



**United  
Nations**

Department of  
Economic and  
Social Affairs

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# Mars, Palma, and National Inequality Accounts



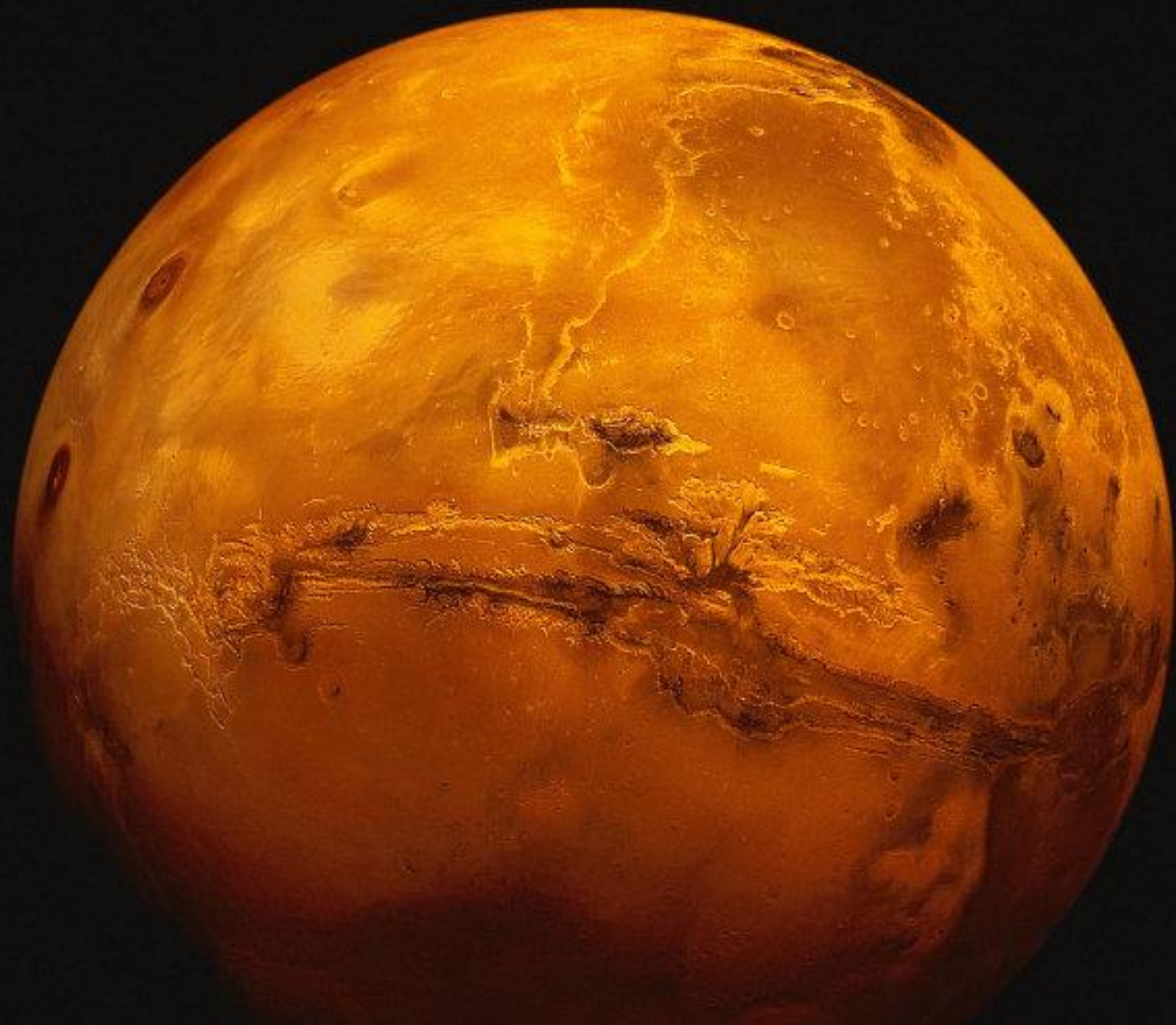


To be opened by the  
Director of the  
Population Division of  
CEPALC

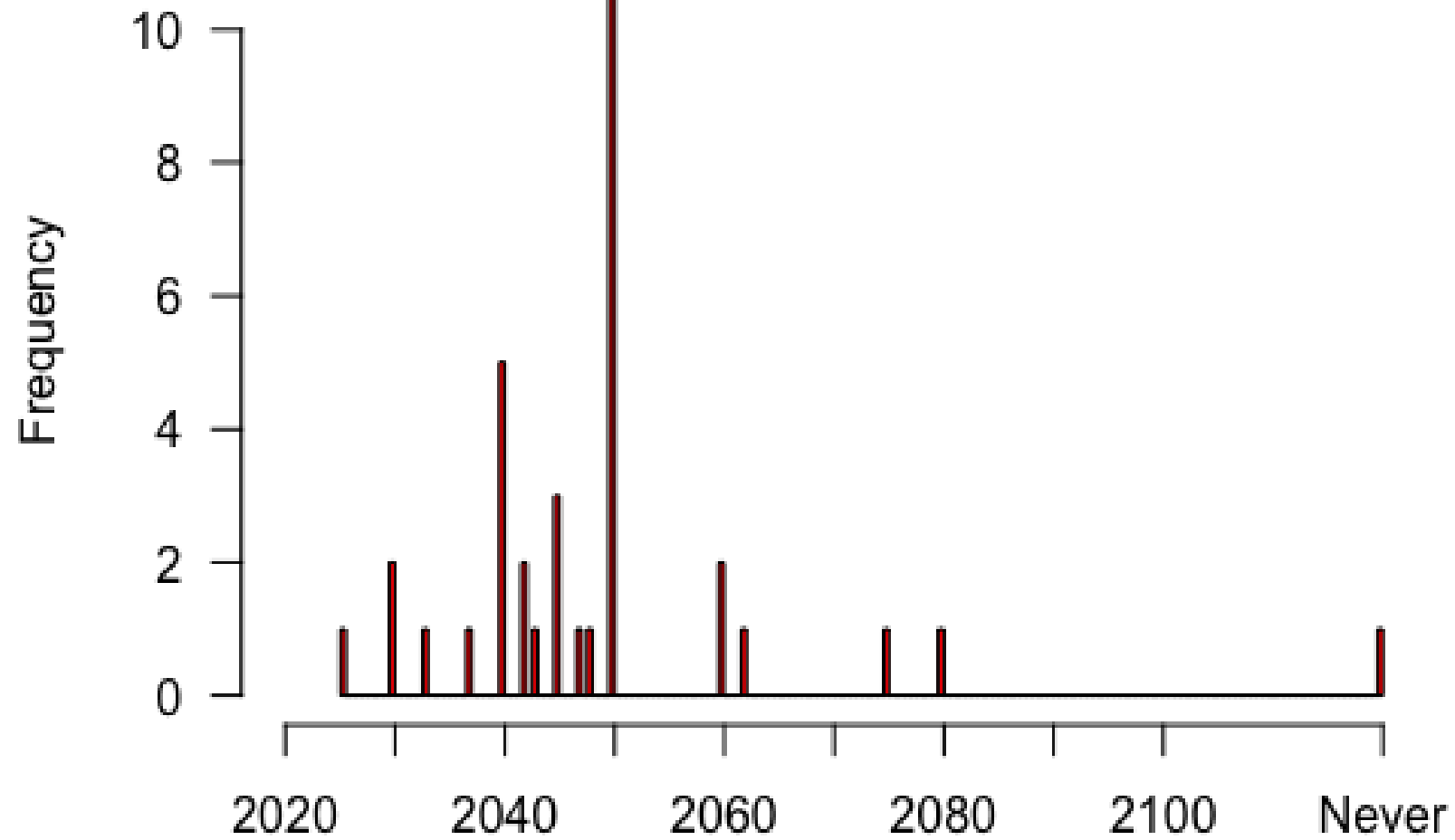
when humans first land  
on Mars

or the Palma index for  
the region reaches 1.0

whichever comes first.

