



# Deaton Review Country Studies: A Trans-Atlantic Comparison of Inequalities in Incomes and Outcomes over Five Decades

Lead PI: James P. Ziliak, University of Kentucky and IFS  
*with*

Co-Pis: Richard Blundell, University College London and IFS

Antoine Bozio, Paris School of Economics and IPP

David Green, University of British Columbia

Tomi Kyyrä, VATT Institute for Economic Research

Andreas Peichl, Ifo Institute

@TheIFS

# Project aims



- To **examine a broad set of inequalities** across Europe and North America, how they have been changed by the COVID-19 pandemic and how the policy environment in each economy has responded
- To be a **major source for comparative international research** on inequality; highlighting key differences and commonalities across these economies, generating new insights in order to learn about the drivers of inequality and to improve policy
- To **help policymakers develop effective responses** to the challenge of inequalities that emerge in the aftermath of the COVID-19 pandemic

# The UK's Deaton Review



This project was inspired the *The IFS Deaton Review*, a 4-year project chaired by Professor Sir Angus Deaton, aimed at understanding the importance, drivers, and effects of a wide range of inequalities, focusing on the United Kingdom where it is based

In this context, we assembled a network of 17 country-groups of researchers from across Europe and North America to work to understand the drivers of economic inequalities across high income countries

- Researchers in 6 of these countries are formally funded
- Working alongside researchers from an additional 11 countries
  - About 68 researchers in total

# Project Leads and funders



**James P. Ziliak**, University of Kentucky

- **United States:** National Science Foundation

**Sir Richard Blundell**, Institute for Fiscal Studies & University College London

- **United Kingdom:** Economic and Social Research Council

**Antoine Bozio**, Paris School of Economics & Institut des Politiques Publiques

- **France:** Agence nationale de la recherche

**David Green**, University of British Columbia

- **Canada:** Social Sciences and Humanities Research Council

**Tomi Kyrrä**, VATT Institute for Economic Research

- **Finland:** The Academy of Finland

**Andreas Peichl**, Ifo Institute for Economic Research

- **Germany:** Federal Ministry of Education and Research

# Other project lead members

<b>Country</b>	<b>Country lead</b>
<b>Austria</b>	Andrea Weber (Central European University)
<b>Belgium</b>	Bram de Rock (Universite libre de Bruxelles)
<b>Denmark</b>	Soren Leth-Petersen (University of Copenhagen)
<b>Greece</b>	Nikos Vettas (Athens University of Economics and Business)
<b>Ireland</b>	Barra Roantree (ESRI and Trinity College, Dublin)
<b>Italy</b>	Tullio Jappelli (University of Naples Federico II)
<b>Netherlands</b>	Egbert Jongen (Leiden University)
<b>Norway</b>	Kjell Salvanes (Norwegian School of Economics)
<b>Portugal</b>	Pedro Portugal (Bank of Portugal))
<b>Spain</b>	Olympia Bover (Bank of Spain)
<b>Sweden</b>	Martin Palme (Stockholm University)

# Project strands



- We create a set of comparative papers that describe the evolution of key economic inequalities in the decades before and during the Covid-19 pandemic
- A key advance is to deploy subject-matter and country-specific experts using comparable data measured in similar ways

**1) Labour markets**

**2) Gender**

**3) Education**

**4) Income and Redistribution**

**5) Immigration**

# Written outputs

- A “template” document produced by each of the 17 countries using harmonized data and measurements
  - Final versions completed by November 2023
- A “narrative” document produced by each of the 17 countries focusing on key themes and outcomes underscoring the evolution of income inequality and correlated outcomes
  - Drafts completed by November 2023
  - Will be published as part of a 2-volume set in peer-reviewed academic journal *Fiscal Studies* in June and September 2024
- Two synthesis papers integrating results across 17 countries (in progress)
- Subgroup papers focusing on gender gaps, education gaps, and immigration gaps (in progress)
- Each team submitting articles extending their country-specific results to peer-reviewed research journals (in progress)
- Dedicated page on Institute for Fiscal Studies website attached to The Deaton Review
  - Will host Templates, Data, Appendices

# Conferences



- 1) Scientific conference held at Paris School of Economics on October 20-22, 2022**
  - Each country provided update on progress on template
  - Working group session on challenges
  - Presentation on country-specific research extensions
  
