

Distributing the National Accounts across Households: Concepts, Problems, Opportunities

This course aims to introduce students to the study of distributional national accounts and related methodological approaches used in the study of economic inequality. The course will cover key themes in national accounting, household income and wealth distribution and aim for a deeper understanding of the promises and pitfalls of matching these macro and micro dimensions. A number of country case studies will be covered, focusing on recent trends in income and wealth inequality in Western countries, and offering a scrutiny of data sources, estimation methods, conclusions drawn.

1. Lectures and reading list (* denotes key readings)

Lecture 1. Distributional National Accounts: An Introduction

This lecture introduces the study of distributional national accounts, which aims to ascribe all components of national income to its ultimate beneficiaries, the households. The lecture will present central themes of this analysis, key concepts, modelling assumptions and discuss problems opportunities related to this approach to inequality analysis.

- * Piketty, T, Saez, E., Zucman, G. (2018). “Distributional National Accounts: Methods and Estimates for the United States.” *Quarterly Journal of Economics*, 133(2): 553-609 <http://gabriel-zucman.eu/files/PSZ2018QJE.pdf>
- * Zwijsen, Jorrit (2017), “Unequal distributions? A study on differences between the compilation of household distributional results according to DINA and EGDNA methodology.” OECD WP. http://wid.world/wp-content/uploads/2017/11/054-DNA_OECD.pdf
- Zwijsen, J, Bournot S, Giovannelli F (2016). “Expert Group on Disparities in a National Accounts Framework”, OECD Statistics WP 2016/10.
- OECD, “Understanding National Accounts” <http://www.oecd.org/sdd/UNA-2014.pdf> (esp. ch 6)
- Alvaredo F, L Chancel, T Piketty, E Saez and G Zucman (2018), “Distributional national accounts”, in *Advancing Research on Well-being Metrics Beyond GDP*, OECD.

Lecture 2. Redistribution and Country Case Studies in Distributional National Accounts

Redistribution is an important component of public policy, and an area where the distributional national accounts generates notable differences relative to the conventional analysis, in particular relating to the valuation of in-kind transfers.

- * Aaberge, R., Bhuller, M, Langørgen, A, Mogstad, M (2010). “The distributional impact of public services when needs differ,” *Journal of Public Economics* 94, 549-562. https://sites.google.com/site/magnemogstad/publicservices_JPubEc.pdf
- * Auten, G., Splinter, D (2018). “Income Inequality in the United States: Using Tax Data to Measure Long-term Trends”, WP. http://davidsplinter.com/AutenSplinter-Tax_Data_and_Inequality.pdf

Aaberge, R, Langøren, A, Lindgren, P (2013) “The distributional impact of public services in European countries“, OECD. <https://ec.europa.eu/eurostat/documents/3888793/5857249/KS-RA-13-009-EN.PDF>

Ederer S, Četković P, Humer S, Jestl S, List E (2019). “Distributional National Accounts (DINA) and Household Survey Data: Methodical Issues and Results for European Countries”, WU Wien.

Paulus, A, Sutherland, H, Tsakloglou, P (2010), The distributional impact of in-kind public benefits in European countries, *Journal of Policy Analysis and Management*.

Lecture 3. Wealth distribution

This lecture covers recent developments in estimating wealth inequality in Western economies, focusing on the US. Different data sources and estimation approaches appear to provide different levels and even trends of inequality, and we will discuss potential explanations for this.

* Saez E, Zucman G (2016). “Wealth Inequality in the United States since 1913: Evidence from Capitalized Income Tax Data.” *Quarterly Journal of Economics*, 131(2): 519-578 <http://gabriel-zucman.eu/files/SaezZucman2016QJE.pdf>

* Smith, M, Zidar O, Zwick E. “Top Wealth in the United States: New Estimates and Implications for taxing the rich.” https://scholar.princeton.edu/sites/default/files/zidar/files/szz_wealth_19_07_19.pdf

Cowell, F, P Van Kerm (2015). “Wealth Inequality: A Survey”. *Journal of Economic Surveys*.

Jakobsen, Jakobsen, Kleven, Zucman, “Wealth Taxation and Wealth Accumulation: Theory and Evidence from Denmark”, forthcoming in the *Quarterly Journal of Economics* https://www.henrikkleven.com/uploads/3/7/3/1/37310663/jjkz_qje_aug2019.pdf

Kopczuk W (2016), “Measuring Income and Wealth at the Top Using Administrative and Survey Data: Comment”, *Brookings Papers on Economic Activity*, Spring: 321-27. <http://www.columbia.edu/~wk2110/bin/BPEAcomment.pdf>

Lundberg J, Waldenström D (2018). “Wealth inequality in Sweden: What can we learn from capitalized income data?”, *Review of Income and Wealth*. http://www.uueconomics.se/danielw/Research_files/Capitalized%20Wealth%20Inequality%20in%20Sweden%20160422.pdf

2. Schedule

Three lectures at FU during October 23-24 2019, 90 minutes each:

- Wed Oct 23: 14.00 - 15.30
- Thu Oct 24: 10.00-12.00, 14.30-16.00

In addition, I will give paper presentations:

- Thu Oct 24, Seminar (FU): 12:15-13:45, “Ability and Taxation”
- Fri Oct 25, Seminar (DIW): 13.15-14.30, “Salience of Inherited Wealth and the Support for Inheritance Taxation”