

# Inequality, Redistribution and the Labour Market: Reflections from the Deaton Review

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Richard Blundell

*University College London and Institute for Fiscal Studies*

Inaugural Lecture

UPF

Barcelona

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IFS-Deaton Review: Inequalities in the 21st Century

<https://www.ifs.org.uk/inequality/>

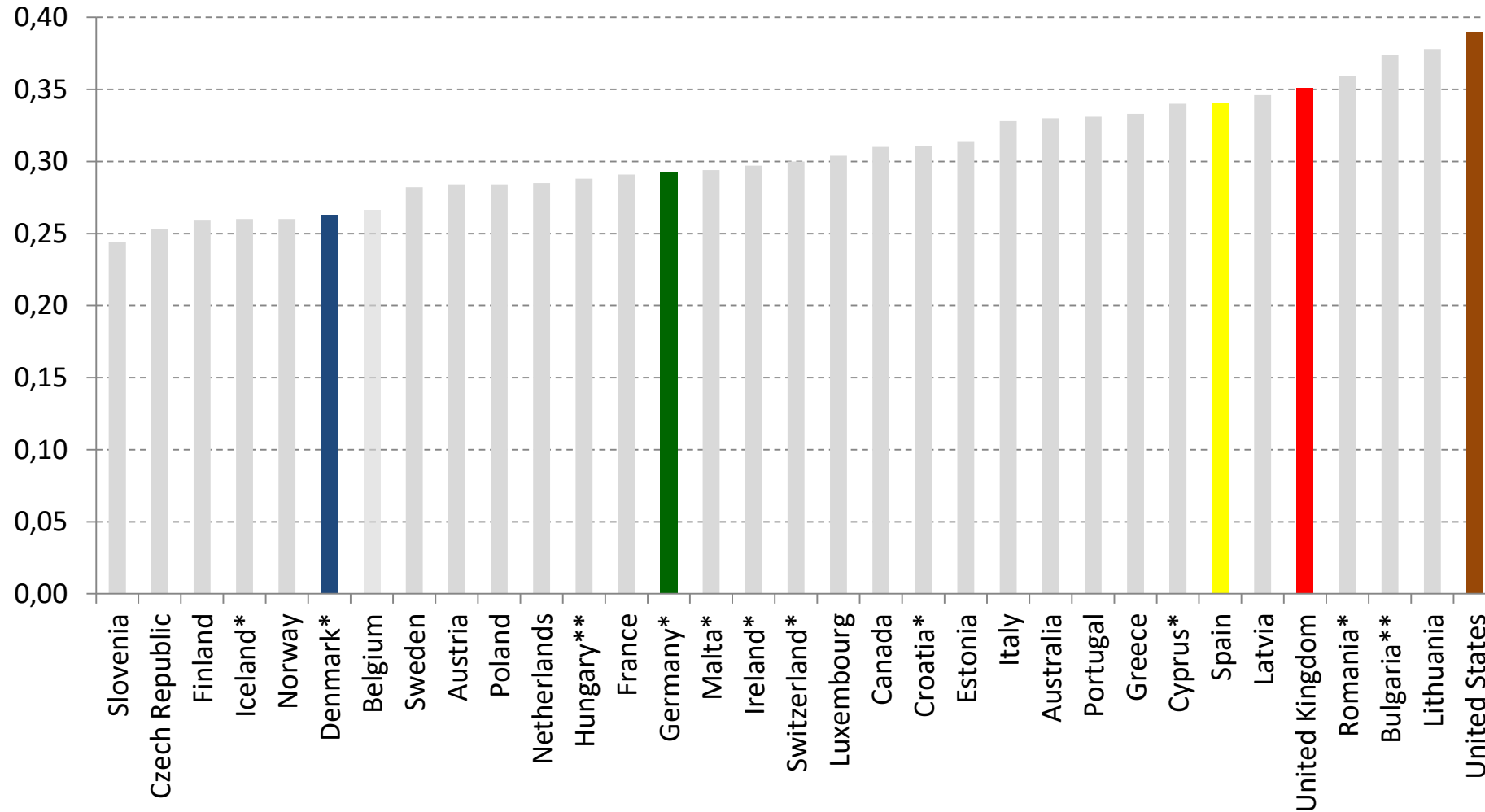
# The IFS-Deaton Review: Inequalities in the 21st Century

A 5-year study, independent of government, chaired by Angus Deaton with an interdisciplinary panel, bringing together the best available evidence from across the social sciences to answer the big questions:

- Which inequalities matter most?
- How are different kinds of inequality related?
- What are the underlying forces that come together to create them?
- What is the right mix of policies to tackle the adverse impact of inequalities?
- For developed economies with the UK as the running example, but comparative in nature....

# Measured by the Gini, the UK is unequal by European standards

Gini coefficient of equivalised net household incomes in selected countries



Data from 2018 on EU states that joined in or before 2004 are from the OECD. Data on other countries are from the World Bank.

# Inequality is not just about income...

- Income inequality is important but so are inequalities in
  - wealth, work, wages, productivity, consumption, education, health, family background, political voice, .....
- Need to look at inequalities between groups as well
  - gender, ethnicity, race, generations, geography and place, ...
- Launched in 2019, and then Covid-19 came along....
  - but the pandemic highlighted many existing inequalities – at the same time, opening up new inequalities – working at home, digital access, space at home,...
- The Review is (luckily) a comparative study with an interdisciplinary panel,....

# An International and Interdisciplinary Panel

## Chair



**Angus Deaton**  
Princeton University

## Panel



**Orazio Attanasio**  
IFS & Yale



**James Banks**  
IFS & Manchester University



**Lisa Berkman**  
Harvard University



**Tim Besley**  
London School of Economics



**Richard Blundell**  
IFS & UCL



**Pinelopi Goldberg**  
Yale University



**Paul Johnson**  
IFS & UCL



**Robert Joyce**  
IFS



**Kathleen Kiernan**  
University of York



**Lucinda Platt**  
London School of Economics



**Imran Rasul**  
UCL & IFS



**Debra Satz**  
Stanford University



**Jean Tirole**  
Toulouse School of Economics

# Commissioned studies with commentaries

1. Why inequality, what inequality?
2. Political economy and political polarisation
3. Attitudes to inequality
4. History and technology
5. Gender
6. Immigration
7. Health
8. Race and criminal justice
9. Geography and place
10. Families
11. Early child development
12. Education systems and access
13. Social Mobility
14. Labour markets
15. Firms, innovation and market power
16. Trade and globalisation
17. Corporate, capital and top taxes
18. Transfers, welfare and tax credits

All available online  
<https://www.ifs.org.uk/inequality/>

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# Format of the Review

Much like the *IFS Mirrlees Review on Tax Reform*, the *IFS Deaton Review* will be published in several volumes....

## I. Two volumes of evidence:

- commissioned studies and commentaries on different aspects of inequality – published!

## II. An accessible monograph written by the panel:

- sets out what has happened to inequality, why, and what can be done.

