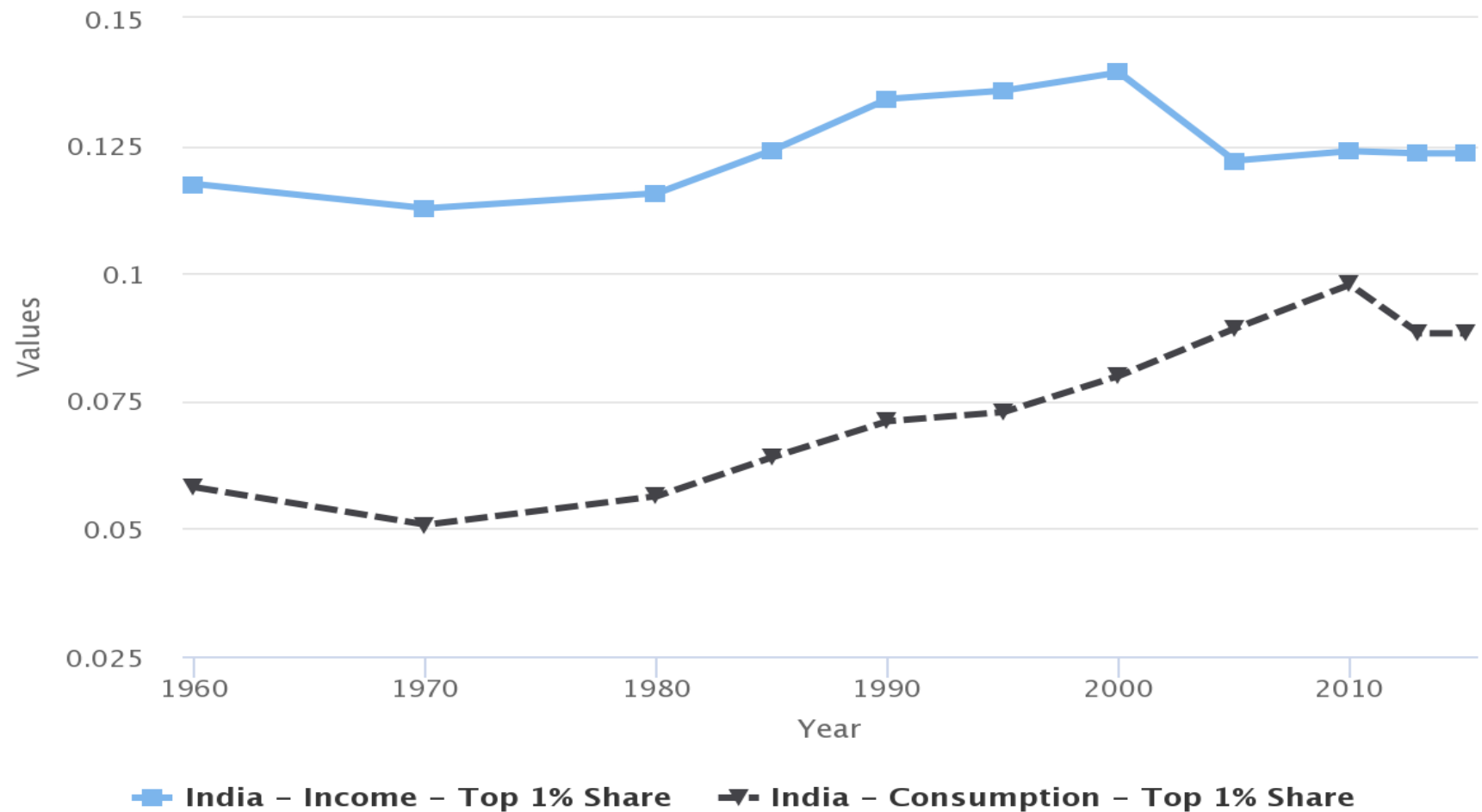
Black – Mean to Median Ratio

Red – Palma Ratio (top 10 to bottom 40 ratio)

