Economic inequality is a widespread fact and, to a certain point, inevitable.

But increasing inequalities and its effects entail social, politic, ecological and economic catastrophes that could lead to the collapse of our societies.
Evolution of income growth capture by world regions

Total income growth by percentile across all world regions, 1980–2016

Share % on national incomes
Income inequality and GDP evolution, 1929-2010

Real GDP Growth and Income Inequality, 1929-2010

- Red line: Real GDP (left)
- Blue line: Top 1% (right)
A turning point in inequality from the 1970s

- End to Bretton-Woods system (1971)
- Oil Crisis (1973)
- Limits to the Welfare State – the breaking of the post-war social contract, fall of social democracy
- Economic Globalization (1980s)
- Technologic change and innovation
New political hegemony: NEOLIBERALISM
TRICKLE DOWN ECONOMY

Trickle down economics
How we're told it works

What actually happens
Negative relation between growth and inequality

Inequality and GDP growth

Ten-year real GDP growth

Share of top 1% of income, RHS
Source: E. Saez. UC Berkeley
Deattachment between productivity and salary (EEUU 1948-2015)

Note: Data are for average hourly compensation of production/nonsupervisory workers in the private sector and net productivity of the total economy. “Net productivity” is the growth of output of goods and services minus depreciation per hour worked.

Source: EPI analysis of data from the BEA and BLS (see technical appendix of Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay for more detailed information)

Economic Policy Institute
Union membership (1917-2014)

Top 10% U.S. Income Share and Union Membership, 1917-2014

Source: Economic Policy Institute
Evolution of incomes shares from the über-rich and poor

Top 1% income shares across the world, 1980–2016

Bottom 50% income shares across the world, 1980–2016

“Income inequality is the defining challenge of our time – live”
Barack Obama, 2013. Center for American Progress
Since the 1980s, internal inequality has increased in most countries and decreased in very few.

Source: OECD Income Distribution Database (http://oecdidd).

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Inequality is a political choice

“Inequality is a political choice”

Joseph Stiglitz

Inequality is a choice, the result of certain political decisions and objectives that respond to certain motivation and interests
WHAT CAN WE DO?
Reinforce democracy and a shifting paradigm

1. Politics must govern the main principles that move the economy, orienting them to the common good and the general interest.

2. Re-legitimise politics as a transforming power to change social and economic dynamics, reforming current institution and trends.
   ➢ If democratic politics does not give forceful answers to the systemic crisis we face and we aren’t capable of reversing the current situation, we are heading towards an economic, social and environmental collapse.
Empirical evidence from numerous academic and economic studies and from the main global institutions warn about the evolution and effects of inequality.

- Not intervening with the growing trend of inequality is not an option, it’s a political decision.

- It is peremptory to reinforce counter-narratives and arguments to combat hegemonic economic thinking that exclusively defend the interests of certain elites.
There are many political measures and proposals that can be implemented, but there is not a single one that can solve all the problems at once.

In order to fight inequality, we propose to articulate a set of coherent and measurable policies that will then have to be evaluated and contrasted with inequality indicators in order to see how they have evolved and whether their impact has been positive.
He posat "we", però potser no el trobes adhient
Windows User; 19/6/2019
MULTI-LEVEL POLICY

1. International policies

2. State/Regional policies

3. Metropolitan and local policies
INTERNATIONAL POLICIES

SUSTAINABLE DEVELOPMENT GOALS

1. NO POVERTY
2. ZERO HUNGER
3. GOOD HEALTH AND WELL-BEING
4. QUALITY EDUCATION
5. GENDER EQUALITY
6. CLEAN WATER AND SANITATION
7. AFFORDABLE AND CLEAN ENERGY
8. DECENT WORK AND ECONOMIC GROWTH
9. INDUSTRY, INNOVATION AND INFRASTRUCTURE
10. REDUCED INEQUALITIES
11. SUSTAINABLE CITIES AND COMMUNITIES
12. RESPONSIBLE CONSUMPTION AND PRODUCTION
13. CLIMATE ACTION
14. LIFE BELOW WATER
15. LIFE ON LAND
16. PEACE, JUSTICE AND STRONG INSTITUTIONS
17. PARTNERSHIPS FOR THE GOALS
INTERNATIONAL POLICIES

1. Regulation of tax heavens and prosecution of tax evasion and tax elusion.

2. Common fiscal policies in the EU.

3. Global Registry of Financial Assets at the individual and corporate level, in order to have these assets audited, in a similar way as happens with real estate and property registers.

4. Tobin Tax, which would allow traceability and the taxation of speculative flows and financial movements.
NATIONAL/REGIONAL POLICIES

• Harmonization of a **progressive European tax** on income, capital, also on **inheritance tax, property and company profits**.

• Reduce wage disparities, set a **minimum wage that is 60%** of the country’s average wage, as recommended in the European Social Charter.