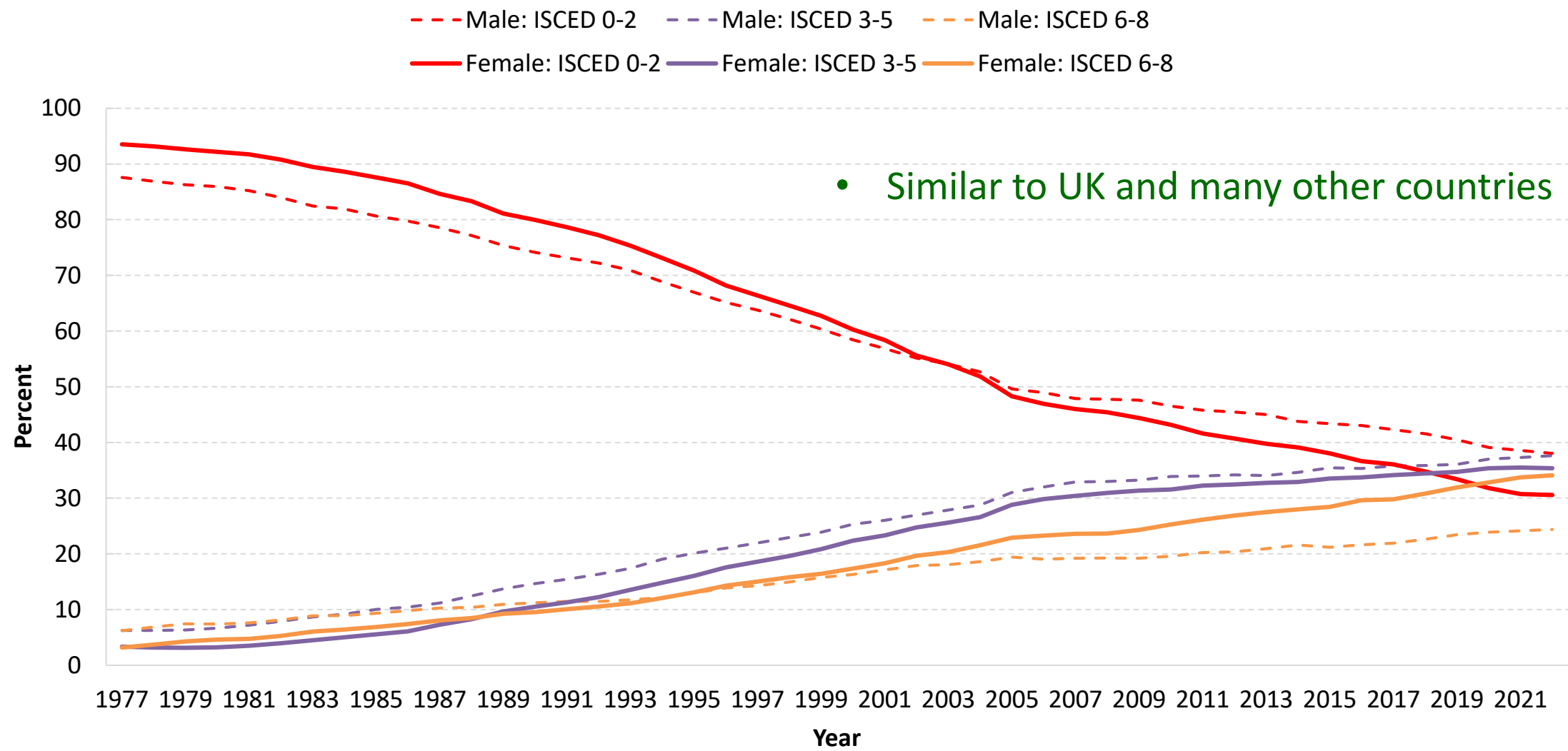
## III. Country studies across Europe and North America:

- 17 countries drawing on key researchers & statistics offices
- Spain: Brindusa Anghel, Olympia Bover, Luis Guirola, Laura Hospido, Julio Ortega, and Ana Regil (Banco de España)

Many positive trends over the last decades...

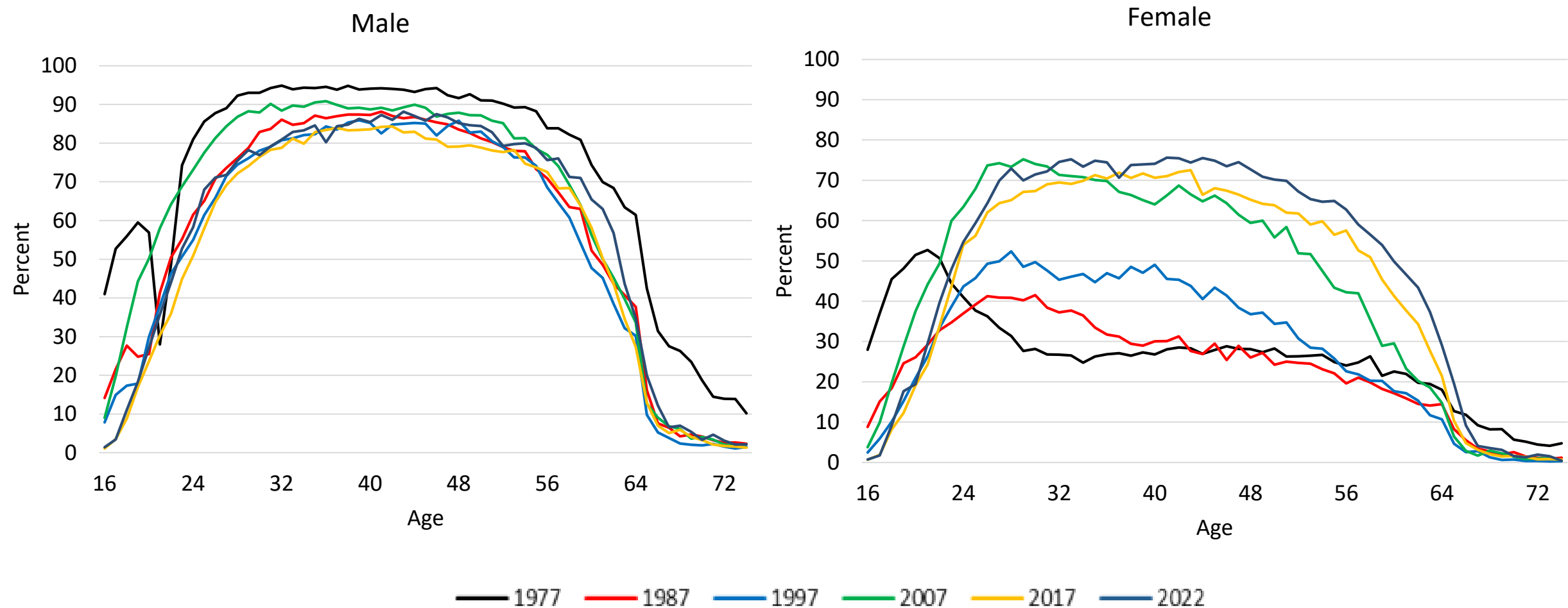


# Education attainment over time, Spain



Source: Brindusa Anghel, Olympia Bover, Luis Guirola, Laura Hospido, Julio Ortega, and Ana Regil, (IFS Deaton Review, 2023)  
Notes: Banco de España, Spanish labour force survey (INE) 1977-2022. Note: Sample is individuals aged 16-74.

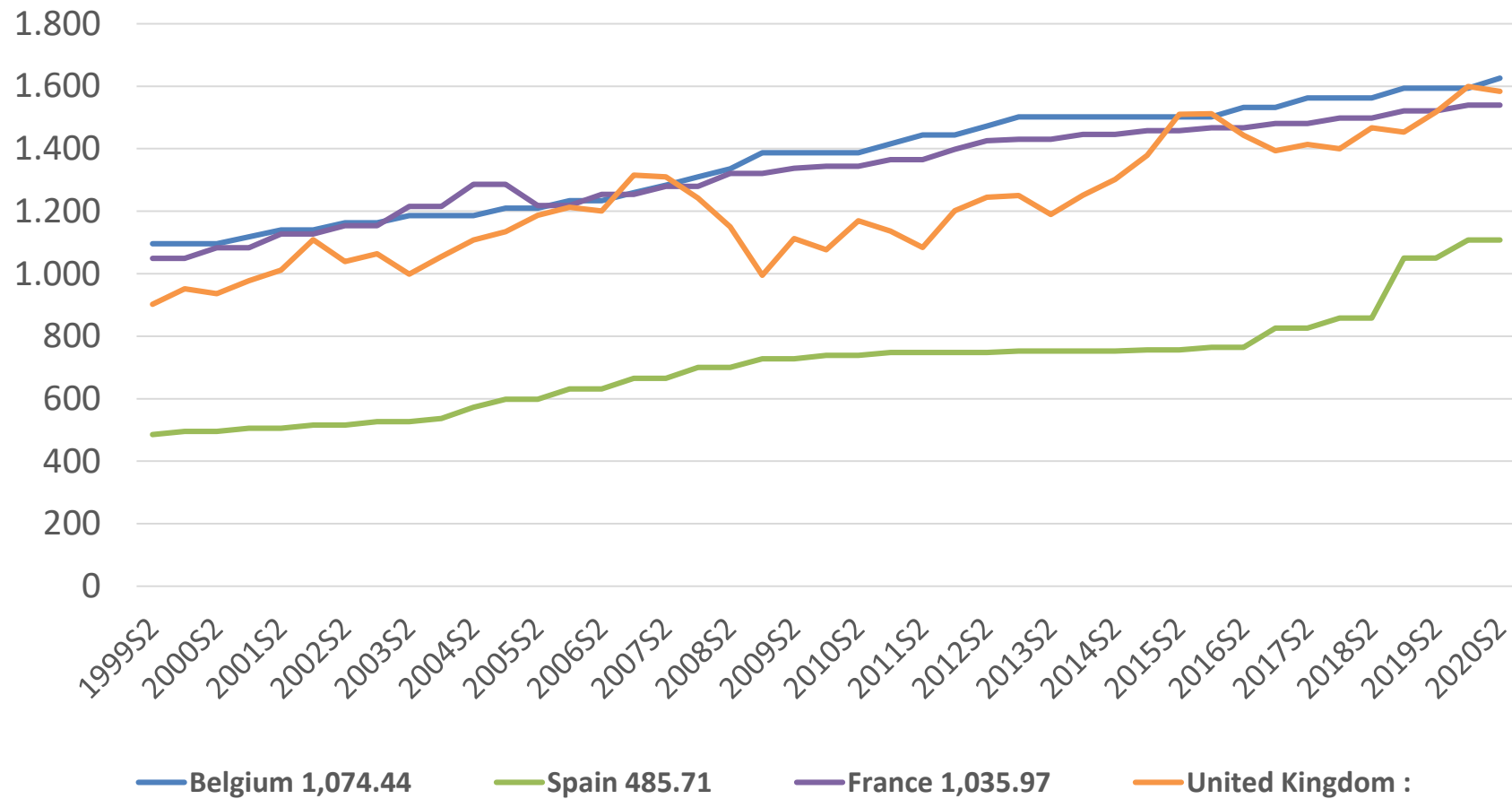
# Employment rates over lifecycle by sex, selected years, in Spain