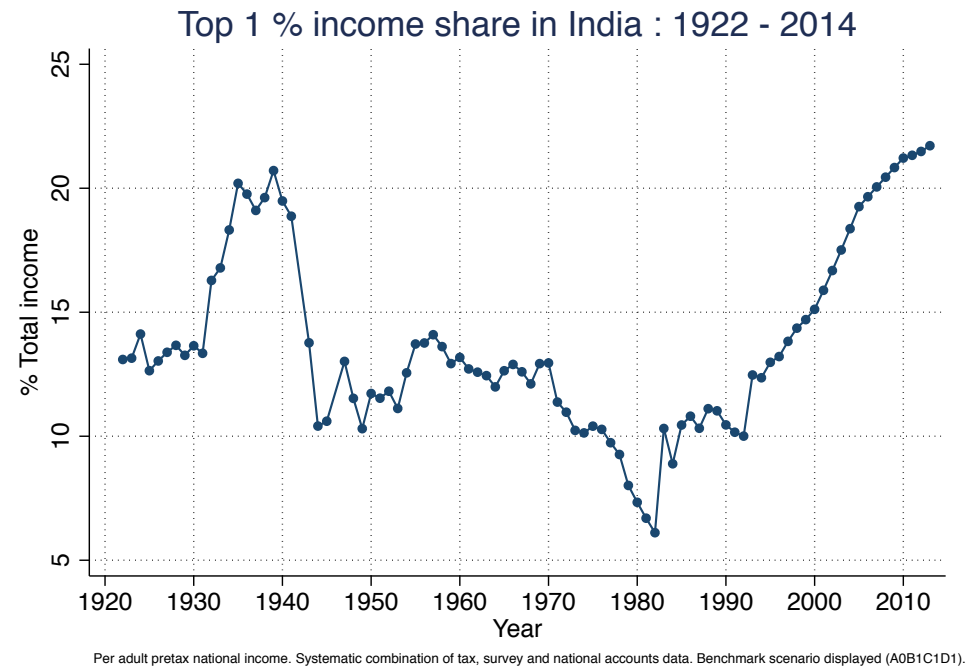
Blue Dashed – Gini Coefficient



India top 1% shares from surveys



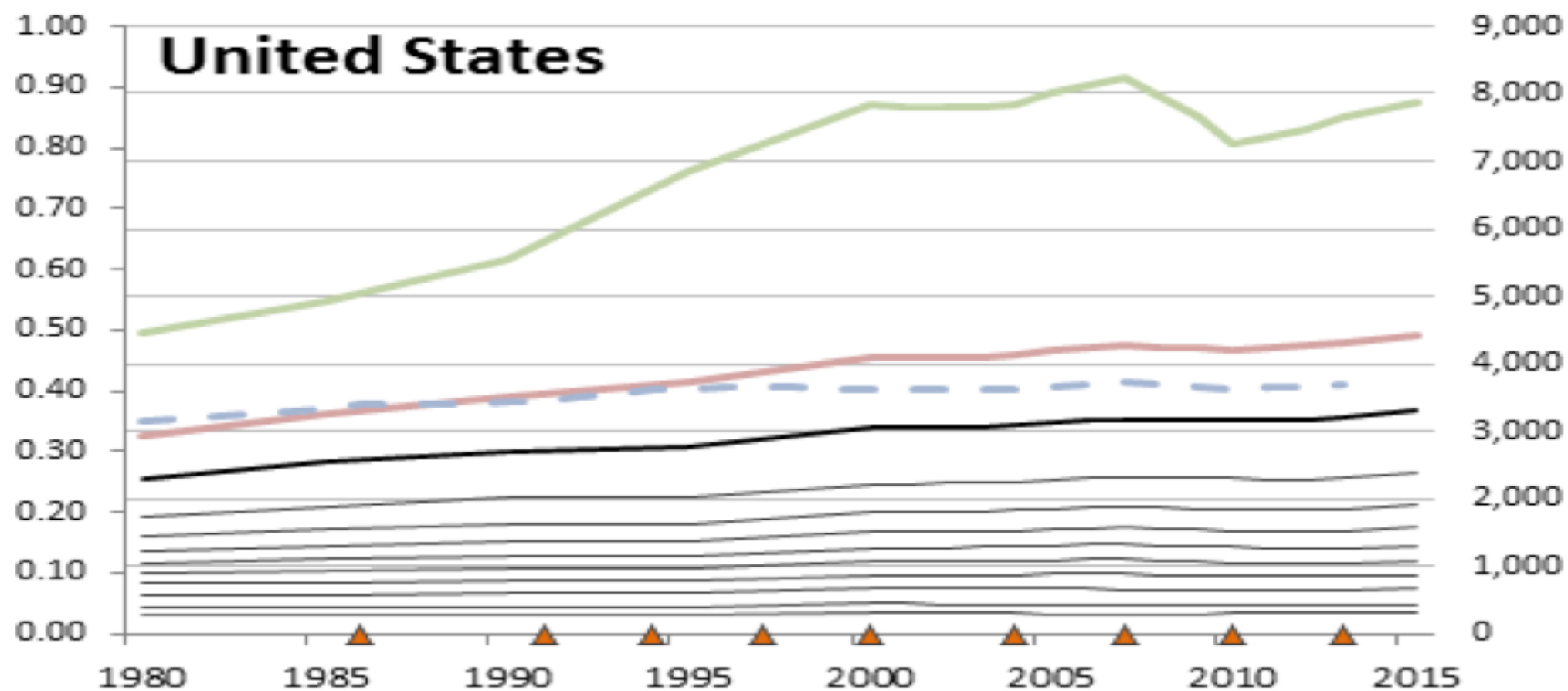
Chancel and Piketty India top 1% income share estimate



