measuring inequalities

GDP = Gross Domestic Product

state expenditure + consumption + investments + (export - import)

HDI = Human Development Index

- GDP per capital
- years of inequalities
- life expectancy at birth

$\boxed{\text{measurement of inequalities}}$

income / wealth

- fiscal data (tax records)
- surveys

gini index = basic inequality indicater

$$G = \frac{A}{A+B}$$

• cumulative fraction of total transcript

when $G = 0$, it is perfect equality.

tr = 0.42

brazil = 0.65

scandinavia 70s = 0.2

percentile = share of total income, wealth captured or owned by a certain percentile, share of the population

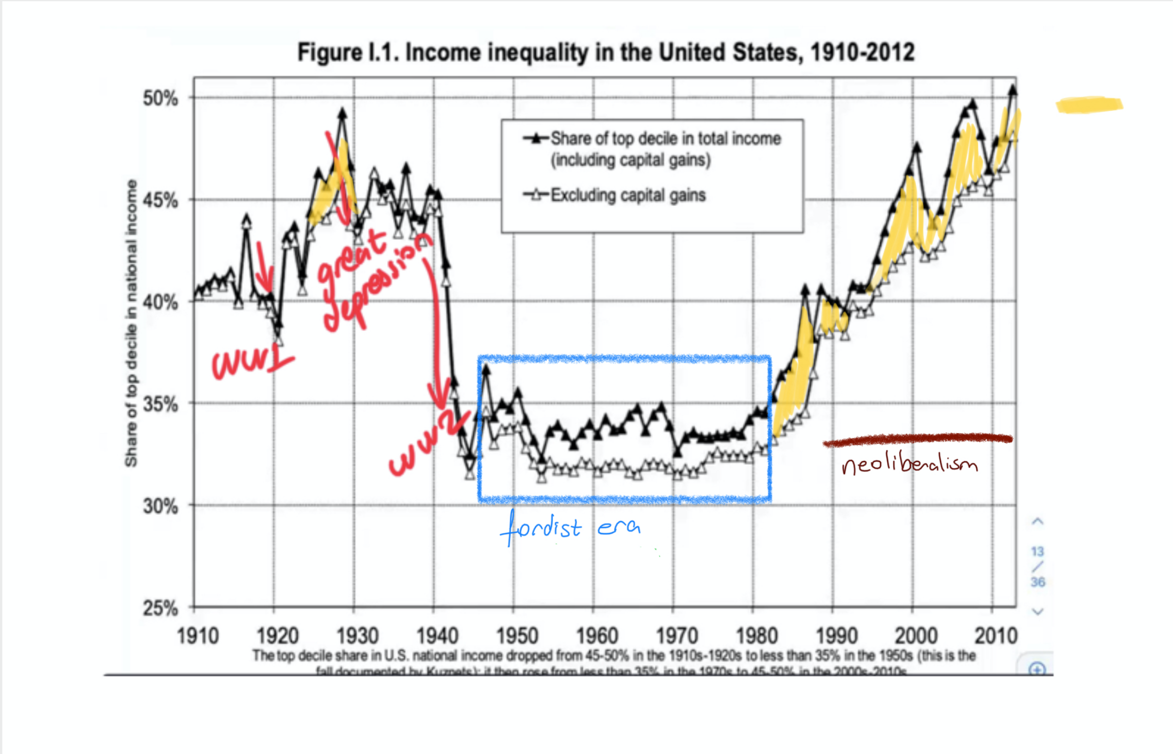
Figure I.1. Income inequality in the United States, 1910-2012
Share of top decile in total income (including capital gains)
Excluding capital gains
Share of top decile in national income
50%
45%
40%
35%
30%
25%
1910
1920
1930
1940
1950
1960
1970
1980
1990
2000
2010
The top decile share in U.S. national income dropped from 45-50% in the 1910s-1920s to less than 35% in the 1950s (this is the
WW1
great depression
WW2
fordist era
neoliberalism
13
36

① WW1
② great depression (1929)
③ WW2

} drastically decrease in inequalities → because weathy people got more effected

- no income tax before WWI, with the invention of the taxes, ↑ inequaliti

tax rates ↑
(on top incomes)

inequalities ↓

bc of strong labor (emerged) and USSR (the existance of socialist country)
fordist era / fordism = mass production and consumption period → economic growth and material advancement
- inequalities lowest in this period / welfare (huzur) state
↳ richest → %90 tax rate
↳ cooperation between cooperations and labors

△ → wage income from only working

▲ → wage (△) + capital gain
↳ rents, profits, interests

the difference = ▲ − △ = yellow era (in neoliberalism ↑)

neoliberalism = model for transferring the control of economic factors from the public sector to the private sector
→ period of financialization
→ booming stock market
→ welfare state ↓

- weak labor
- rise of financilization
when profit rate is low it occurs
↳ rather than investing (production) → money goes to finance

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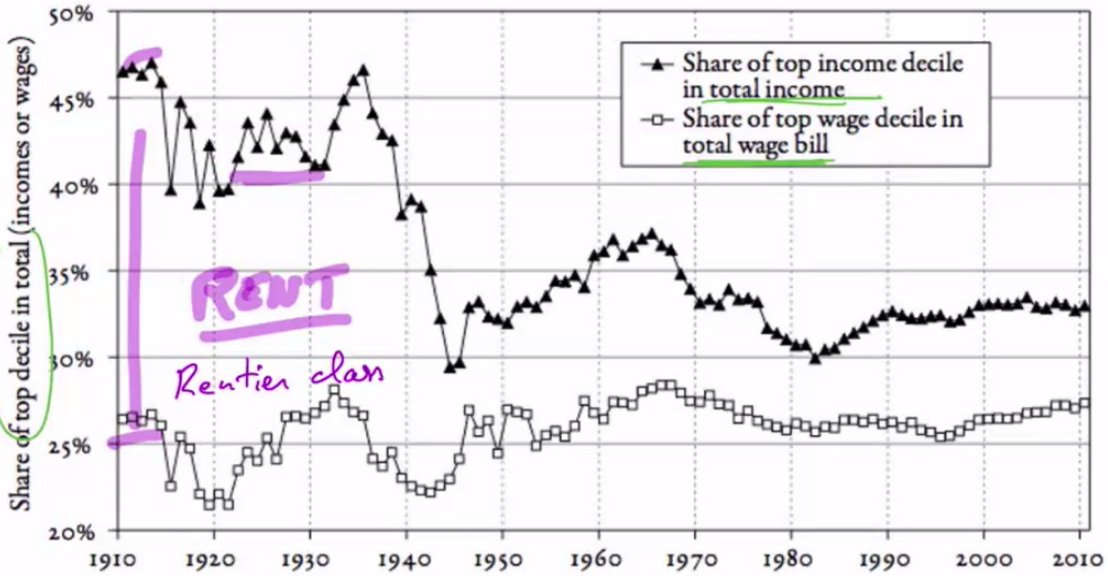

FIGURE 8.1. Income inequality in France, 1910–2010

Inequality of total income (labor and capital) has dropped in France during the twentieth century, while wage inequality has remained the same.

* in france capital gain (▲-△) is high because of rents (not because of booming market)