Introduction of World Wealth and Income Database

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Introduction

- **WID.world** started with historical top income shares for France, USA, Britain

- New website **WID.world** launched in January, 2017

- Four major extensions underway:
  - **Emerging countries** and not only rich countries: new tax data recently made available for China, Brasil, India, South Africa, etc.
  - **Wealth distribution** and not only income distribution
  - **Bottom of the distribution** and not only the top
  - **Aggregated National Wealth and Income**

- Overall objective: **Distributional National Accounts (DINA) for all countries**
Introduction

- Most extensive **database** on the historical evolution of income and wealth
  - Top income shares, averages, thresholds: 50 countries
  - Wealth income ratios, wealth distribution: 20 countries
  - Net National Income, CFC, GDP: 150 countries

- **Open access, multi-lingual website and visualization tools**
  - Chinese, English, French, Spanish: reach more than 3 billion people

- **State of the art tools for inequality research**
  - GPINTER package: manipulate distributions online
  - Stata and R packages: access our data from Stata directly

wid.world Interface
Data collection and validation

- The World Wealth and Income Database (WID.world) relies on the combined effort of an international network of over a hundred researchers covering more than 70 countries from all continents.
- All the data being used in the database are compiled based on individual research papers using the same methodology.

Data Sources
- 1. Household/Individual Income Tax Data
- 2. Income and Wealth Surveys
- 3. Rich List (Forbes’s list)
- 5. Estate Tax
- 6. Other Data (Reports from International Investment Banks and Consulting Firms)

Methodology

Example: Estimating DINA Income Distribution

1. Estimating survey income distribution ($y_s$)
   - Income survey data
   - Generalized Pareto interpolation techniques (Blanchet-Fournier-Piketty, 2016)

2. Estimating fiscal income distribution ($y_f$)
   - Correcting survey income distribution using income tax data

3. Estimating distribution of total personal income ($y_p$)
   - $y_p = y_f + y_{nf}$
   - Correcting tax-exempt capital income $y_{nf}$
   - $y_{nf}$: private share of undistributed profits and imputed rent

4. Transform the distribution of personal income ($y_p$) into the distribution of national income $y$ (normalize the distribution by national income)
It is extremely difficult to collect income tax data, especially in developing and emerging countries. Taking Asia-Pacific countries as example:

- Countries/regions that publish tax tabulations regularly: Japan, South Korea, Taiwan, Hong Kong, Malaysia, Thailand, Singapore, Australia, and New Zealand.

- Countries/regions with limited published tax tabulations: China Mainland (annual income higher than 120,000RMB, 2006-2010), Indonesia (1920-1939, 2005).


- Countries/regions that have not been explored yet: Cambodia, Laos, Myanmar, East Timor, Mongolia, Brunei.

National accounts are not complete in most of the countries. Taking Asia-Pacific countries as example:

- Most of the countries do not provide complete official national balance sheet
  - Singapore publishes only household balance sheet
  - Malaysia and Mongolia publish only government balance sheet
  - China, Viet Nam, Indonesia, Indonesia, Cambodia, Laos, etc. with no official national balance sheet published

- Many countries do not provide complete Flow of Funds
  - Malaysia and Indonesia with only financial transaction of Flow of Funds
Our studies and findings have been
• presented in many economic conferences, such as the American Economic Association Meeting, European Economic Association, etc.
• reported by various major international media, such as, BBC news, the New York Times, Washington Post, the Economist, the Guardian, etc.
• published in a range of academic journals.

In January 2018, the World Inequality Lab will release its first bi-annual World Inequality Report,
• examining the latest trends in economic inequality across the world.
• will be translated into nine different languages and be published by Harvard University Press.

Thank You

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