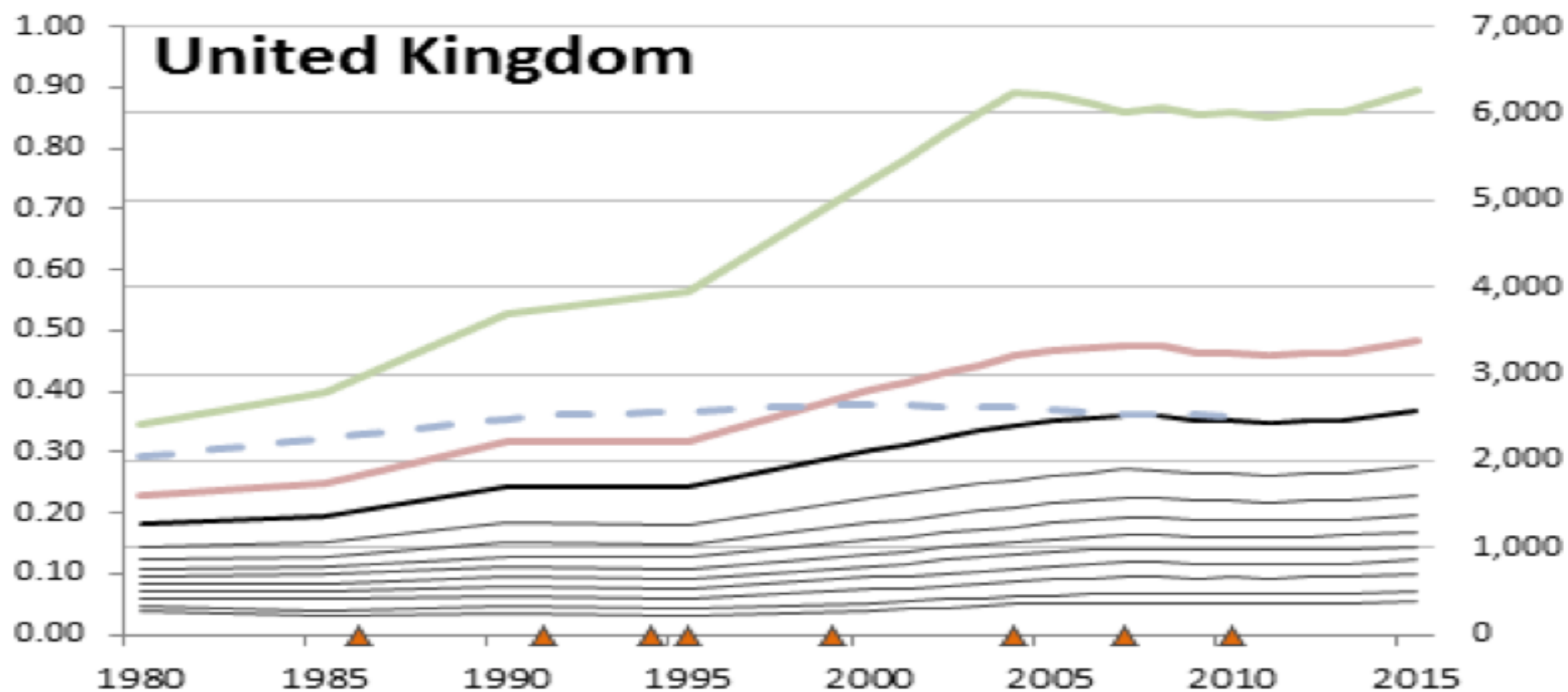
Source: Authors' computations using tax and survey data and national accounts.