- 2) Final scientific conference scheduled at British Academy London on November 30 – December 1, 2023**
  - Day 1 is a working session of all country authors to discuss the two synthesis papers, along with presentations on select country-specific extensions
  - Day 2 will be a public event integrating experts from The Deaton Review and major media with Deaton Country Studies representatives discussing findings on inequalities in income and earnings; gender inequalities; taxes and state benefits; education and immigration

# Preliminary Results



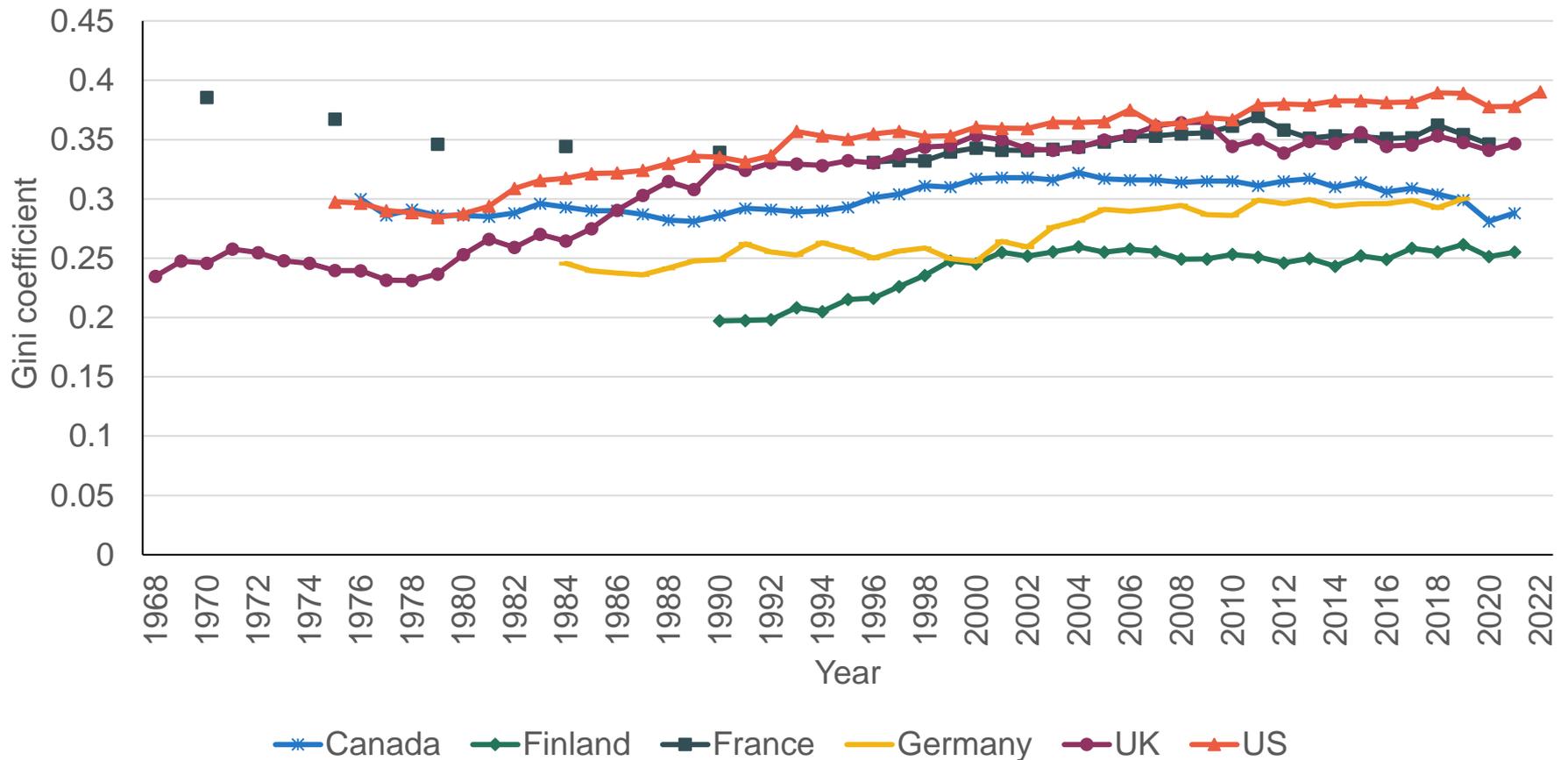
The track record over the last two decades on the widespread narrative that income inequality has risen across the developed world is decidedly mixed;