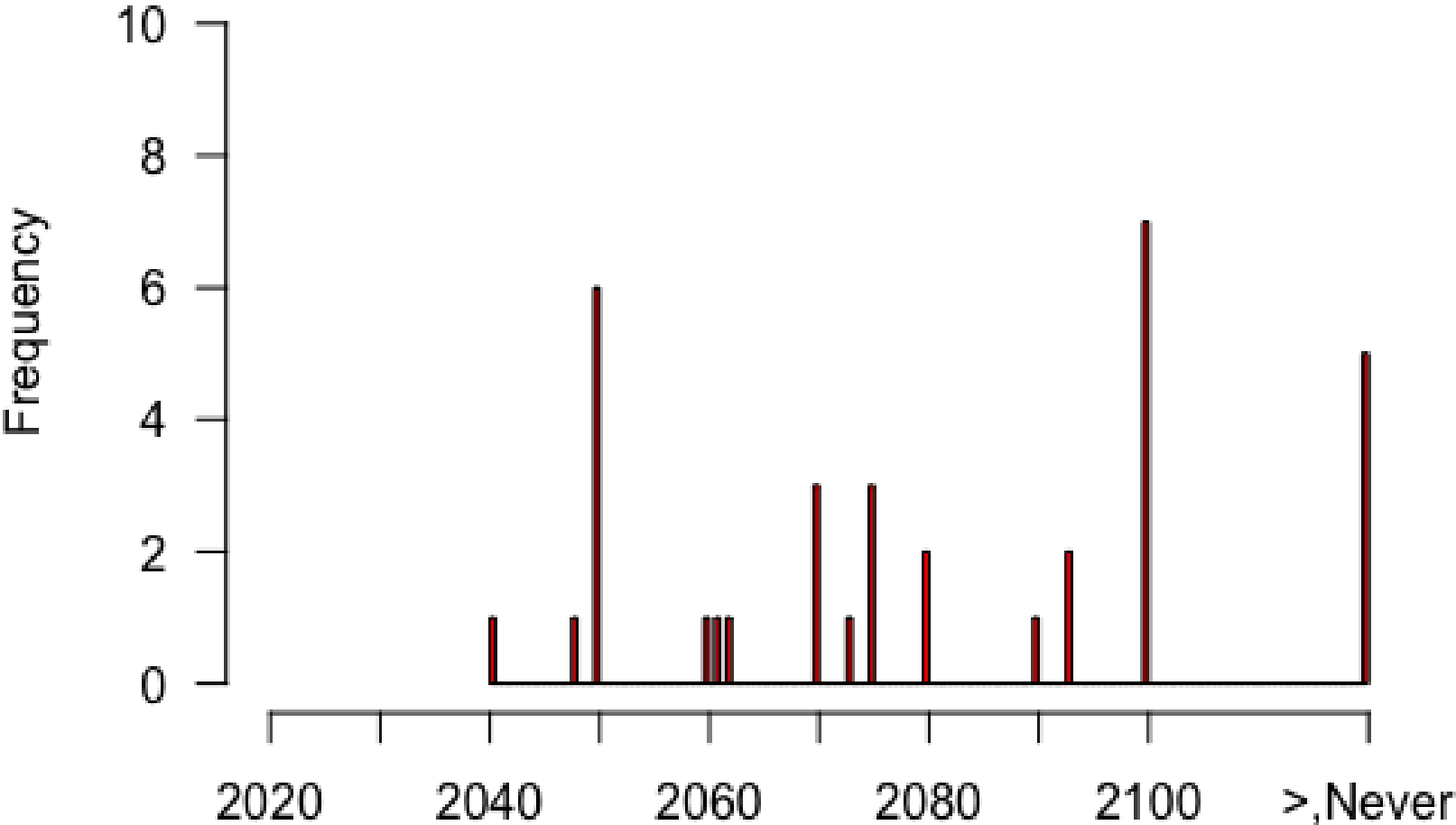


## Date of Mars Landing: 2048

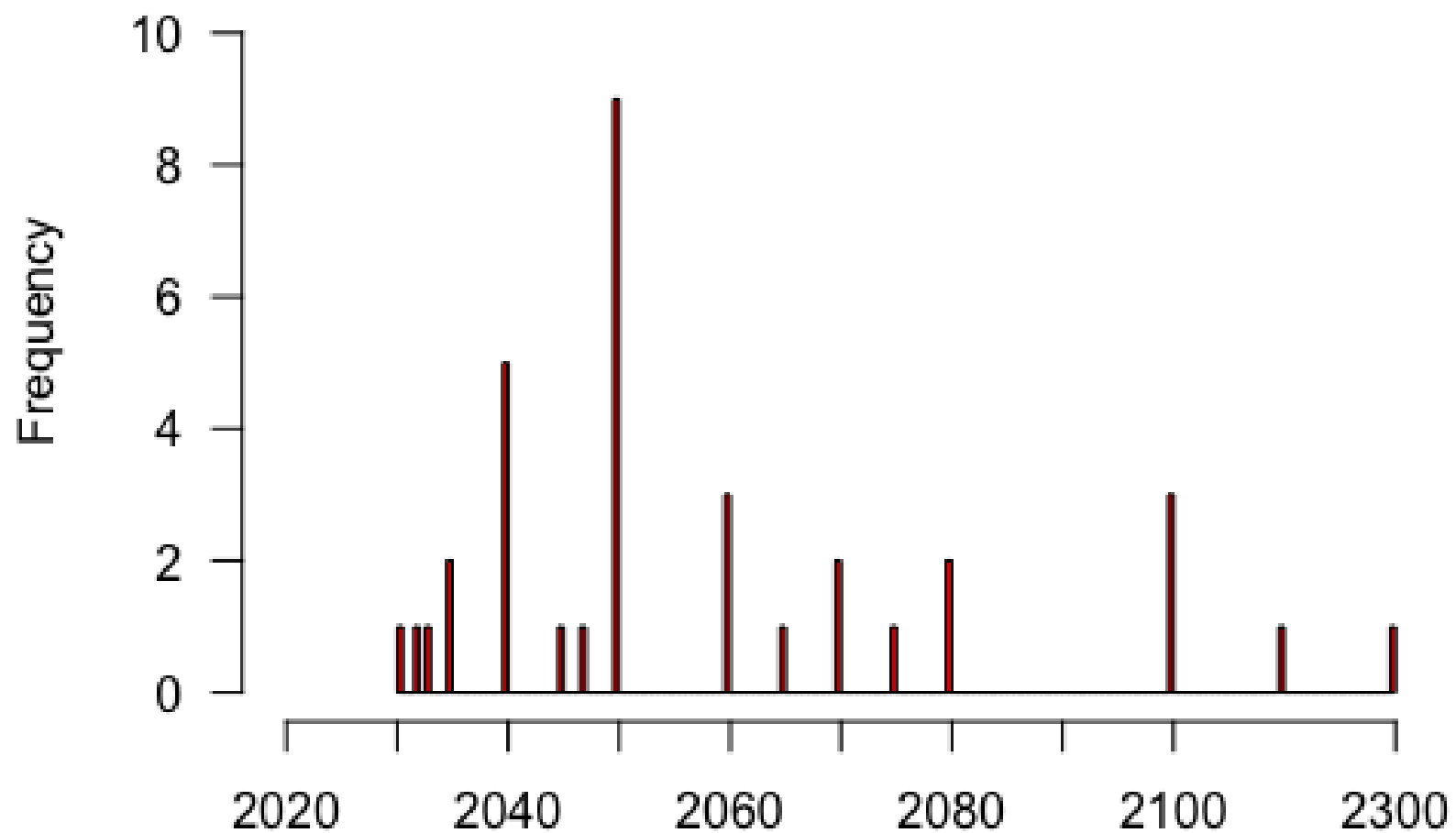


# Date of OECD Palma Index: 2075

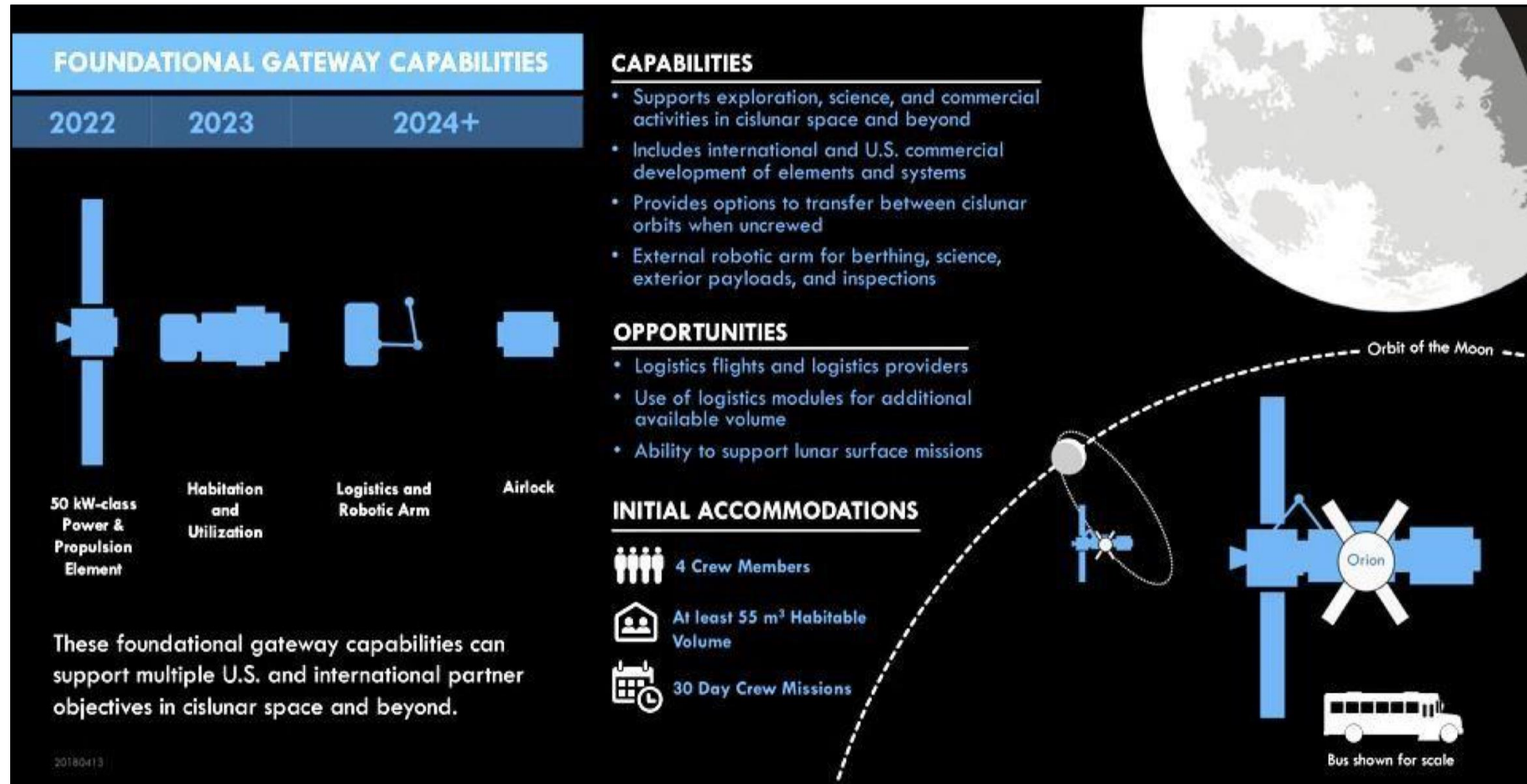