Other Cases: Growth and Rising Inequalities

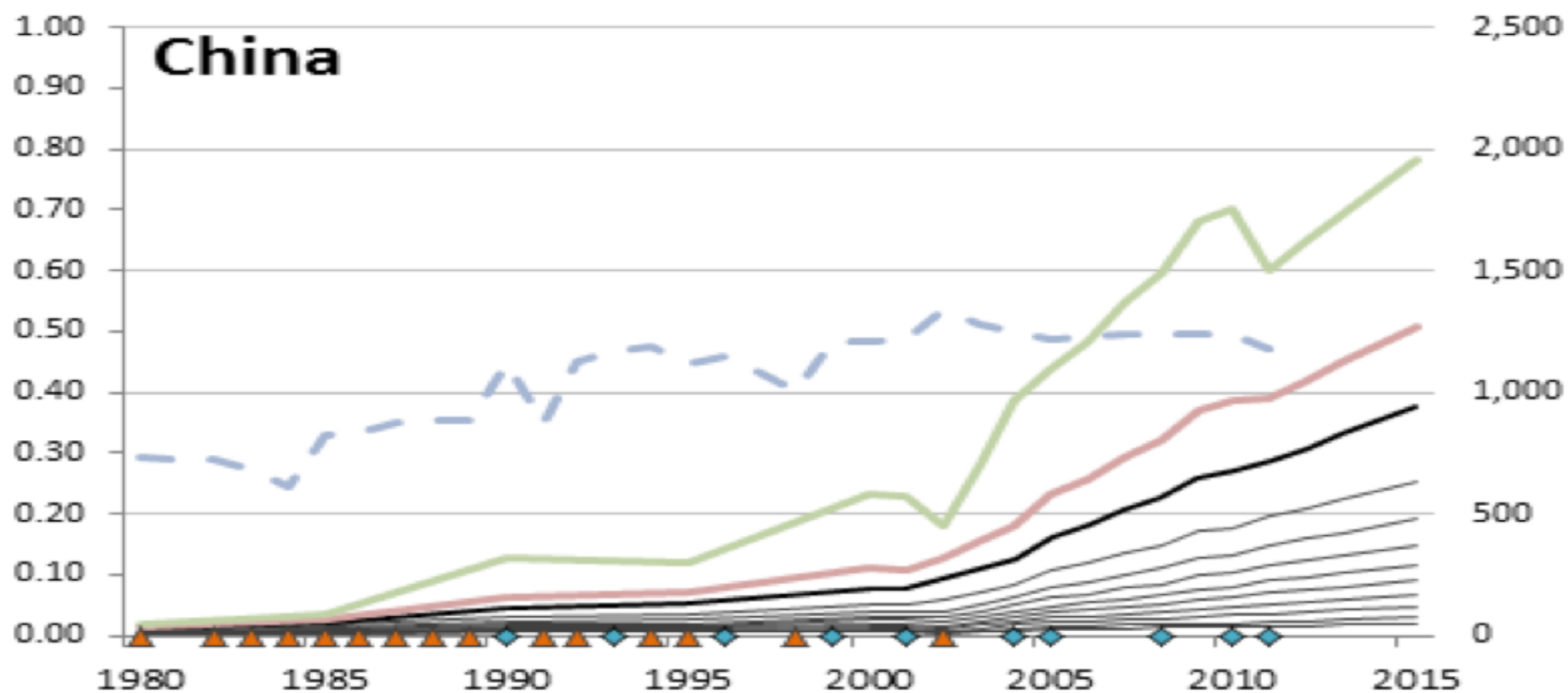
Inclusivity of Growth: US



Inclusivity of Growth: UK

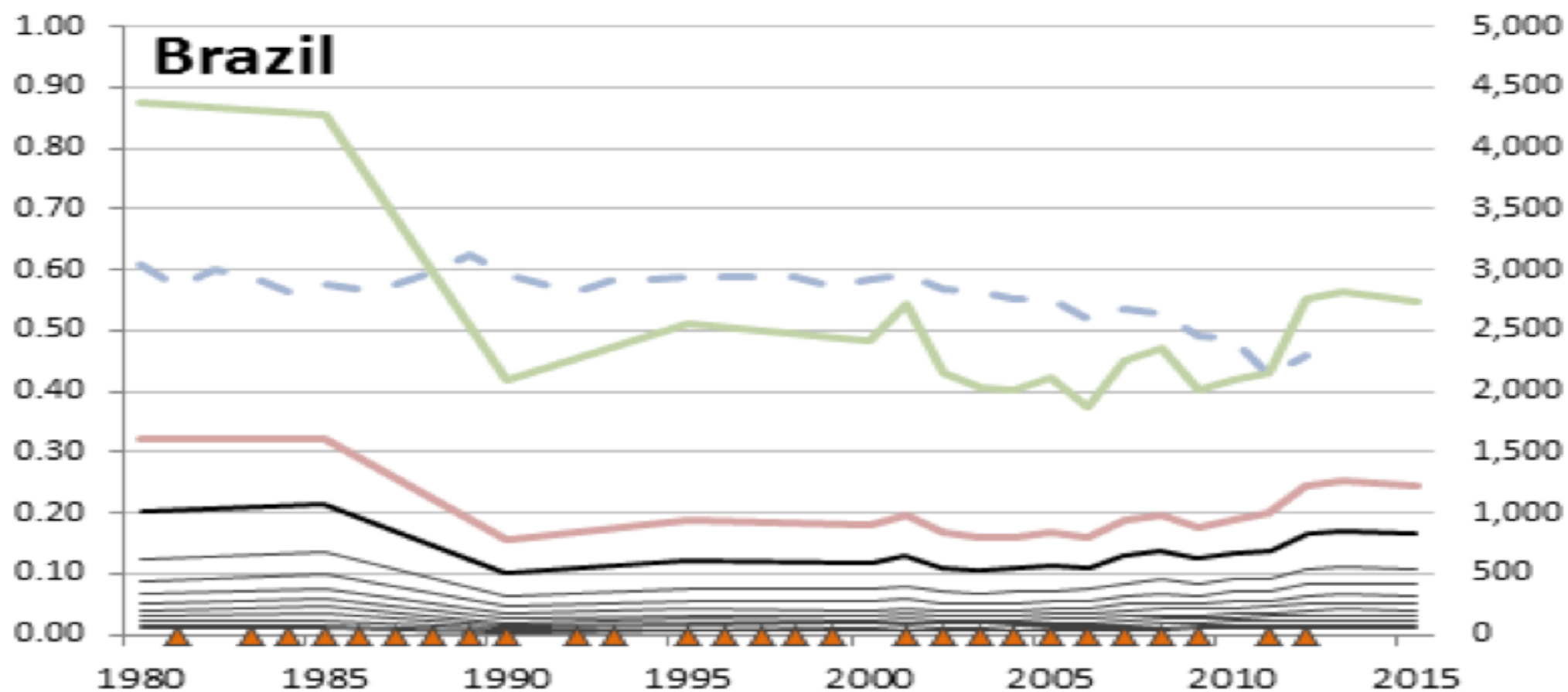


Inclusivity of Growth: China

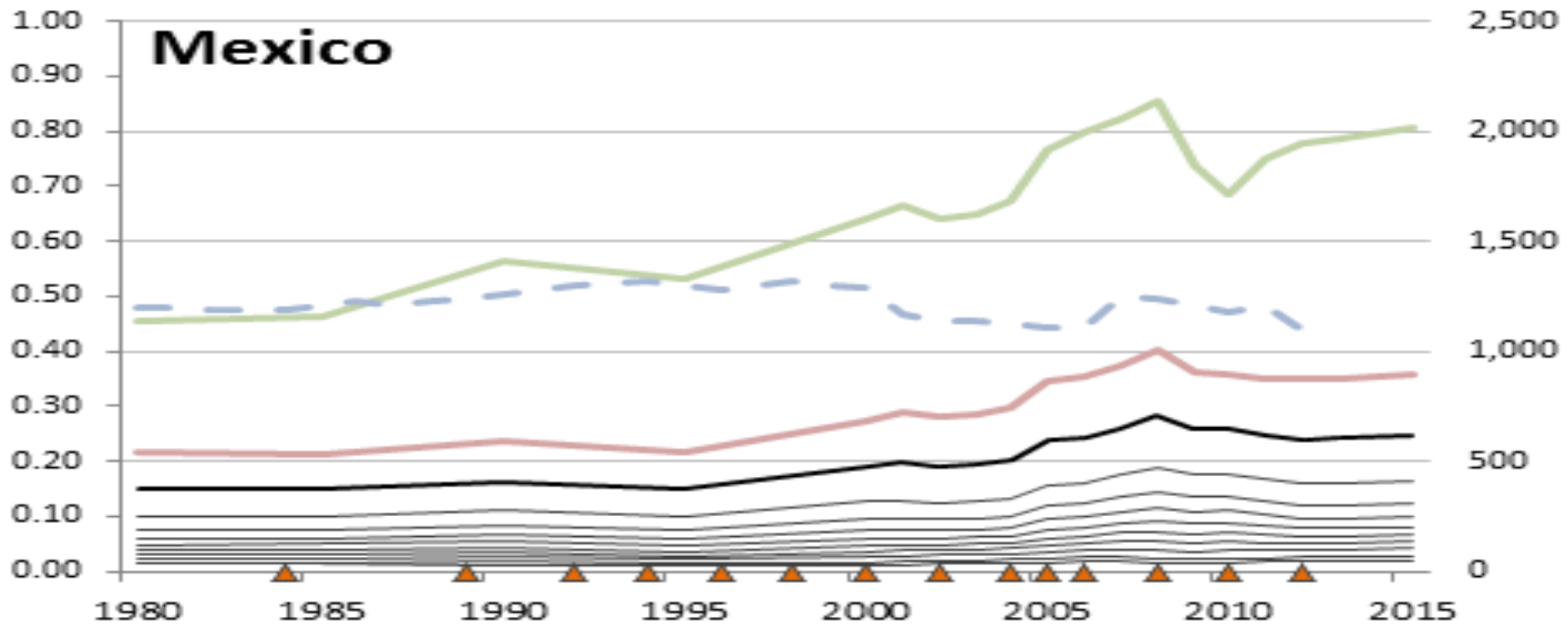


Other Cases: Growth and Falling inequalities

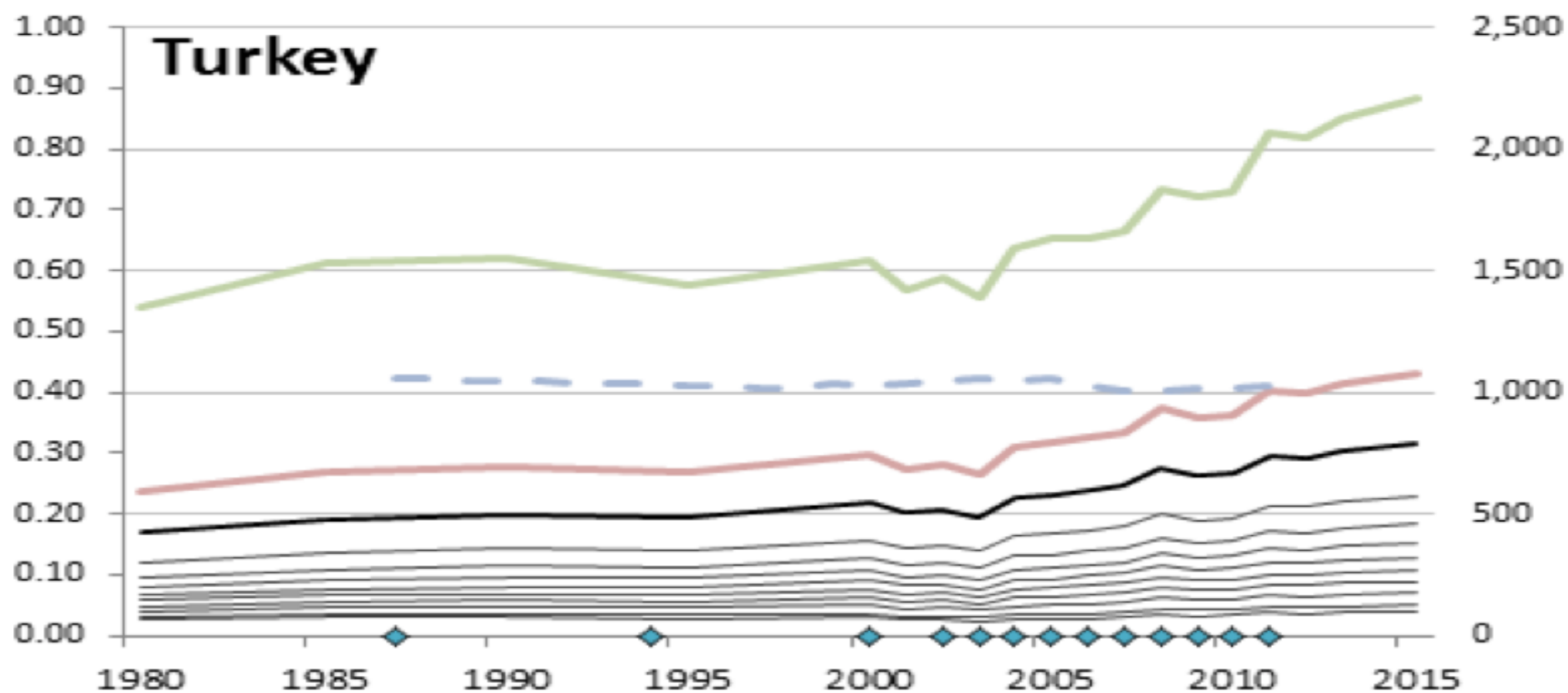
Inclusivity of Growth: Brazil