Source: Brindusa Anghel, Olympia Bover, Luis Guirola, Laura Hospido, Julio Ortega, and Ana Regil, (IFS Deaton Review, 2023)  
Notes: Banco de España, Spanish labour force survey (INE) 1977-2022. Note: Sample is individuals aged 16-74.

# Minimum wage across countries

Monthly equivalent FT min wage



Source: Eurostat

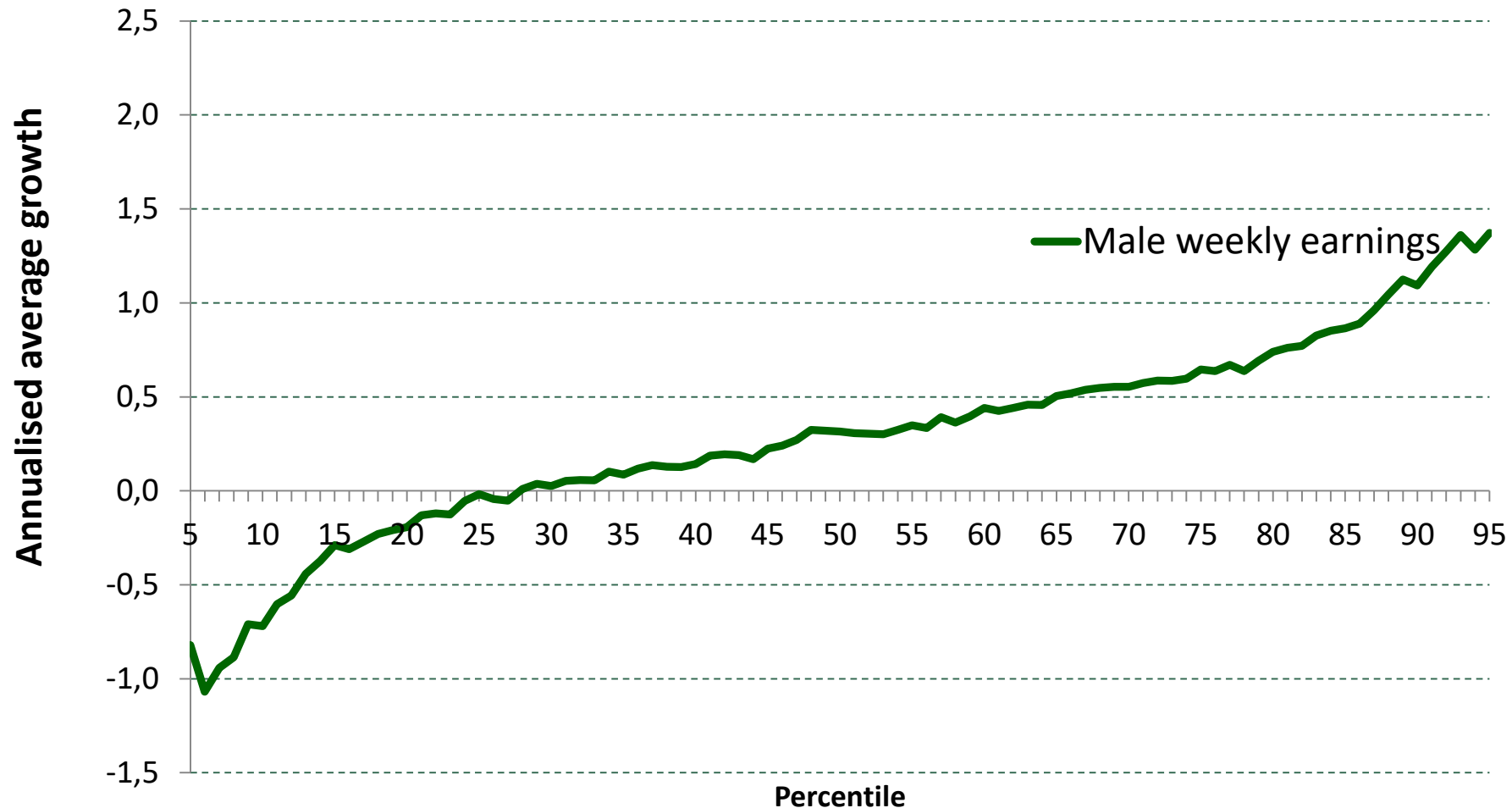
## Many longer-term inequality challenges remain

- Improvements in (female) employment - but stagnant real earnings and a growth in 'in-work' poverty with employment no longer enough to escape poverty.
- A large rise in the minimum wage - but poor wage progression at the bottom and strong growth in low wage solo self-employed, part-time jobs, platform work and outsourcing.
- An increase in education levels - but falling levels of in-work training and fewer routes to 'good jobs' for those not going to university.
- A rise in female participation in HE and in the paid labour force - but stalling gender pay gap with high levels of part-time work and low levels of progression for mothers.
- Small group of top 'super star' firms - but high mark-ups and, for the rest, a long tail of low productivity firms.
- Thriving cities in some regions – but increasing contrast to 'left-behind' areas with low education outcomes, poor wage progression, and low mobility.
- Growth in top incomes – but concentrated in finance and paid as business income which attracts lower taxation; capital is taxed lower than labour....

## Beyond tax, welfare and the minimum wage – the policy challenge

- We can't address all the concerns about labour market inequality by tax, welfare and the minimum wage alone,
  - the challenge is how best to balance tax, welfare and minimum wage policies with human capital policies, regulation and competition policy, and place-based policies.
- Can we put flesh on the 'Good Jobs' agenda?
- Show how new research using new panel data and administrative linked data can shine new light on what is driving some key aspects of labour market inequality,
- Focus here on the role of human capital – broadly defined.
- First, some background descriptives focussing the UK but more broadly applicable.....