- Based on the Gini index from 2000 to the present, of the 17 countries in our study 5 experienced rising disposable income inequality, 9 experienced no change, and 3 experienced declines

# Income Inequality: little change since Great Recession or during Covid



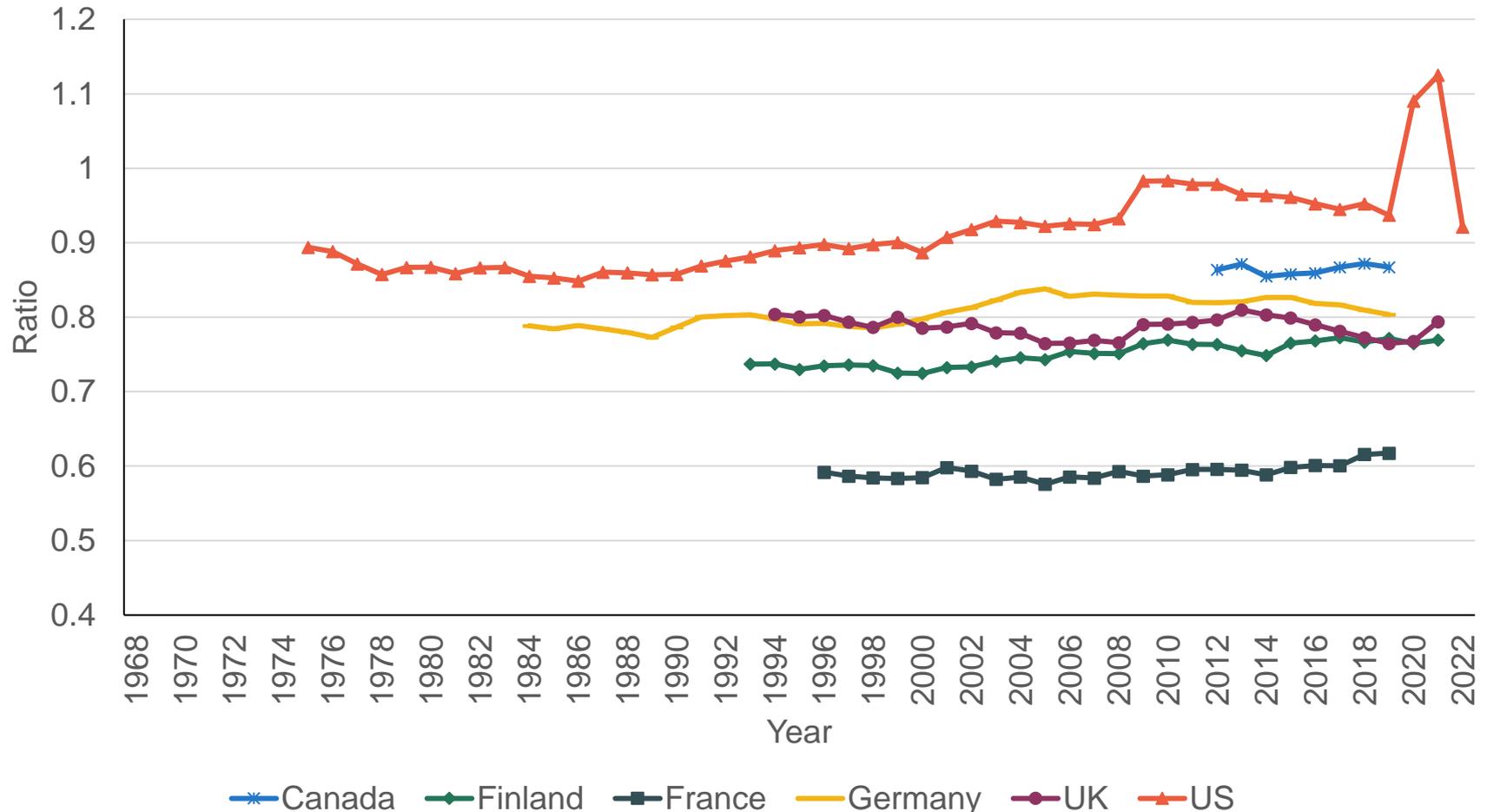
Trends in disposable income inequality, measured by the Gini coefficient