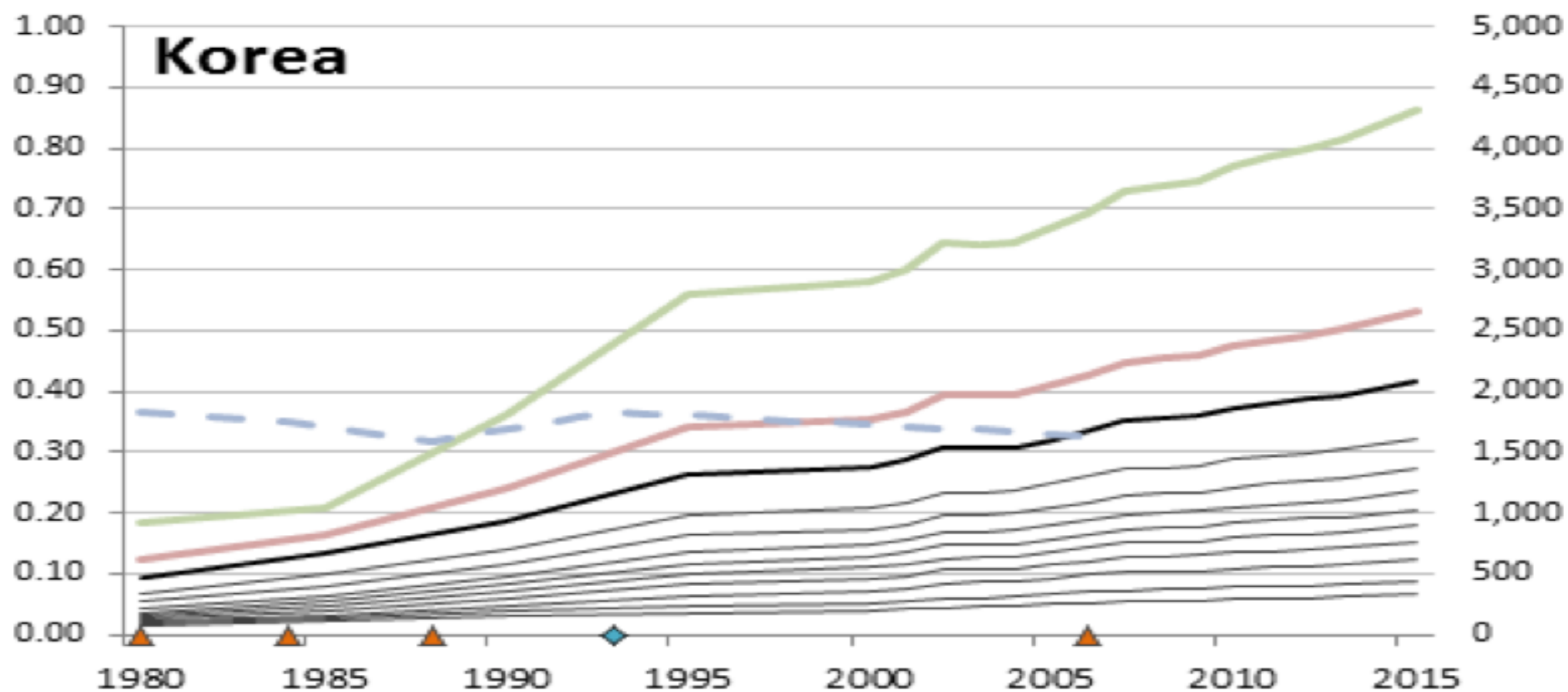
Inclusivity of Growth: Mexico



Inclusivity of Growth: Turkey



Inclusivity of Growth: South Korea



What makes the difference?

- Productive structures and the relations of people to them are crucial, though transfer policies may also play a role (e.g. Brazil)
- Institutions and policies that influence starting points, processes and outcomes: pre-market (e.g. education and asset ownership), In-market (e.g. bargaining power, equitable treatment and ease of participation) and post-market (e.g. social transfers) elements.
- Inclusive Growth requires both Growth and Inclusion!
- Equitable and effective access for individuals, regions and social groups: there can be conflicts between these
- Both opportunities and outcomes.
- Danger of permanently locking-in high inequalities, through political, social and economic mechanisms (e.g. China).

Thank you

Extra Slides on Methods

Union Approach

Step 1:

Collect data on relative distributions. Retain it all to make possible alternative assumptions, but specialize to per-capita surveys.