# Unpacking the overall inequality statistics: Growth in male weekly earnings: UK 1994/95 – 2018/19



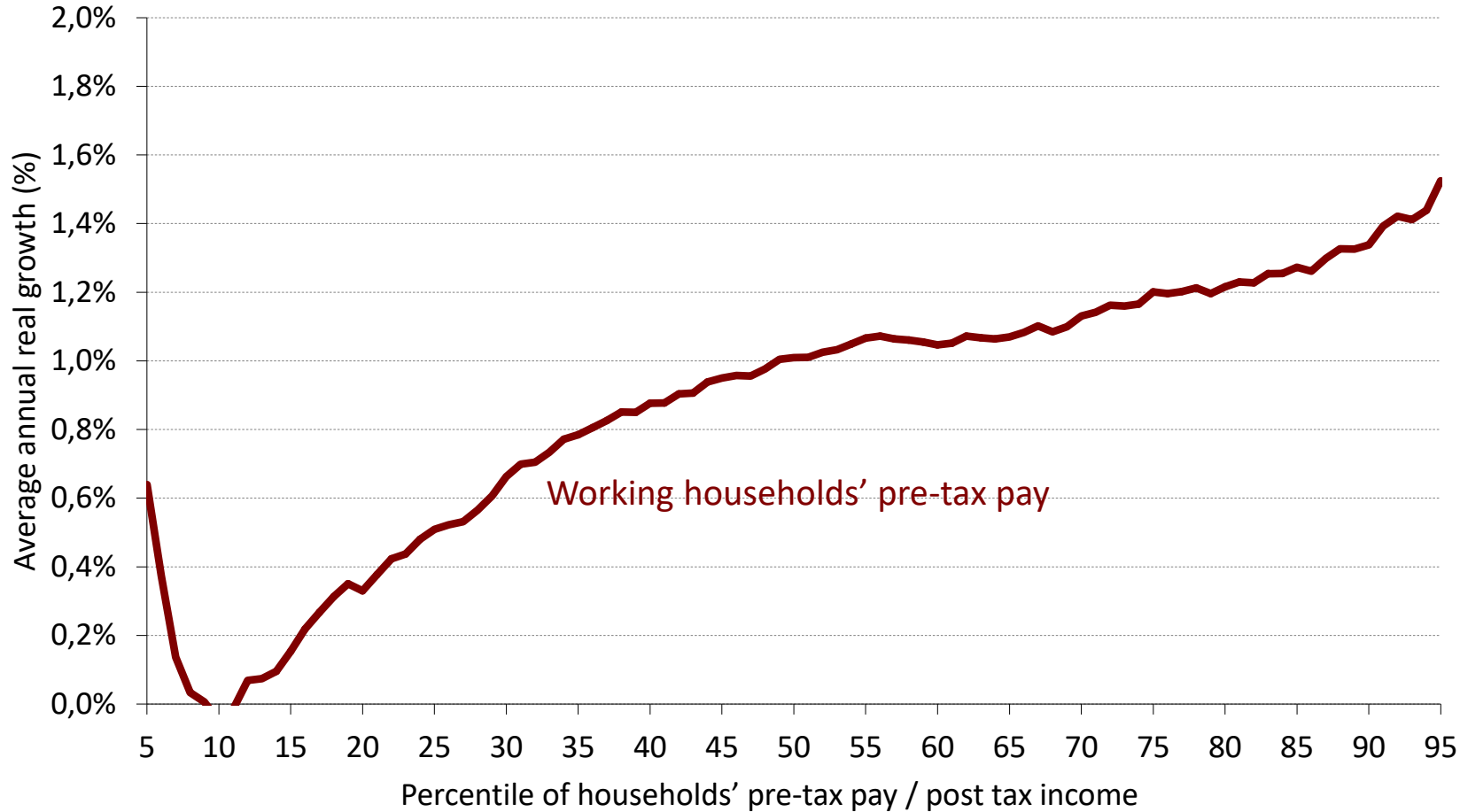
- Similar figures for Spain and other European countries, US and Canada

Source: Blundell, Joyce, Norris Keiller and Ziliak (2018, updated)

Data used is UK FRS 1994-95 and 2016-17, not in full time education and aged <64

# Family Earnings:

## UK 1994/5 to 2018/9



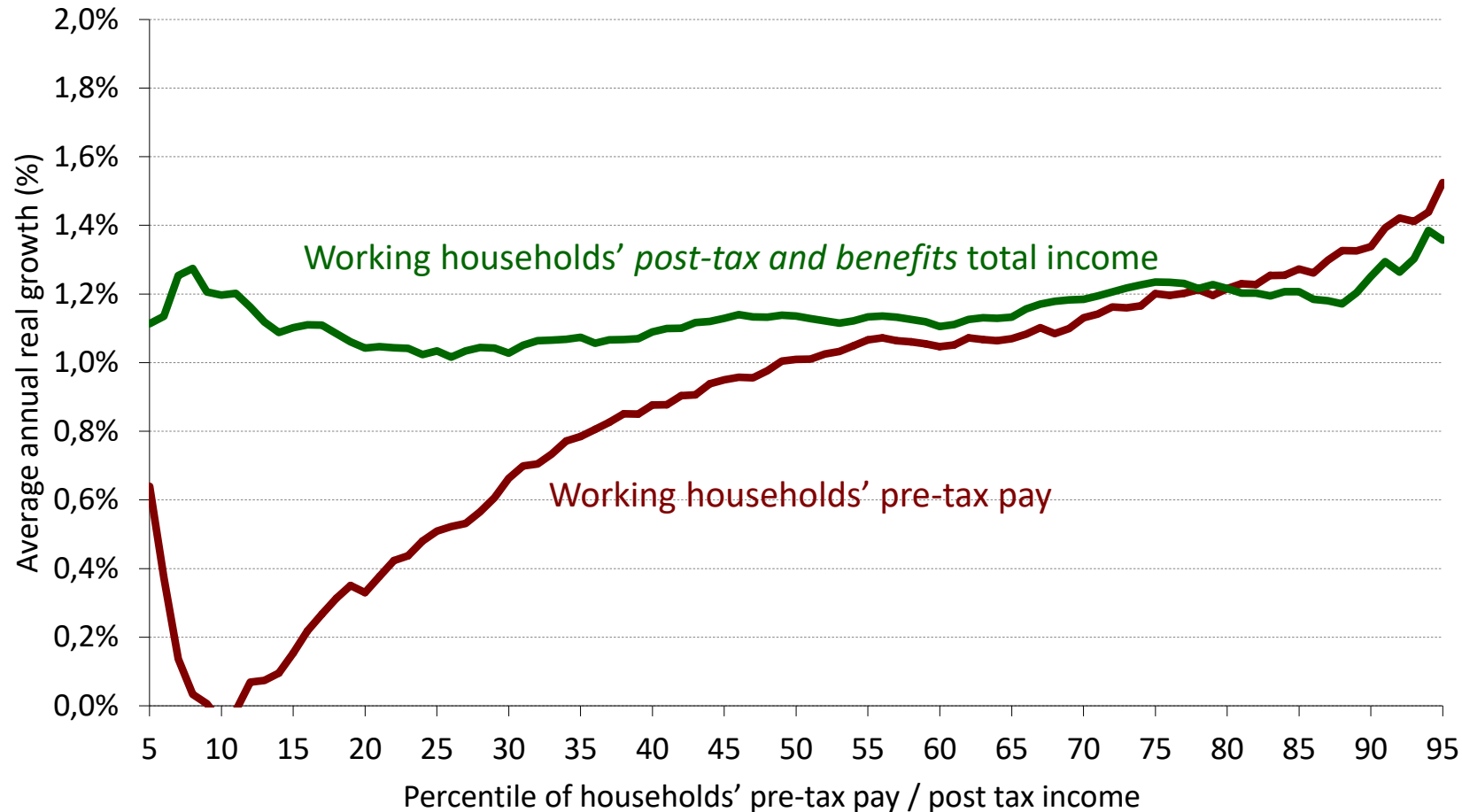
Notes: Includes self-employment income and self-employed households. Family Resources Survey.

All income measures are equivalised.

Source: Blundell, Joyce, Norris-Keiller and Ziliak (2018, updated)