**Palma Index:**  
the share of national income of the richest 10% compared to the poorest 40



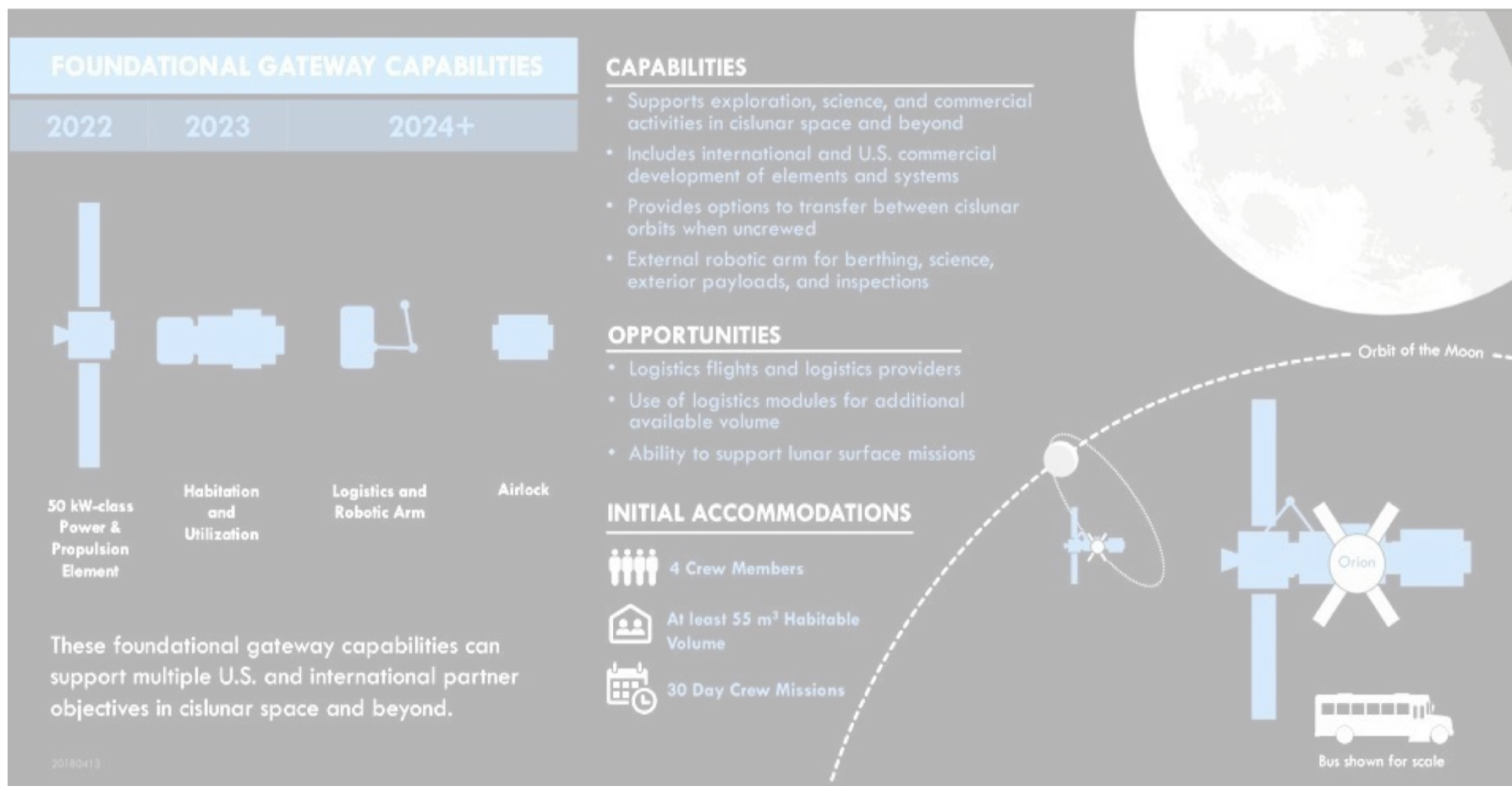
## Date of OECD Palma Index with Social Pact: 2050