Notes: Adults aged 25-60 only

# Redistribution: US stands out with temporary pandemic support

Ratio of disposable income to gross income, first (lowest) quartile of the disposable income distribution

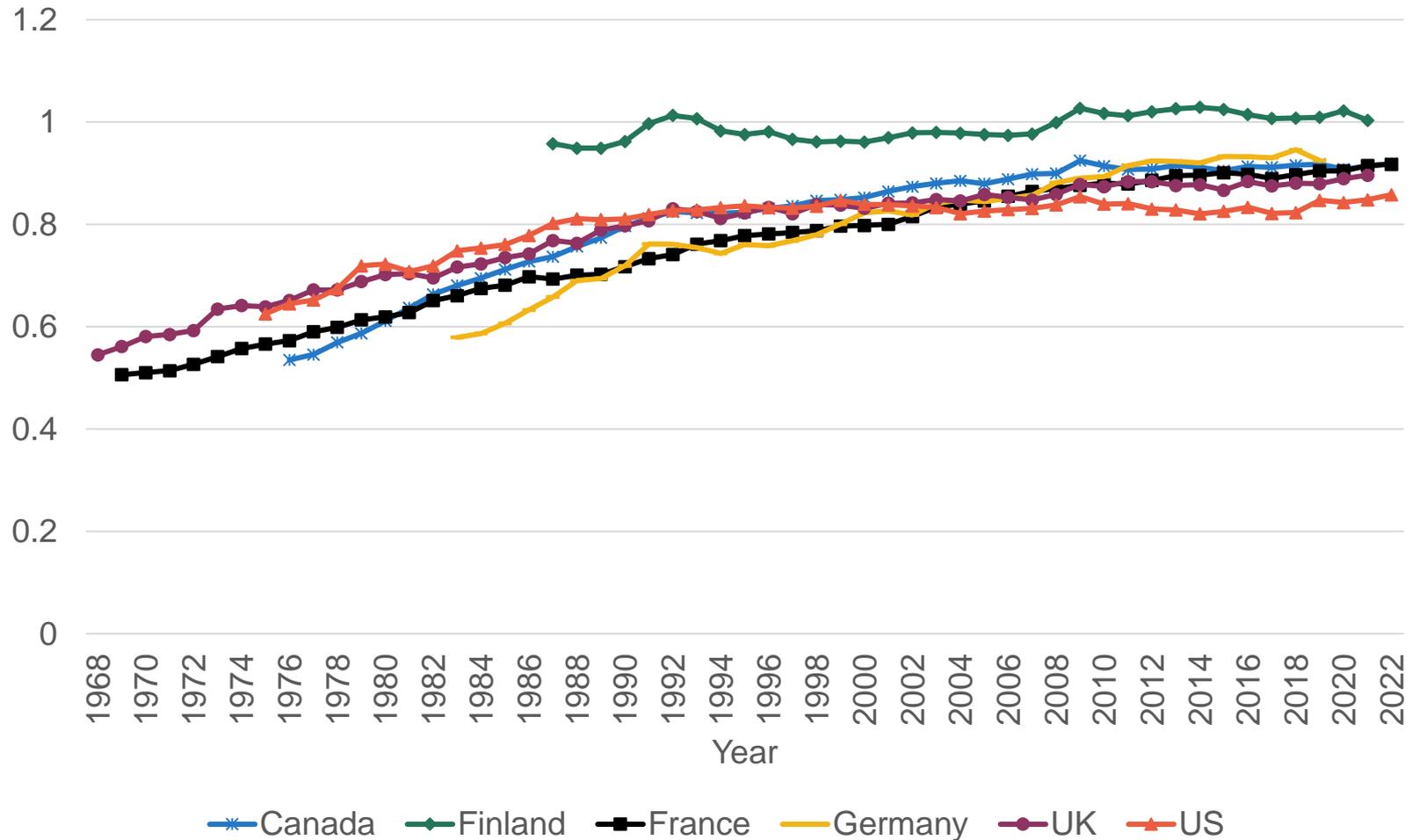