# Family Earnings and Family Incomes:

UK 1994/5 to 2018/9

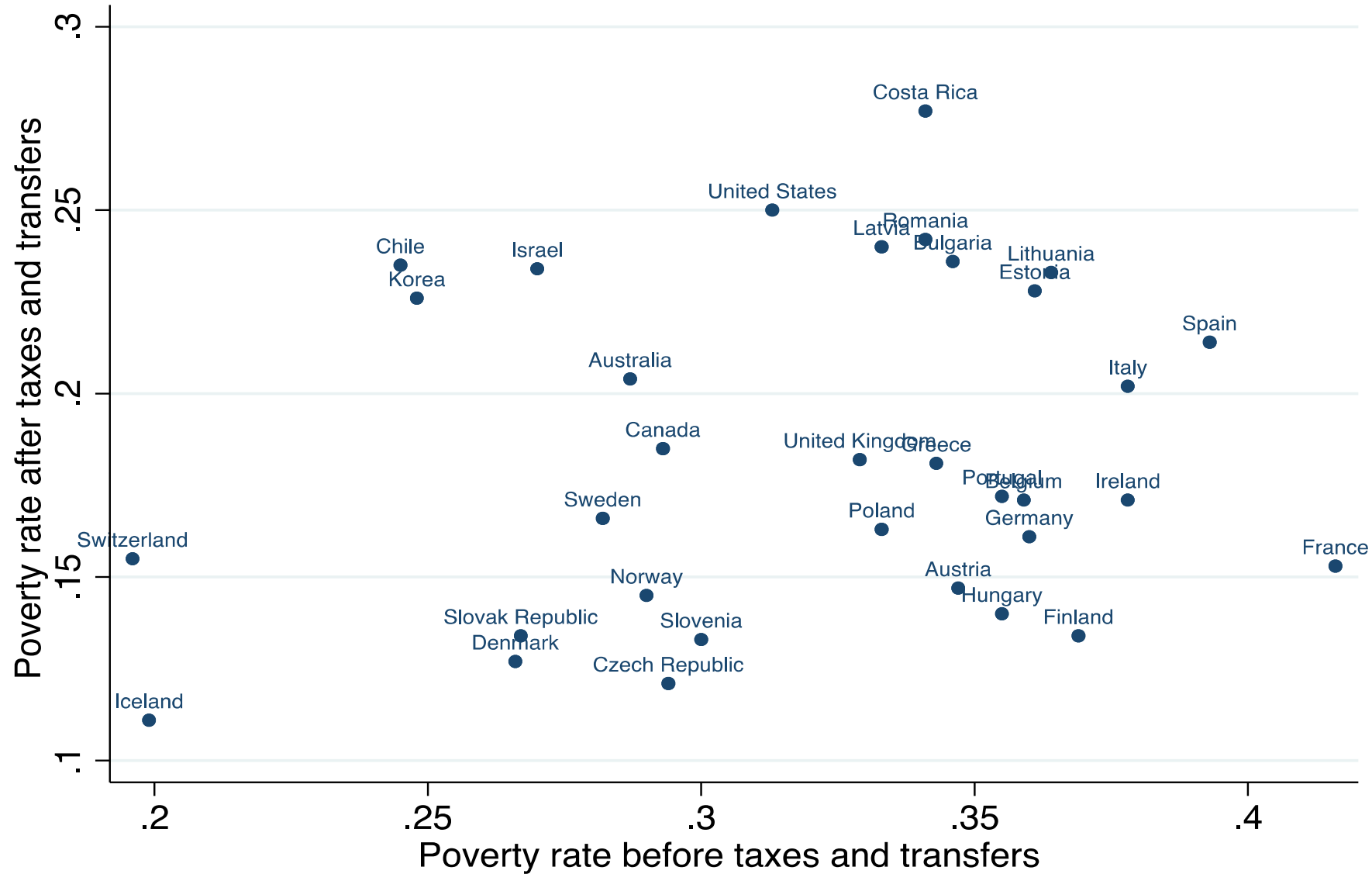


Notes: Includes self-employment income and self-employed households. Family Resources Survey. All income measures are equivalised.

Source: Blundell, Joyce, Norris-Keiller and Ziliak (2018, updated)



# Poverty rates before and after taxes and transfers: OECD countries in 2018-2017

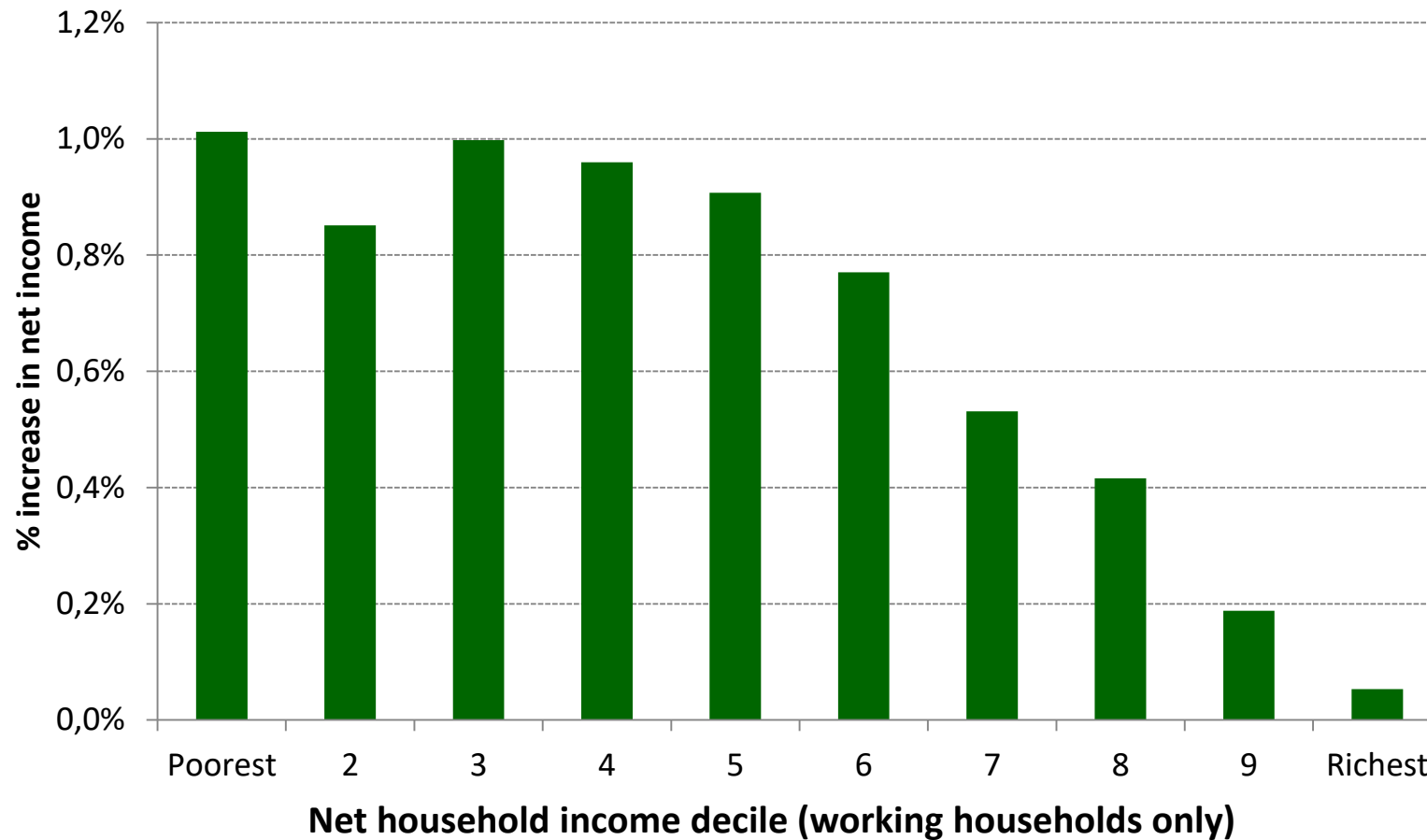


Source: OECD, Cahuc (2023, Deaton Review).

Note: poverty rate = % of persons living with less than 60% of median equivalized income.