# A plan

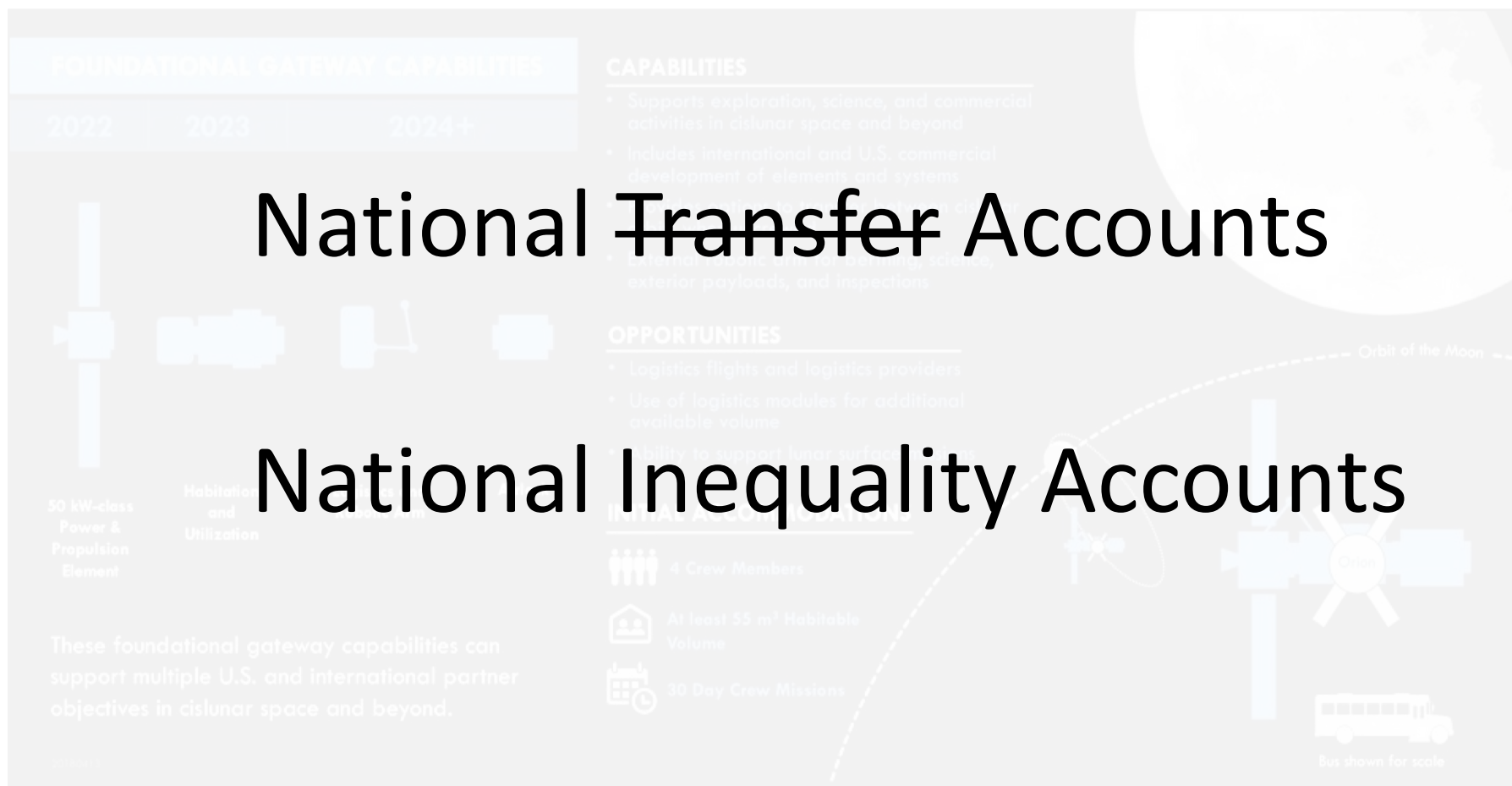


# A plan for Palma = 1.0





# A plan for Palma = 1.0




## National ~~Transfer~~ Accounts

## National Inequality Accounts



Approaches that exclude inequality (NTAs) can lead us to wrong policy

- Raising retirement age
- Underinvestment in education

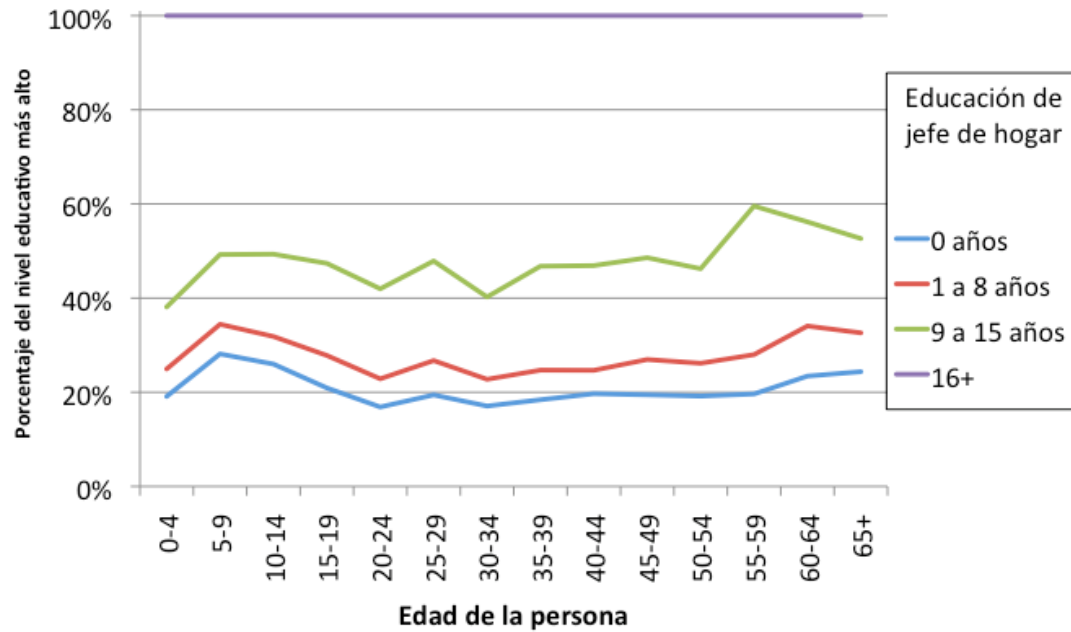


# National Inequality Accounts

“By measuring economic relationships between groups within an economy, National Inequality Accounts provide a way of transforming National Accounts into a policy instrument that addresses inequality. We believe this is vitally important, not just for Chile and Latin America but also throughout the world.”

Brasil: Consumo per cápita por nivel educativo del Jefe de Hogar, 2003

Como porcentaje del consumo en el nivel educativo más alto

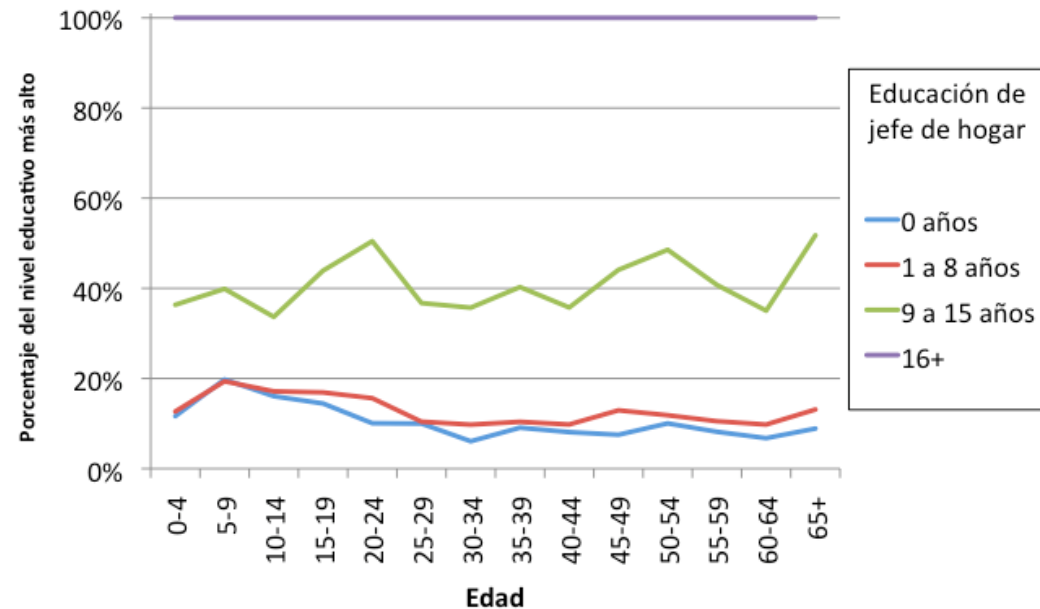


Grandes diferencias en el consumo per-capita entre distintos niveles socioeconómicos, que comienzan en la niñez y continúan a lo largo del ciclo de vida

Los individuos en niveles socioeconómicos bajos, consumen entre 1/10 y 1/5 de lo que consumen en el nivel socioeconómico más alto