Notes: Adults aged 25-60 only

# Employment: catch up of women outside Scandinavia; US falls behind



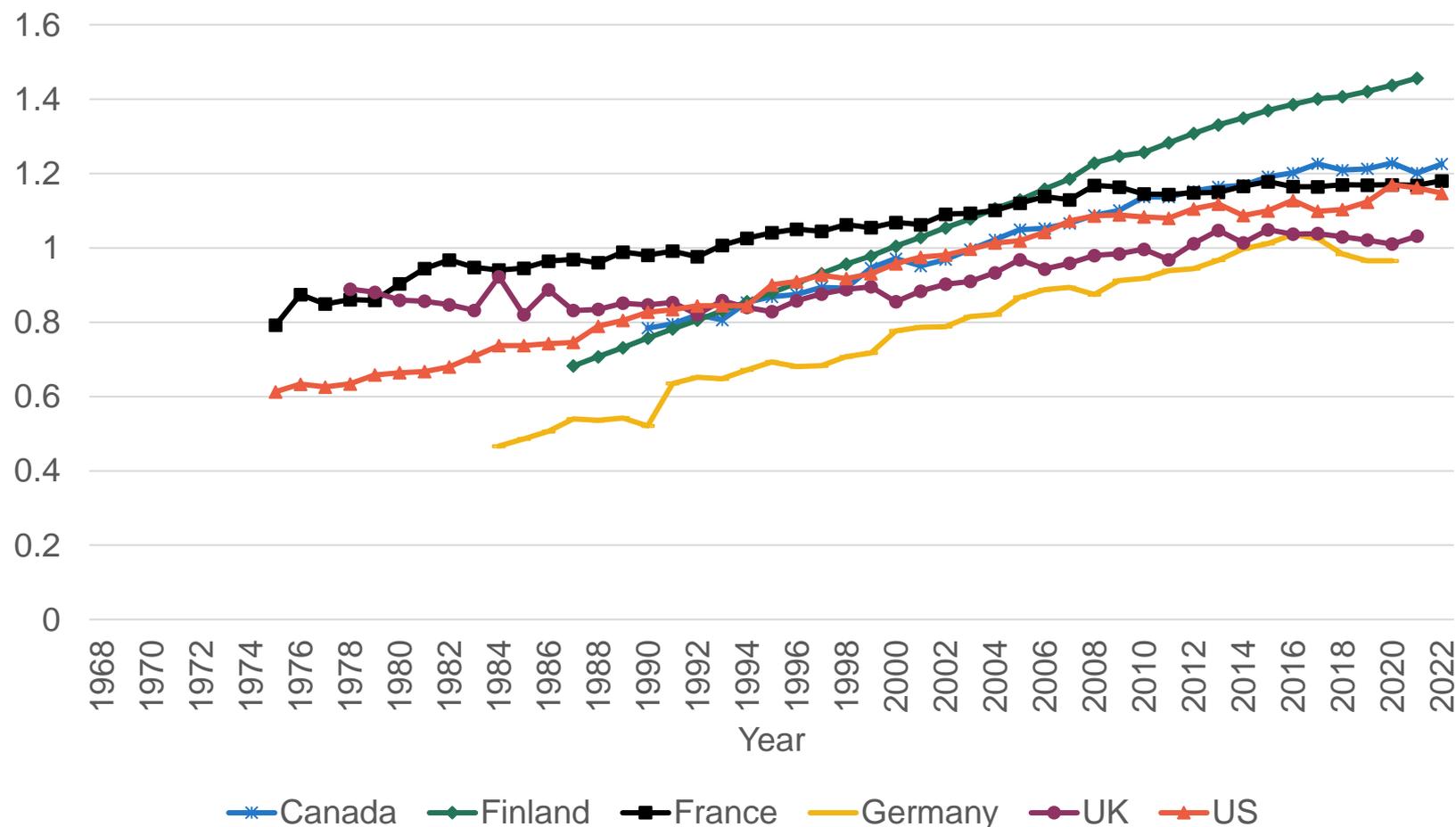
## Ratio of female employment rate to male employment rate