• Contribute to **stronger trade unions**.

• Increase the presence of **workers in the decision-making bodies** of companies, as well as to stimulate their participation in shareholdings.

• Increase the presence of workers in the **cooperative economy**.
• **Active Labour Market Policies** – Convert part of unemployment benefits into training grants.

• Restore and reinforce *welfare policies* destroyed by the financial crisis.

• Open the political debate on the *Citizenship Basic Income* in the face of the challenges of technological change.
Debate between pre-distributive or redistributive policy

Pre-distribution: Reduce **pre-tax inequality** by **increasing the power of trade unions; public education policies, increase salary share on GDP**…

- Example: New Hampshire

Redistribution: Reduce inequality **after taxation**
Urban space is not only the setting or the result of the social processes that take place there, but it also directly conditions these processes.

Urban policies can have a direct and effective impact on the widening or reduction of inequalities.
1. **Creation of a comprehensive strategy to reduce inequalities at the local level.**

   A- To seek maximum impact in the reduction of inequality and its consequences

   B- Collaboration and involvement of the different municipal areas, third sector, social movements, academics and research, and metropolitan institutions

   C- Commitment to coordinate resources
OBJECTIVES

1. Reduce inequality in income distribution and guarantee social rights, especially access to housing, quality employment, and basic needs.

2. Increase educational equity, training and cultural opportunities throughout life.

3. Strengthen and articulate community networks and support services that facilitate personal and collective empowerment through social innovation initiatives.

4. Eliminate stigmatization and social segregation and reduce inequalities between neighbourhoods.
http://www.bcn.cat/barcelonainclusiva/ca/estrategiainclusio.html
Fighting gentrification means not only tackling one of the effects of inequality in the city, but also tackling its causes.

**Urban land policies**

- Expropriation as a preferential and generalized modality of action in the sectors of land development.
- Activation of obligatory land reserves for the construction of protected housing.
- Public and community recovery of the capital gains from public rehabilitation interventions and large urban intervention of public initiative.
• Rehabilitation of public housing.
• Give stability to the rental market.
• Promotion of social housing.
• Mobilize the empty habitation
• Regulation of touristic rental
1. Municipal contracting with companies that comply with a balanced social balance especially in:

**Social and inequality indicators** in its annual report, such as:

- Salary Ratio (Salary of the CEO/Mean Salary 1/10 -1/50)
- No gender pay gap
- Temporary rate contracts
- Partiality rate of the working days
- Outsourcing/Subcontracting rate
2- Give a **more progressive and redistributive character** to **municipal taxes** (for example: Real Estate Tax – cadastral Update) and to **investments** (expenses)

3- Promote **social pricing** of all city services to ensure universal access.

4- **Metropolitan vision and action by district**, establishing specific competencies to diminish the problems of ghettoization
5- Define a **system of indicators** to measure inequalities and their impacts and the milestones achieved at the end of each mandate.

- Definition of indicators to monitor policies and their evaluation through the results obtained.
- Creation of fairness commissions to follow up.
Tackling Inequality - Indicators

**Indicators of Deelements of Inequality**

- **Policy and Governance**
  - % Minimum salaries vs market salaries
  - Labor Share / Capital Share
  - Government Spending / PIB (national or regional)
  - Taxa de IRPF on high incomes
  - % of households in households over 15 years
  - % of people in rural areas
  - Fragmentation of municipalities

- **Economic Structure**
  - % of jobs per sector
  - % Value added per capita per economic sector
  - Increase in tax on employment in the formal sector
  - Tax on work
  - Tax on work

- **Globalization**
  - % Export / Import / PIB (Apertura Comercial)
  - Total migration and population growth (10 years)

- **Technological Change**
  - % of patents per 1000
  - Skilled / Unskilled Salaries

**Indicators of Consequences of Inequality**

- **Economic and Social Security**
  - POBREZA
  - % of the poor
  - % of the unemployed
  - % of people receiving social benefits
  - % of people with disabilities

- **Health**
  - Life Expectancy at Birth
  - Mental health
  - Mortality rates
  - Mortality rates in the community
  - Mortality rates in the hospital
  - Mortality rates in the community
  - Mortality rates in the hospital

- **Quality of Life**
  - Expectancy of Life
  - Mortality rates
  - Mortality rates in the community
  - Mortality rates in the hospital
  - Mortality rates in the community
  - Mortality rates in the hospital

- **Public Security**
  - % of relatives killed
  - % of relatives killed in road accidents
  - % of relatives killed in the community
  - % of relatives killed in the hospital

- **Environmental**
  - Consumption of water
  - Consumption of energy
  - Particles CO2, PM
  - Residuals generated per capita

- **Institutional Confidence and Social Capital**
  - Corruption
  - % of relatives killed in the community
  - Confidence in others
  - Confidence in institutions
Thank you!

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