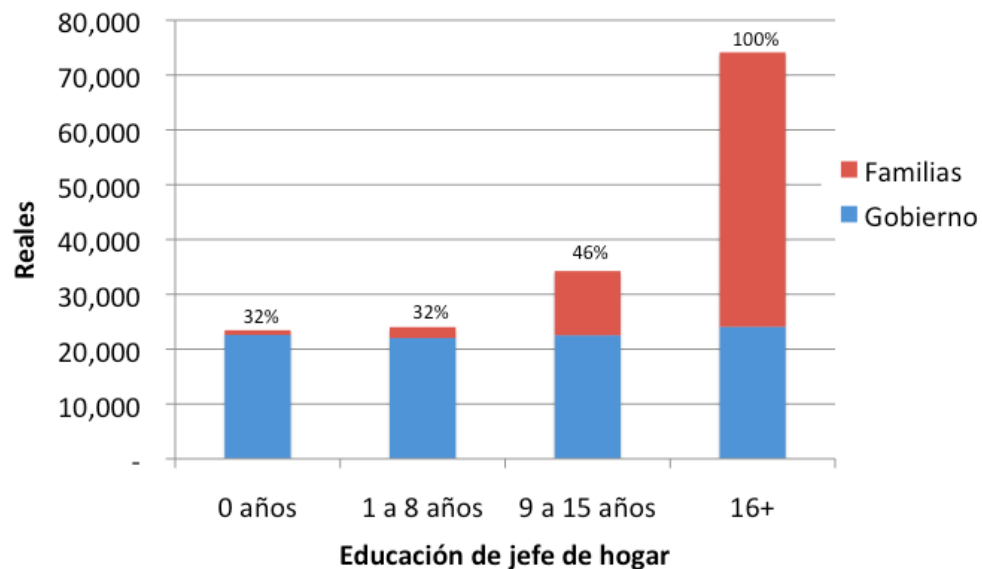
e: Consumo per cápita por nivel educativo del Jefe de Hogar, 2007

Como porcentaje del consumo en el nivel educativo más alto



### Brasil: Inversión Educativa Total en un Niño, 2003

(Porcentajes reflejan la inversión total en relación al grupo con más educación)

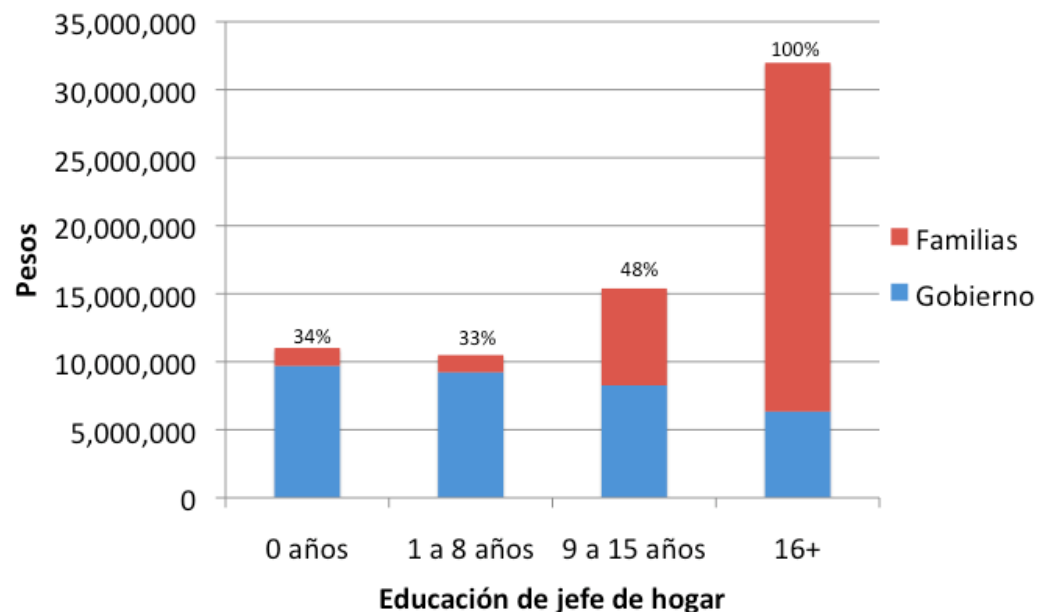


A pesar de la participación del sector público, la inversión total en educación es bastante desigual entre los diferentes grupos socioeconómicos

Niños de niveles socioeconómicos bajos reciben de 1/3 a 1/2 de la inversión en educación que recibe un niño del nivel socioeconómico más alto.

### Chile: Inversión Educativa Total en un Niño, 2007

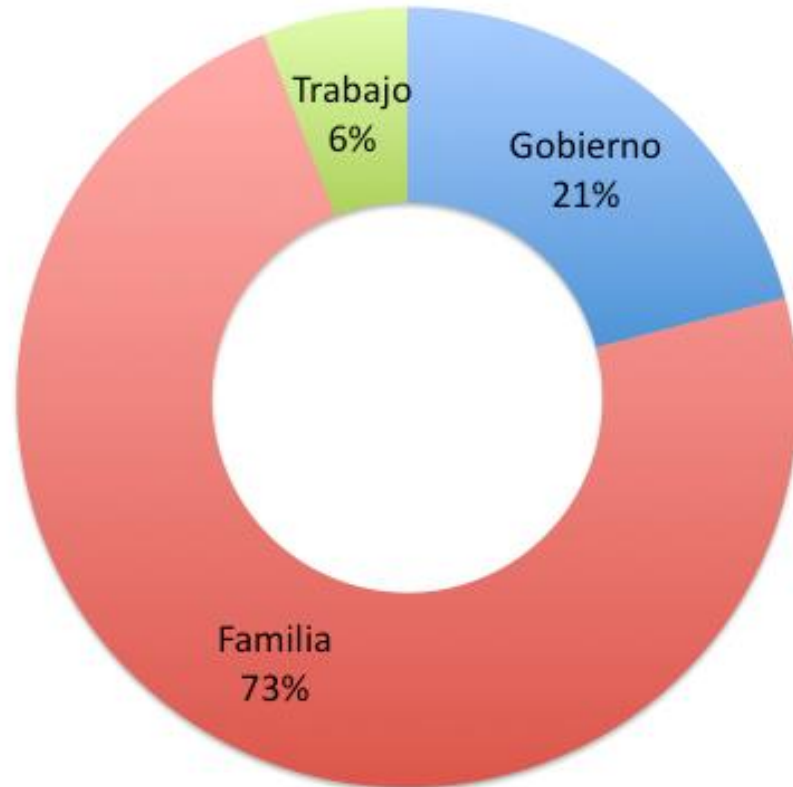
(Porcentajes reflejan la inversión total en relación al grupo con más educación)



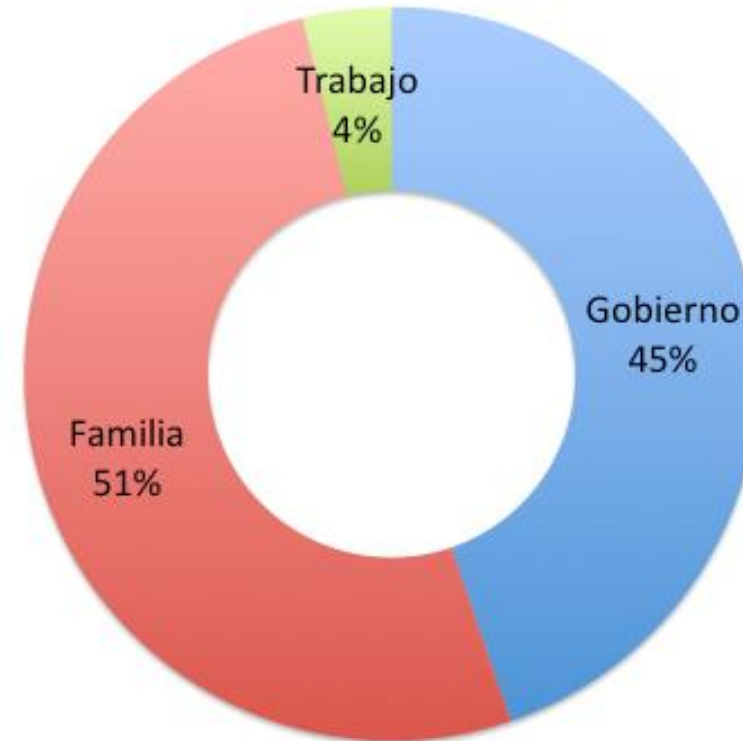
# En América Latina, los gobiernos cumplen un rol limitado en el financiamiento del consumo de niños y jóvenes.