Notes: Adults aged 25-60 only

# Education: women overtake men in gaining highest education levels

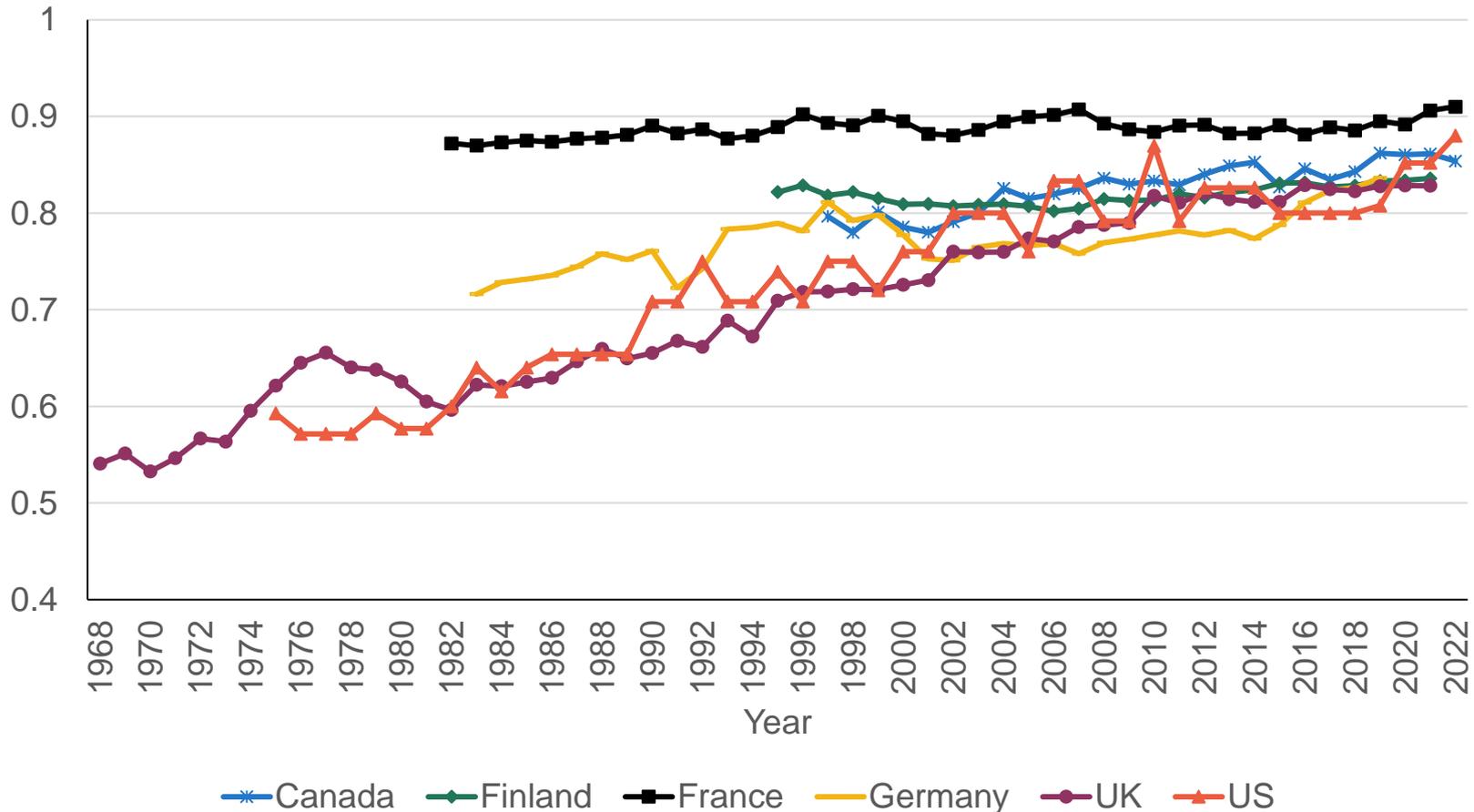
Ratio of % of women completing higher education compared to % of men completing higher education



Notes: Adults aged 25-60 only. Highest education defined as having achieved qualifications consistent with ISCED 6-8 categories