## Higher minimum hourly wage targets the lowest-wage people, *not* necessarily the lowest-earning households

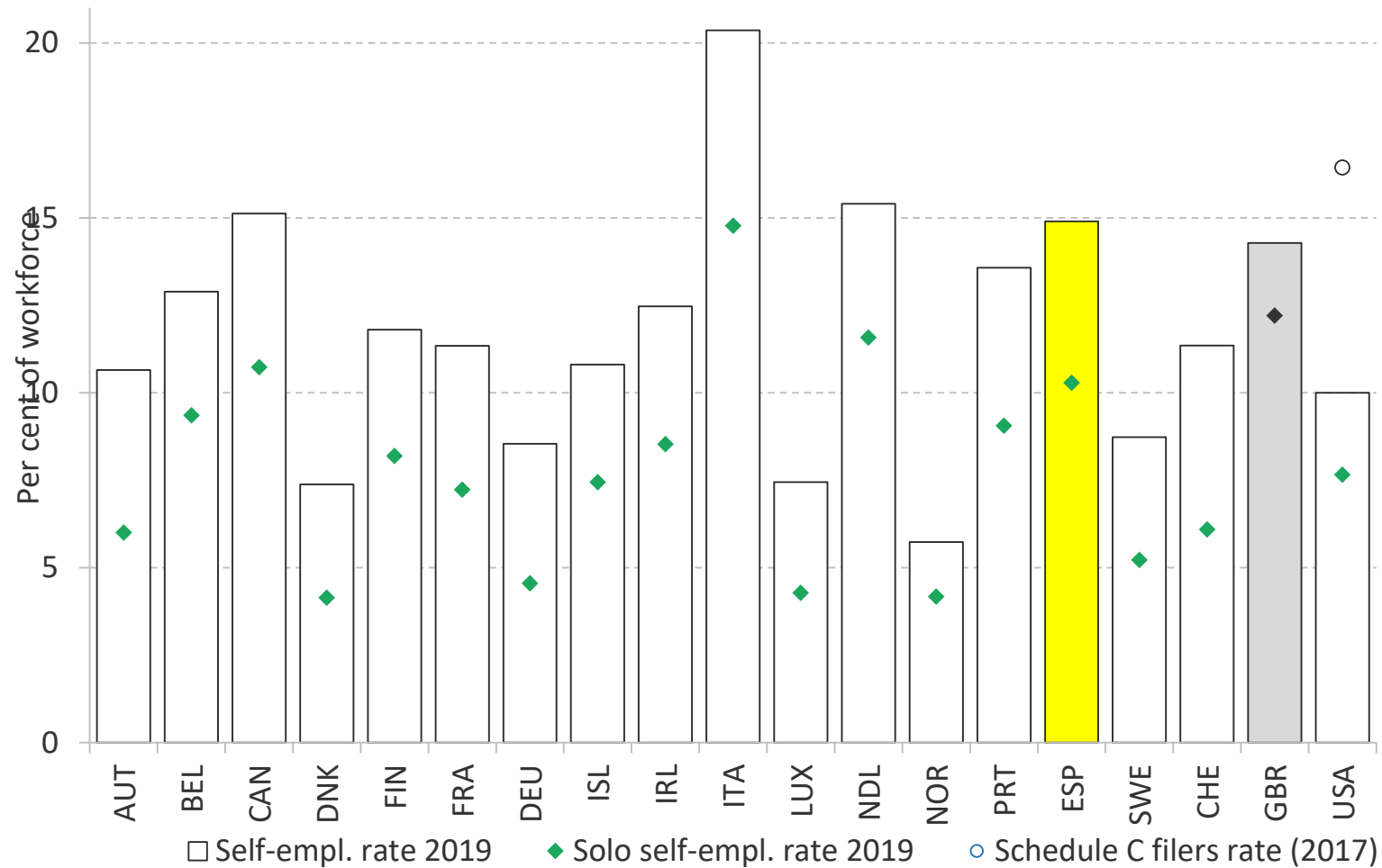
Figure shows increase in net income for *working households* from the rise in the minimum wage between 2018 and 2020 in the UK.



Note: Shows mechanical increase in net income, allowing for interaction with tax payments and benefit entitlements.  
Source: Cribb, Joyce and Norris Keiller (IFS, 2020)

# Self-employment across countries

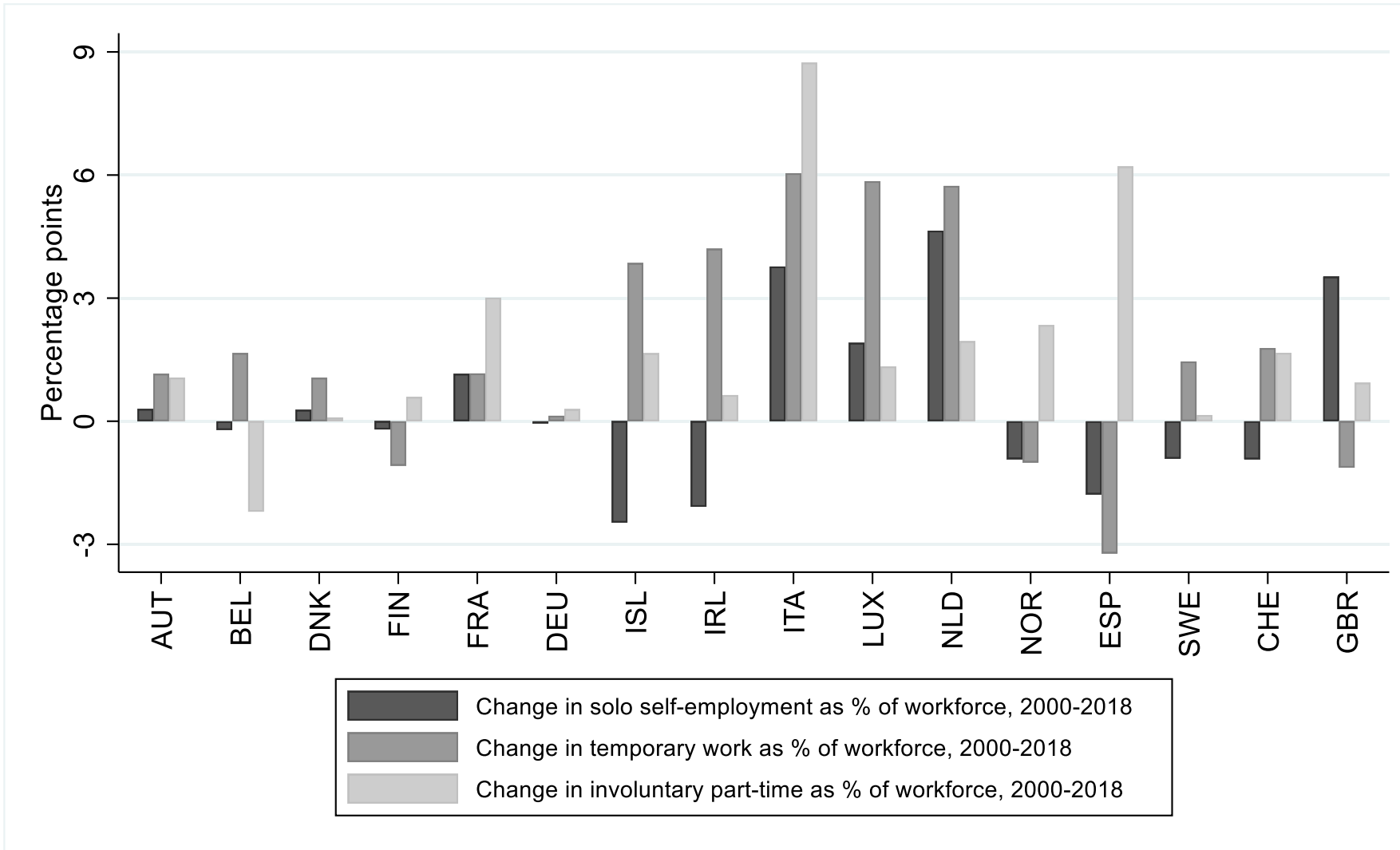
## Self-employment as percent of workforce



Source: Giupponi and Machin (Deaton Review, IFS, 2023)