Fuentes de financiamiento del Consumo de Niños y Jóvenes, circa 2000  
(como porcentaje del consumo total)

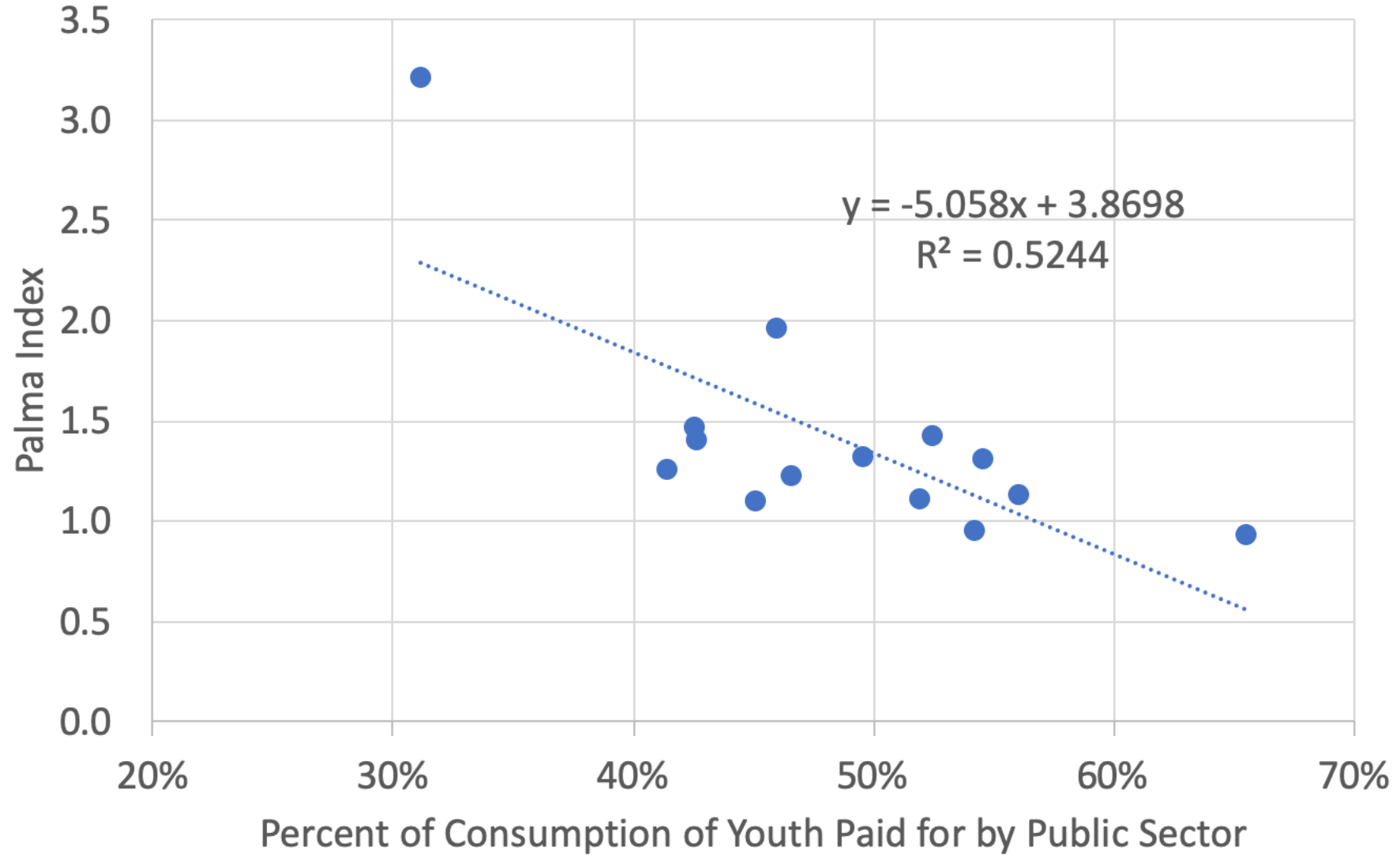
América Latina (5 países)



Europa, Japón, Estado Unidos  
(9 países)



# OECD countries: Palma Index and Public Support for Youth





MEMORIAL DE LITERATURA  
**GABRIEL  
GARCÍA  
MÁRQUEZ**  
**Crónica  
de una muerte  
anunciada**

Sometime its easier to start with the end of the story and work backwards from there.

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*El día en que lo iban a matar, Santiago Nasar se levantó a las 5.30 de la mañana para esperar el buque en que llegaba el obispo.*

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National Inequality  
Accounts  
for Finland