# Wages: persistent (and more similar) gender wage gaps

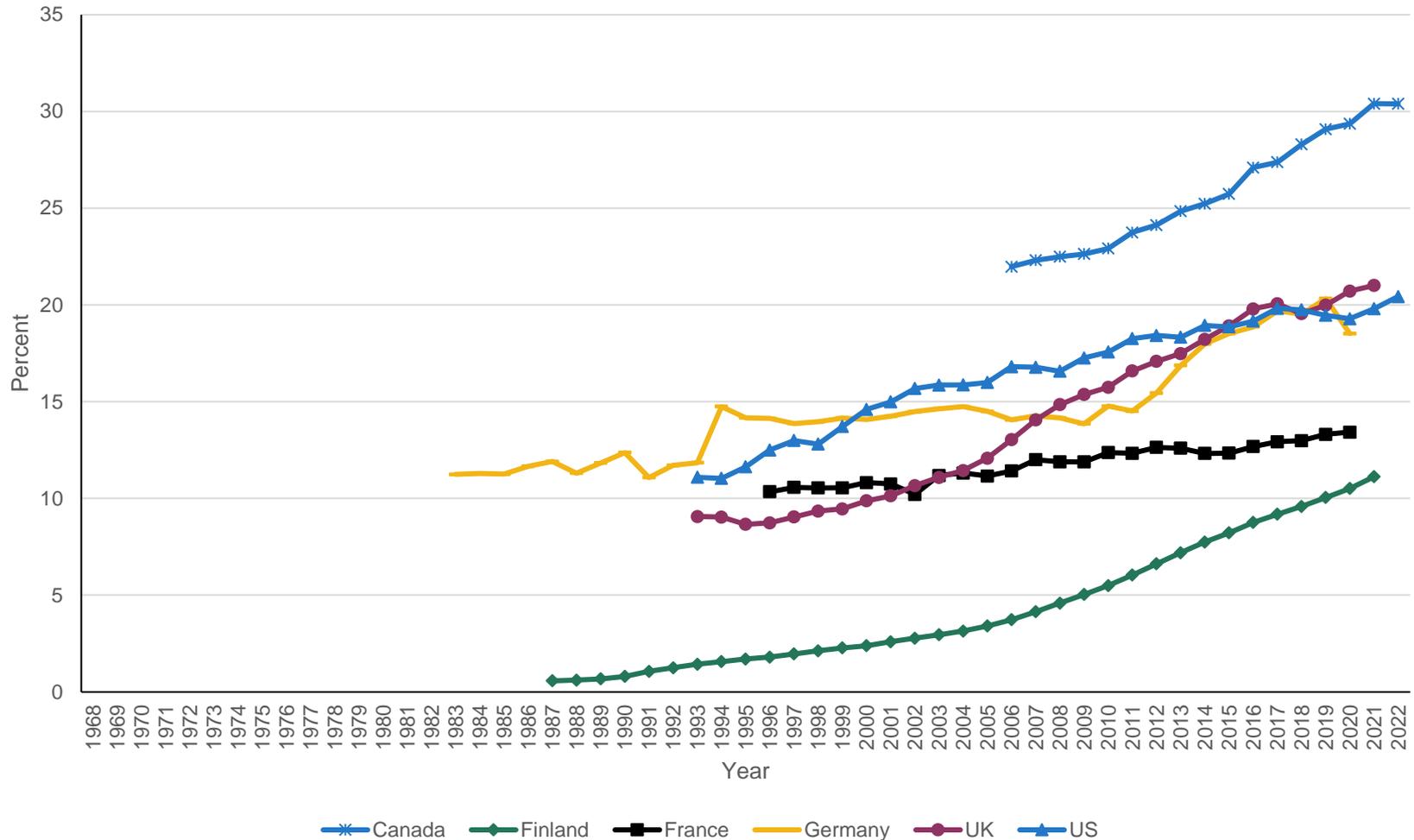
Median female hourly wage, as a fraction of median male hourly wage



Notes: Employees aged 25-60 only.

# Immigration has increased everywhere

Share of foreign-born population



# Cross-Country Collaborations



- **The vast majority of meetings were conducted via Zoom with lead PIs and researchers attending**
  - The productivity of the meetings improved over time as aims/goals/methods galvanized
  - These large group meetings were supplemented with subgroup meetings focusing on key research strands
- **In 2023 the lead PIs have held additional meetings**
  - to discuss refinements to project deliverables such as the 2-volume *Fiscal Studies* publication, as well as organization of the second in-person conference in late 2023
- **The in-person meetings of all 17 countries were made possible by the T-AP funding**

# Thank You!



We are grateful for the financial support from our respective national funding agencies, and for being selected as part of the T-AP RRR initiative