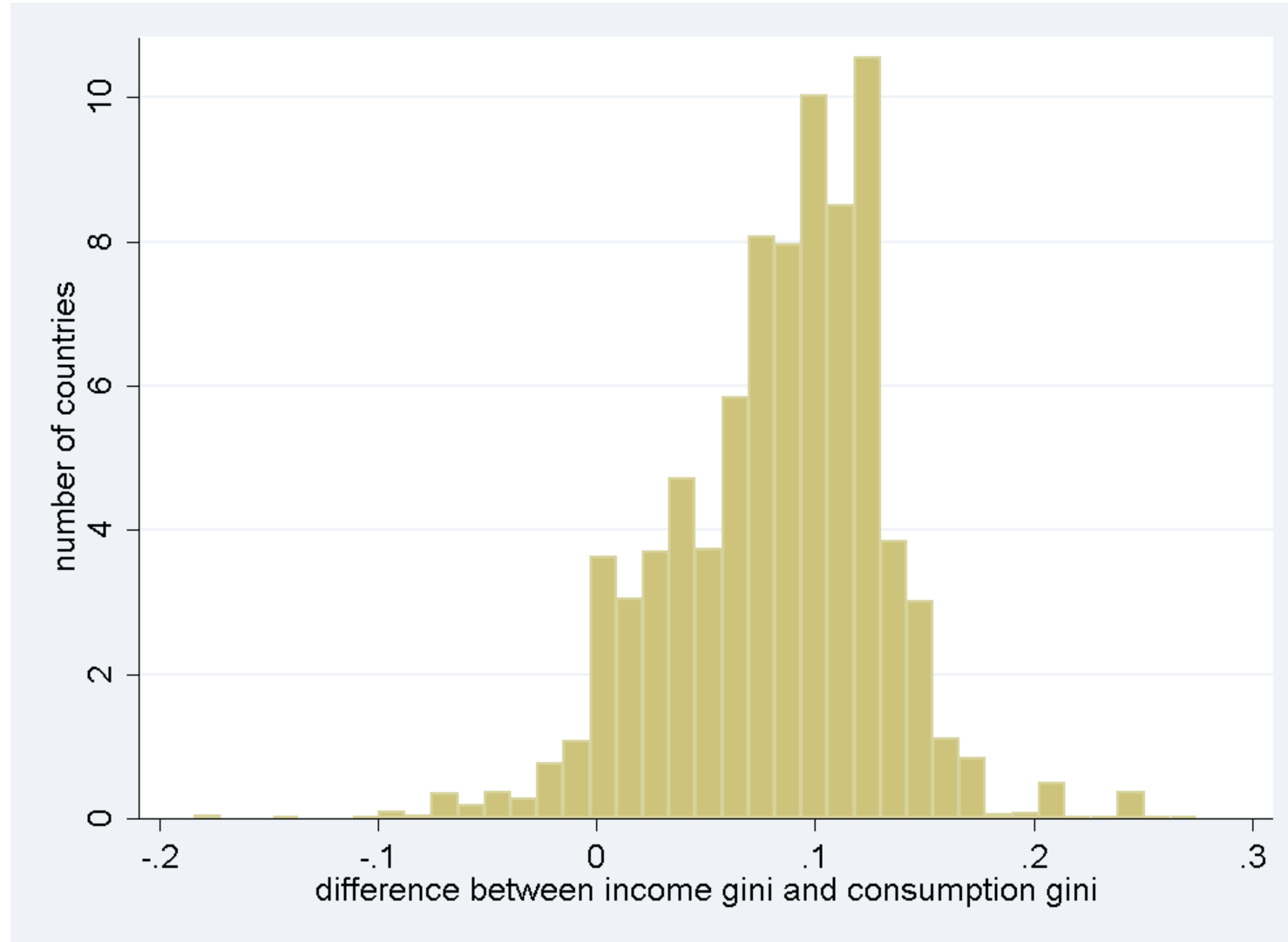
Step 2 : 'Standardize' the distributions by converting consumption into 'equivalent' income distributions or vice versa

Income to Consumption, Brazil

	Consumption Shares			
	Original Income Share	Estimated from Regression	Adjusted for Adding- up Constraint	Difference between Income and Estimated Consumption Shares
Q1	2.5	4.67	4.67	2.17
Q2	5.8	8.04	8.04	2.24
Q3	10.1	12.18	12.19	2.09
Q4	18.2	18.98	18.99	.80
Q5	63.4	56.07	56.10	-7.30
Total		99.95	100	
Gini Coeff.	57.7		48.7	

For India estimated income Gini coefficient for 2005 is 0.51 and from IHDS survey (not included in GCIP) is 0.48

Impact of Standardization



Step 3: Obtain mean levels from surveys or in very rare cases estimate from national accounts, and convert to common units

Step 4: Arrive at consumption/income profiles for non-survey years, using interpolation and extrapolation, and generate complete Lorenz curves for all years using (parametric) estimation. Create synthetic populations.

Outcome

A continuously evolving portrait of the world that draws on all available sources and extends over regions and years

Survey Means vs. National Account Means