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# Micro-data, not averages

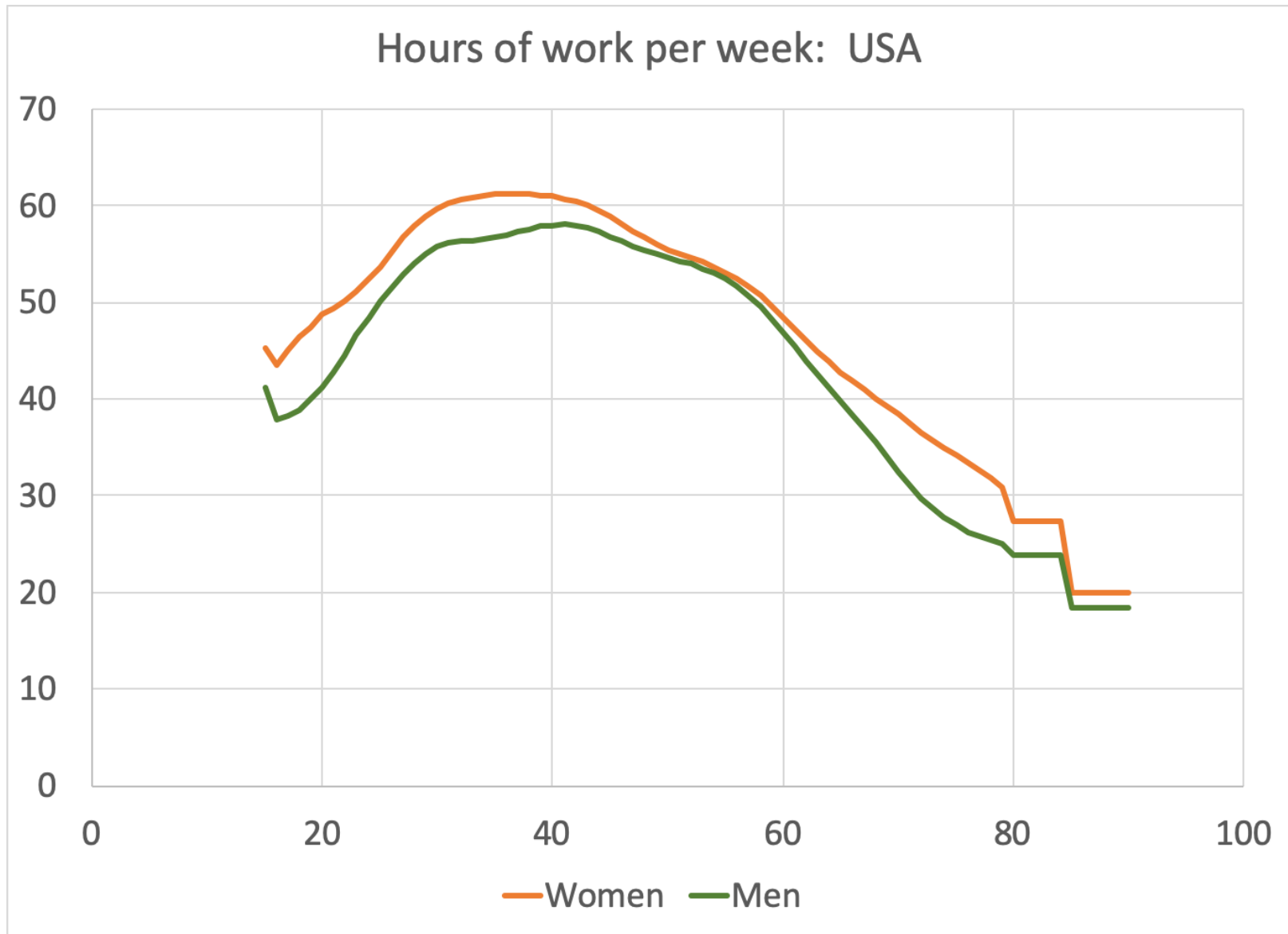


Preserve relationships  
observed in micro-data

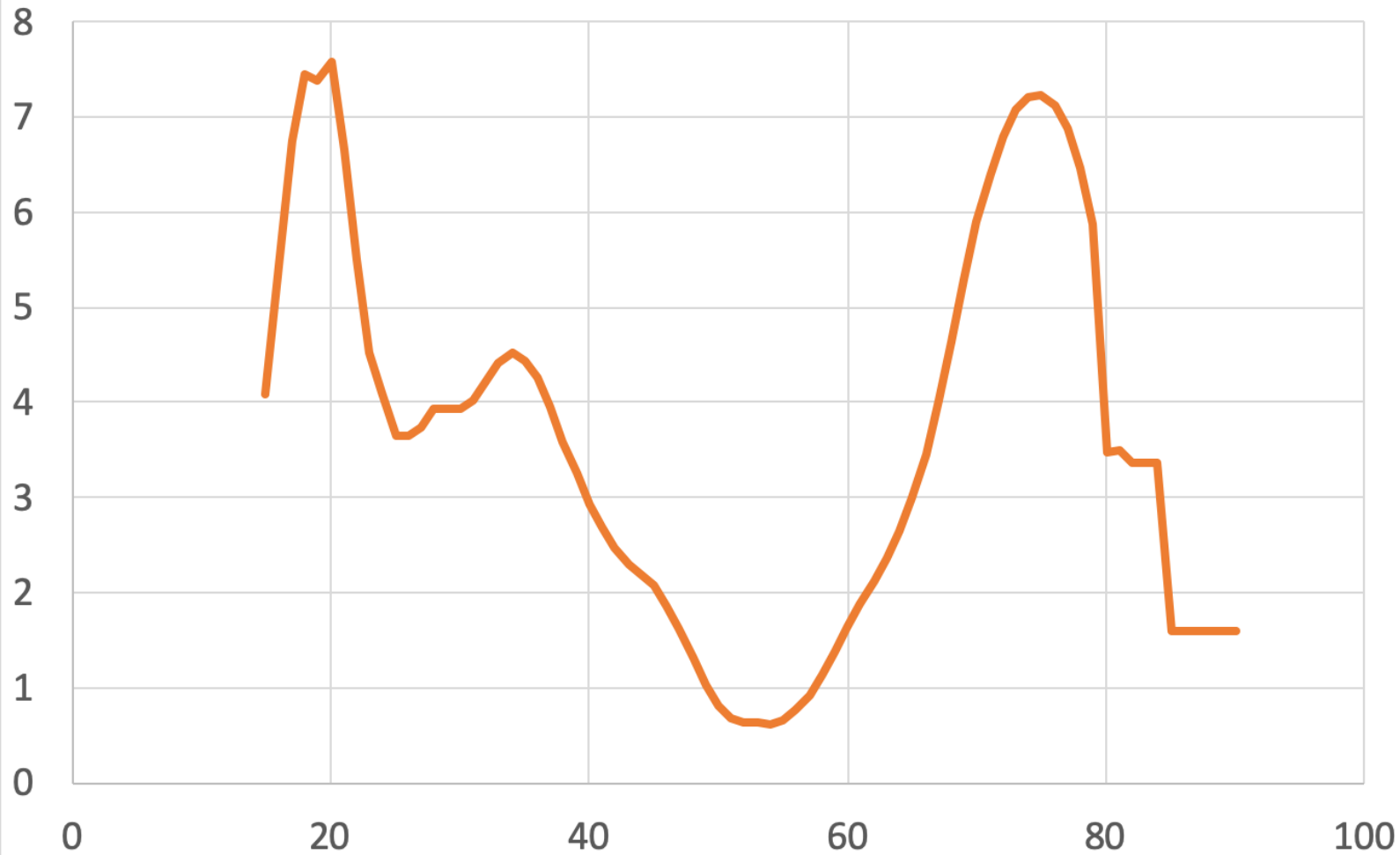


View multiple dimensions of  
inequality: SES, Gender, etc.

# Gender inequality



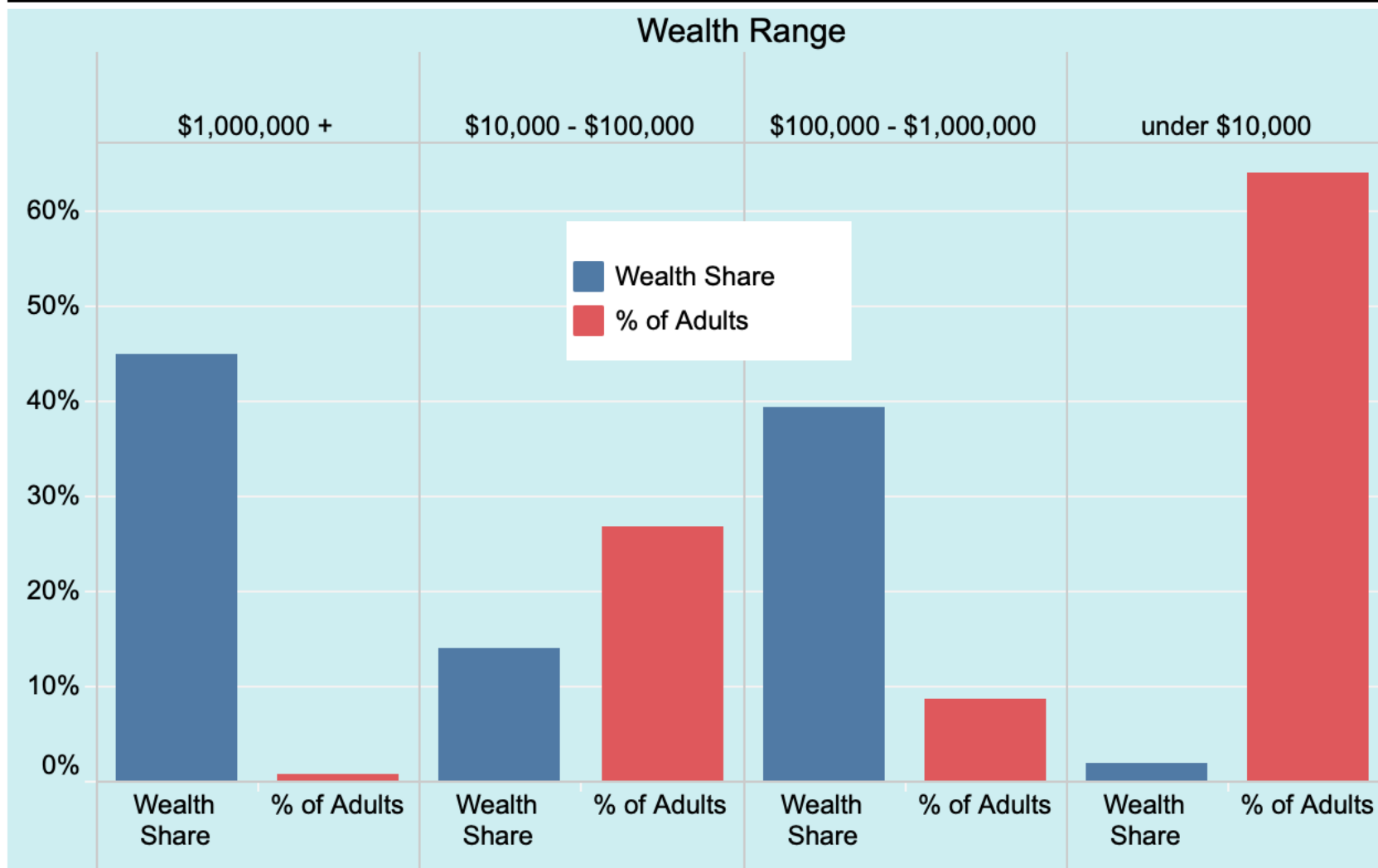
Difference in hours of work per week:  
Women - Men, USA