# Alternative work arrangements across countries

## Alternative work growth



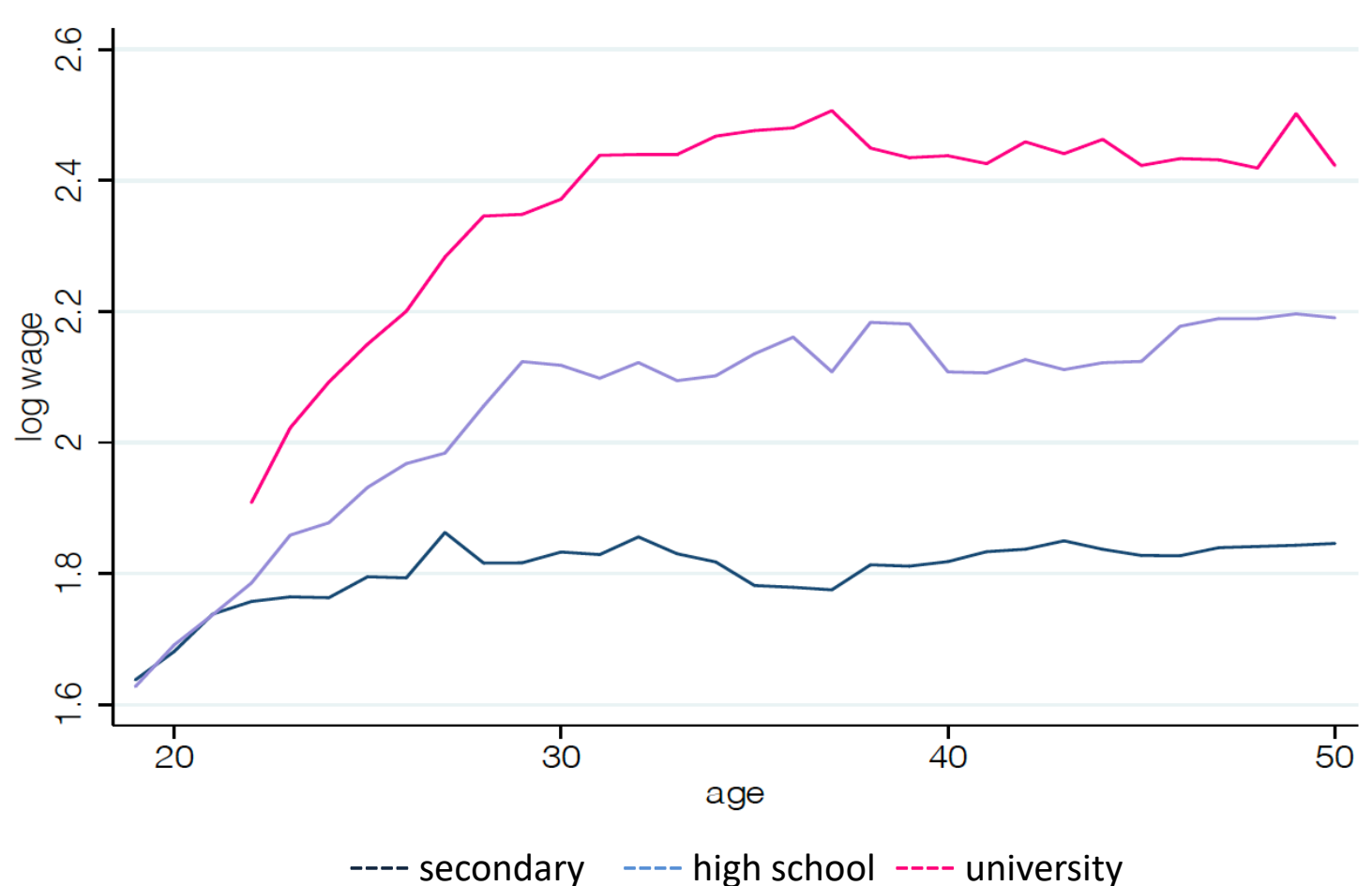
Source: Giupponi and Machin (Deaton Review, 2023)

## Brief focus on three interrelated issues for labour market inequality

- Wage progression over the working life is the common theme.
- It is a key part of the story about labour market inequality, concerns about it and what to do about it,
  1. the role of education, labour market attachment/part-time work,
  2. the role of human capital investments during working life,
  3. the role of skills and firms.
- exploiting new household panel data and employer-employee matched data,
- bring this analysis together with the tax and welfare-benefit system to think through an appropriate policy mix,
- policies toward wage progression and effective human capital investments for the lower educated even more urgent for the post-covid labour market.

# 1. It's depressing at the bottom: wage-age profiles by education and age

- returns to experience appear *complementary* with education

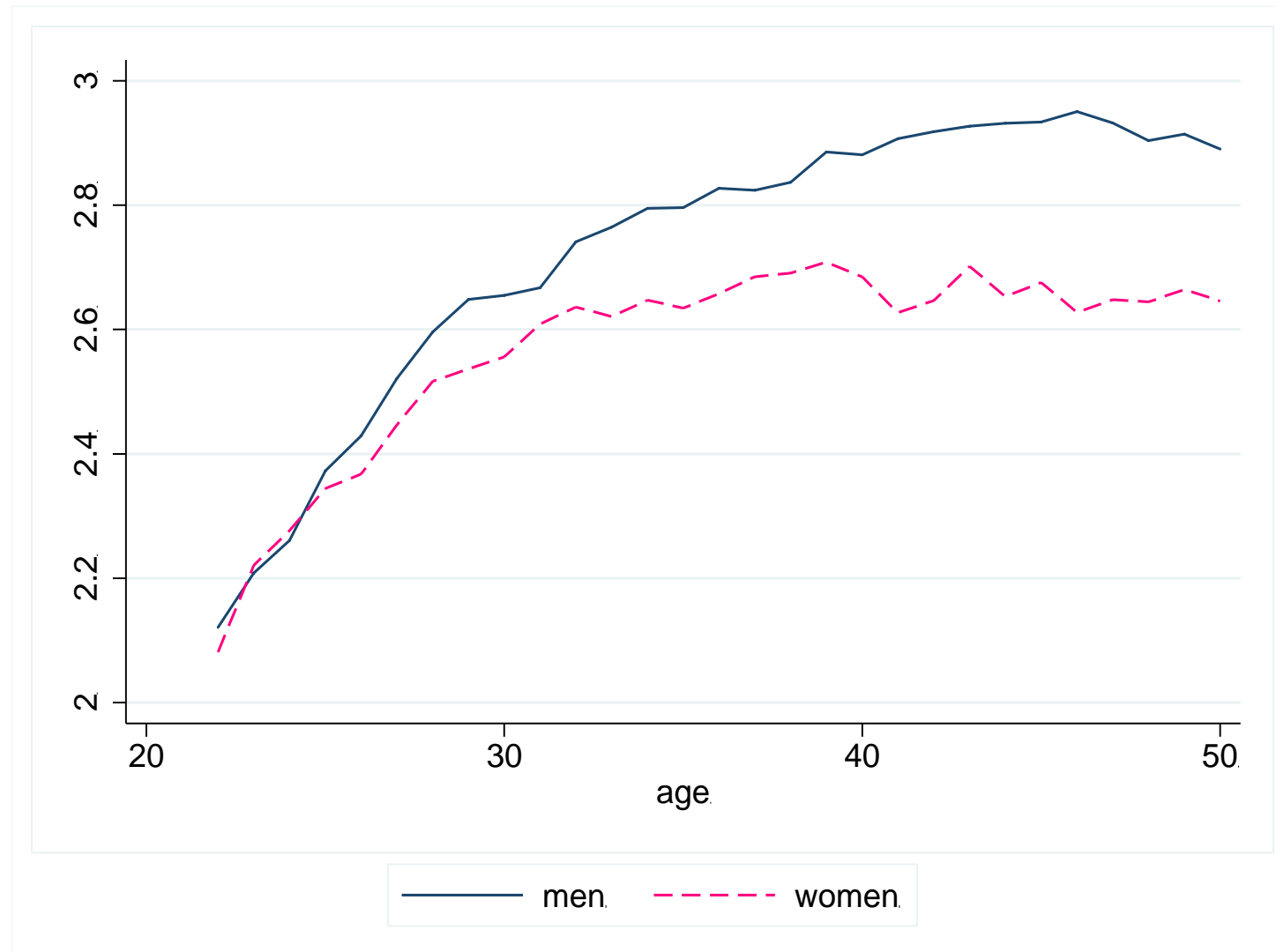


See similar for UK men, similar profiles in Spain and many other economies.

Source: Blundell, Costa-Dias, Meghir and Shaw (2016, updated)

Notes: Average log hourly wage, Women, UK HLS, 1991 -

## Wage-age profiles by for university graduates by gender



Source: Blundell, Costa-Dias, Meghir and Shaw (2016, updated).

Notes: Log hourly wage, College graduates, UK HLS, 1991- .

# Wage progression is a key component of life-cycle earnings inequality and differences between men and women by education ...



