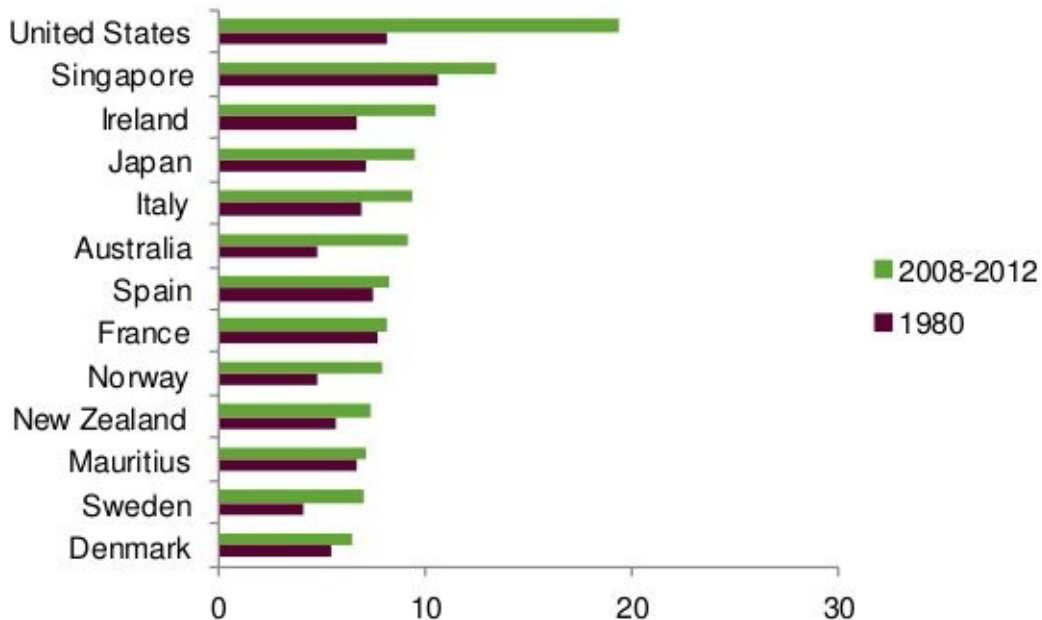


News from the World Economic Forum at Davos (Switzerland)

The share of national income going to the richest one percent



Source: F. Alvaredo, A. B. Atkinson, T. Piketty and E. Saez, (2013) 'The World Top Incomes Database', <http://topincomes.g-mond.parisschoolofeconomics.eu/> Only includes countries with data in 1980 and later than 2008.

Calculated based on information from Credit Suisse and Forbes the total global wealth amounts to \$240.8 trillion. Share of wealth for the bottom half of the population is 0.71 percent. That for the richest one percent is 46 percent. The richest 85 people across the globe share a combined wealth of £1tn, as much as the poorest 3.5 billion of the world's population.

The wealth of the 1% richest people in the world amounts to \$110tn (£60.88tn), or 65 times as much as the poorest half of the world.

While some economic inequality is essential to drive growth and progress, rewarding those with talent, hard earned skills, and the ambition to innovate and take entrepreneurial risks, these extreme levels of wealth concentration however occurring today threaten to exclude hundreds of millions of people from realizing the benefits of their talents and hard work.

Extreme economic inequality is damaging and worrying for many reasons: it is morally questionable; it can have negative impacts on economic growth and poverty reduction; and it can multiply social problems. It compounds other inequalities, such as those between women and men. In many countries, extreme economic inequality is worrying because of the pernicious impact that wealth concentrations can have on equal political representation. When wealth captures government policymaking, the rules bend to favor the rich, often to the detriment of everyone else. The consequences include the erosion of democratic governance, the pulling apart of social cohesion, and the vanishing of equal opportunities for all.

Given the scale of rising wealth concentrations, opportunity capture and unequal political

representation are a serious and worrying trend. For instance:

- Almost half of the world's wealth is now owned by just one percent of the population.
- The wealth of the one percent richest people in the world amounts to \$110 trillion. That's 65 times the total wealth of the bottom half of the world's population.
- The bottom half of the world's population owns the same as the richest 85 people in the world.
- Seven out of ten people live in countries where economic inequality has increased in the last 30 years.
- The richest one percent increased their share of income in 24 out of 26 countries for which we have data between 1980 and 2012.
- In the US, the wealthiest one percent captured 95 percent of post-financial crisis growth since 2009, while the bottom 90 percent became poorer.

sources:

Credit Suisse, 'Global Wealth Report 2013', Zurich: Credit Suisse. <https://publications.credit-suisse.com/tasks/render/file/?fileID=BCDB1364-A105-0560-1332EC9100FF5C83>)

Forbes' The World's Billionaires (accessed on December 16, 2013)

<http://www.forbes.com/billionaires/list/> ,)

E. Saez (2013) 'Striking it Richer: The Evolution of Top Incomes in the United States (updated with 2012 preliminary estimates)', Berkeley: University of California, Department of Economics.

<http://elsa.berkeley.edu/~saez/saez-USTopincomes-2012.pdf> and The World Top Incomes Database.

<http://topincomes.g-mond.parisschoolofeconomics.eu/>

(taken from: <http://www.oxfam.org/sites/www.oxfam.org/files/bp-working-for-few-politi...>)