1.6 years

# The Richest 1% Own 45% of the World's Wealth

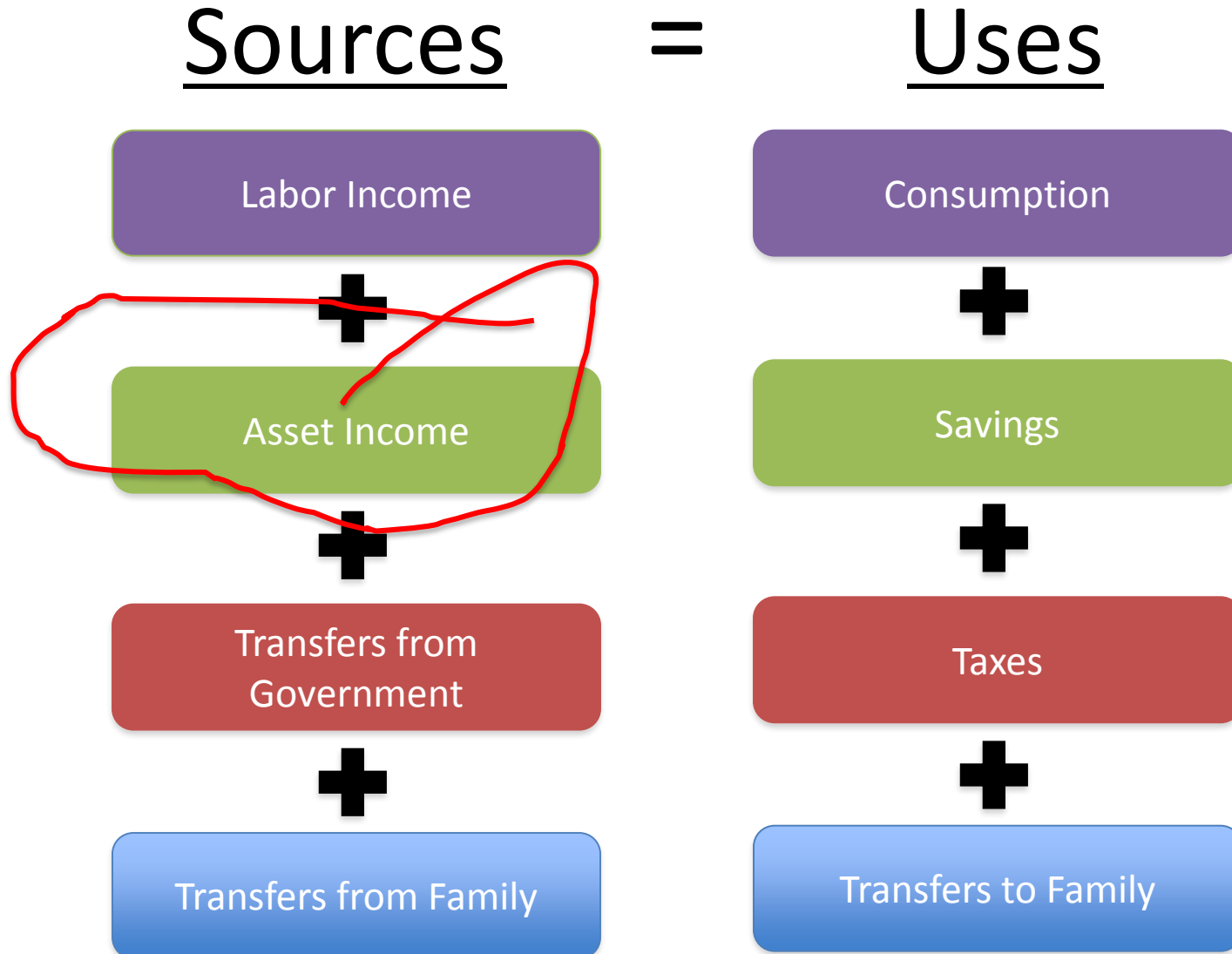
*Global adult population and share of total wealth by wealth group, 2018*



Source: Credit Suisse, Global Wealth Databook, 2018

The 1%  
Methodological problem:

# NTA flow identity for each individual (among the 99%)




Uh-oh:

Asset  
income is  
twice as  
big as it  
should be.

The 1%  
solution

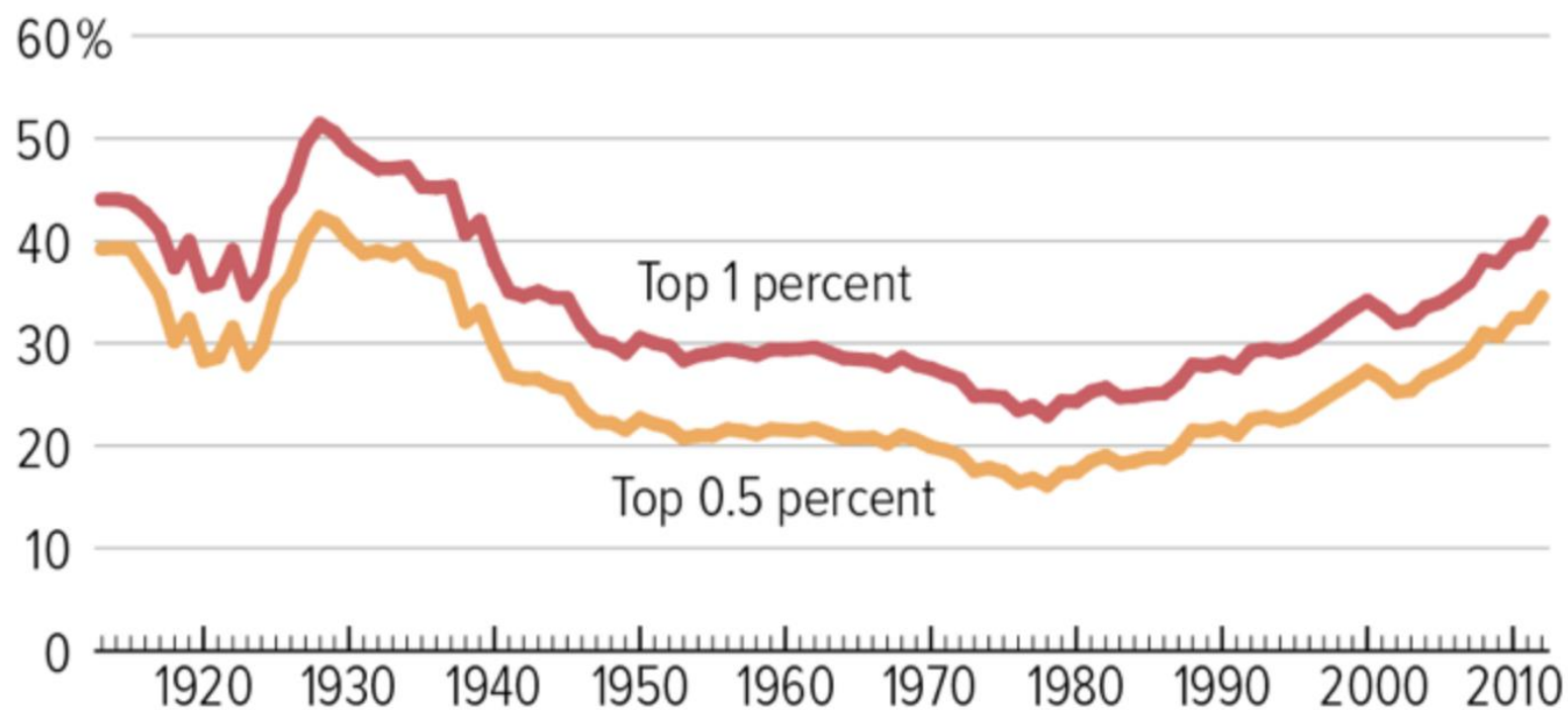




When life  
gives you  
lemons,  
make  
lemonade.

## Wealth Concentration Has Been Rising Toward Early 20th Century Levels

Share of total wealth held by the wealthiest families, 1913-2012



Source: Saez and Zucman, May 2016



# The Way Forward

- 1) A “white paper” for the way forward. A list of unresolved issues: methods, empirical data, theory.
- 2) Network
- 3) Finland
- 4) Micro-data
- 5) Gender inequality
- 6) The 1%
- 7) Nothing about me, without me.





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Questions or comments?  
You can contact me at  
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