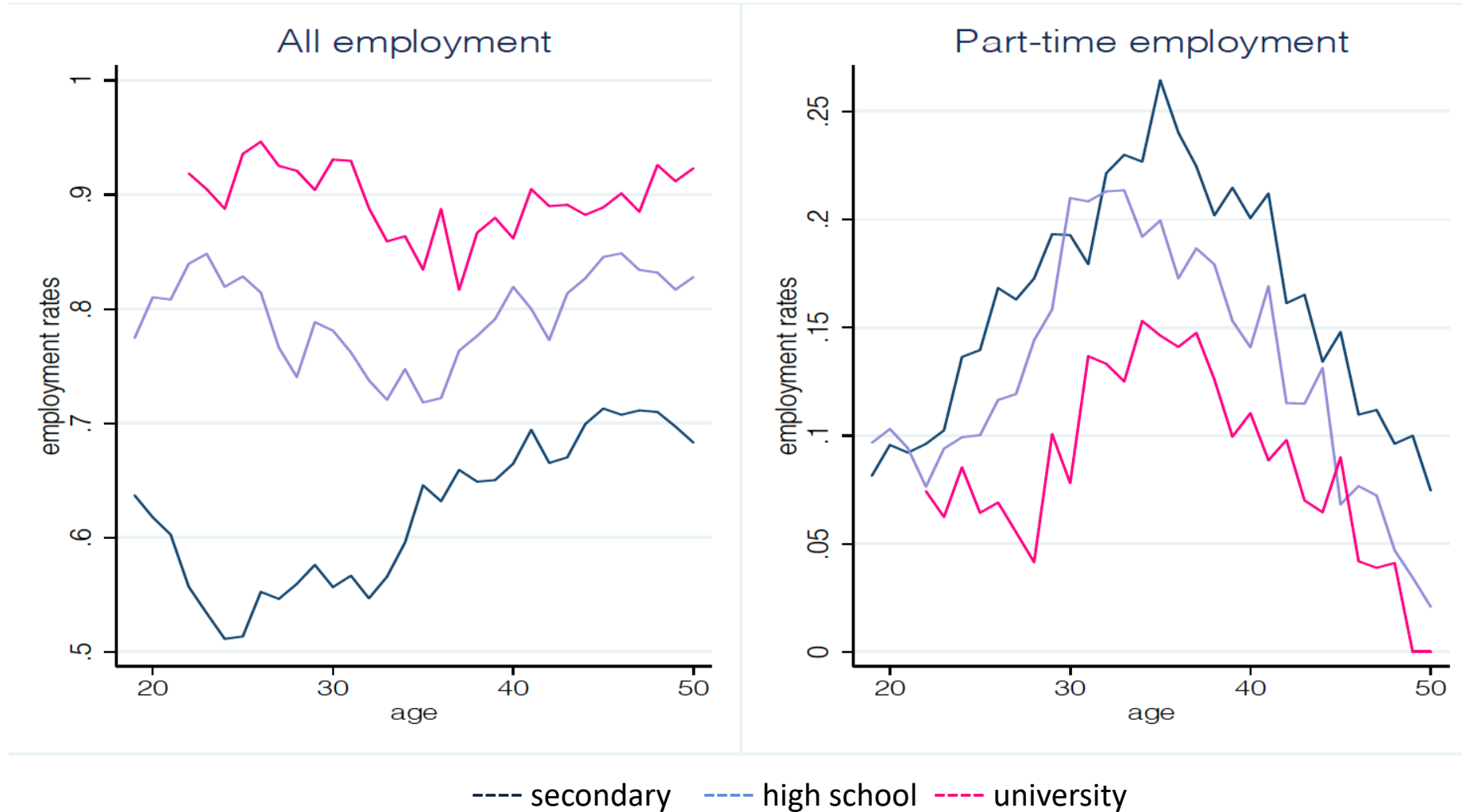
- Similar for Spain – see Deaton Review Country Studies.

Notes: Wages are shown in 2016 constant-wage terms (population-wide wage growth over time is effectively stripped out). People in the bottom two and top one percentiles of the gender- and year- specific hourly wage distributions are excluded.

Source: LFS 1993Q1-2017Q2.



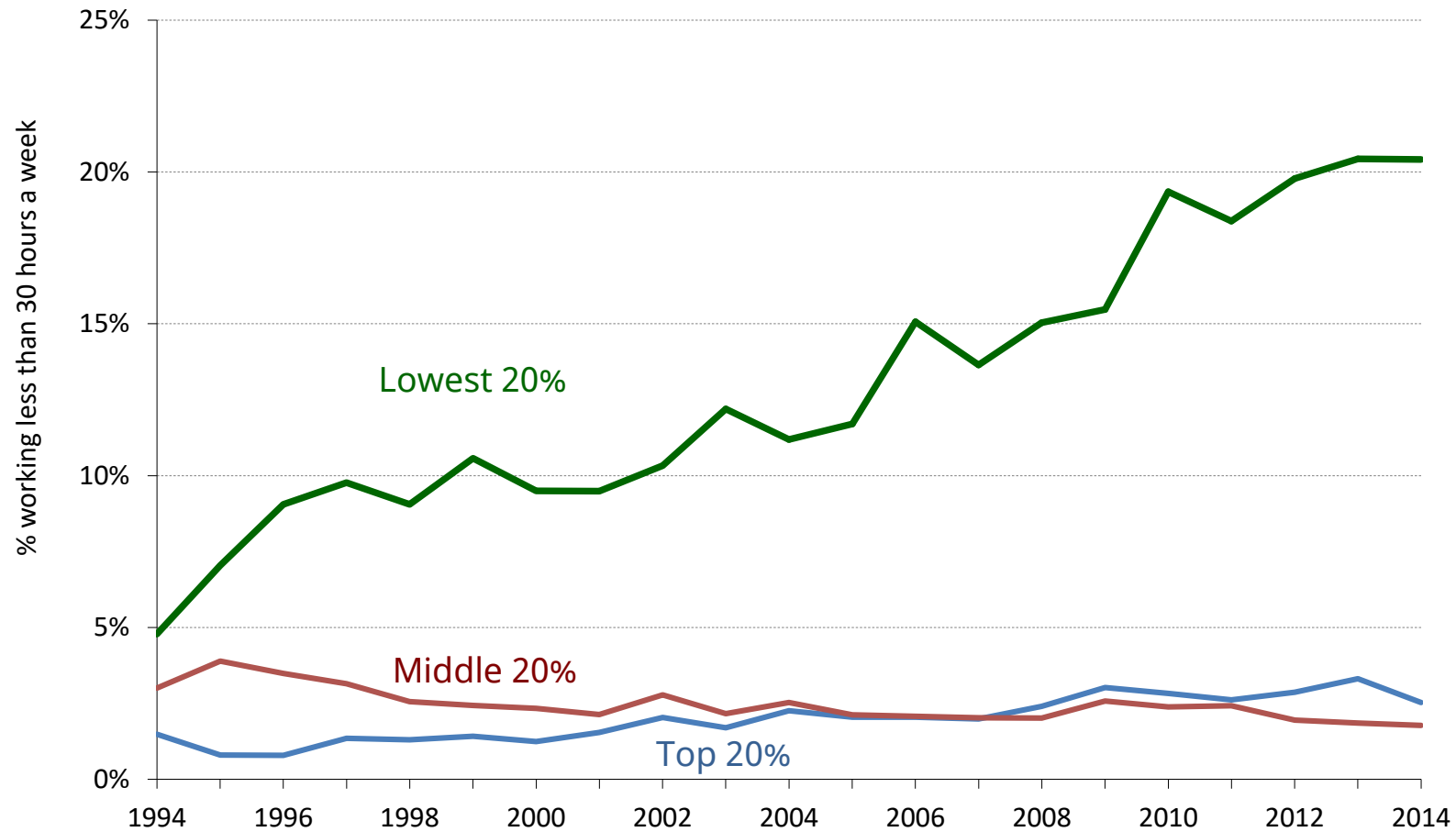
# Female employment and part-time work by education



Source: Blundell, Costa-Dias, Meghir and Shaw (2016), updated UK HLS

Notes: Plots are for all women. Note too the growth of part-time work for lower educated men.

## Proportion of men working less than 30 hours in the UK by hourly wage quintile – aged 25-55



-> Stronger growth of PT work for the self-employed where there has been a growing rate of low earning solo self-employed and part-time hours.

Source: IFS calculations using Labour Force Survey  
Notes: LFS: Male employees aged 25-55.

# Wage progression and work experience: panel data model

- log wage for individual  $i$  of education  $s$  and age  $t$

$$\ln w_{ist} = \ln W_{st} + \gamma_{0s}(x_i) + \gamma_{1s}(x_i) \ln(\kappa_{ist} + 1) + \omega_i + v_{is_t} + \xi_{ist}$$

where

education:  $s = [1,2,3]$  [secondary (age 16), high school (age 18), university (age 21+)]

baseline Mincer effect:  $\ln W_{st}$

family background factors:  $x_i$  cohort, family financial circumstances, books in home,..

experience capital:  $\kappa_{ist} = \kappa_{is,t-1}(1 - \delta_s) + \alpha_{0s}FT_{i,t-1} + \alpha_{2s}PT_{i,t-1}$

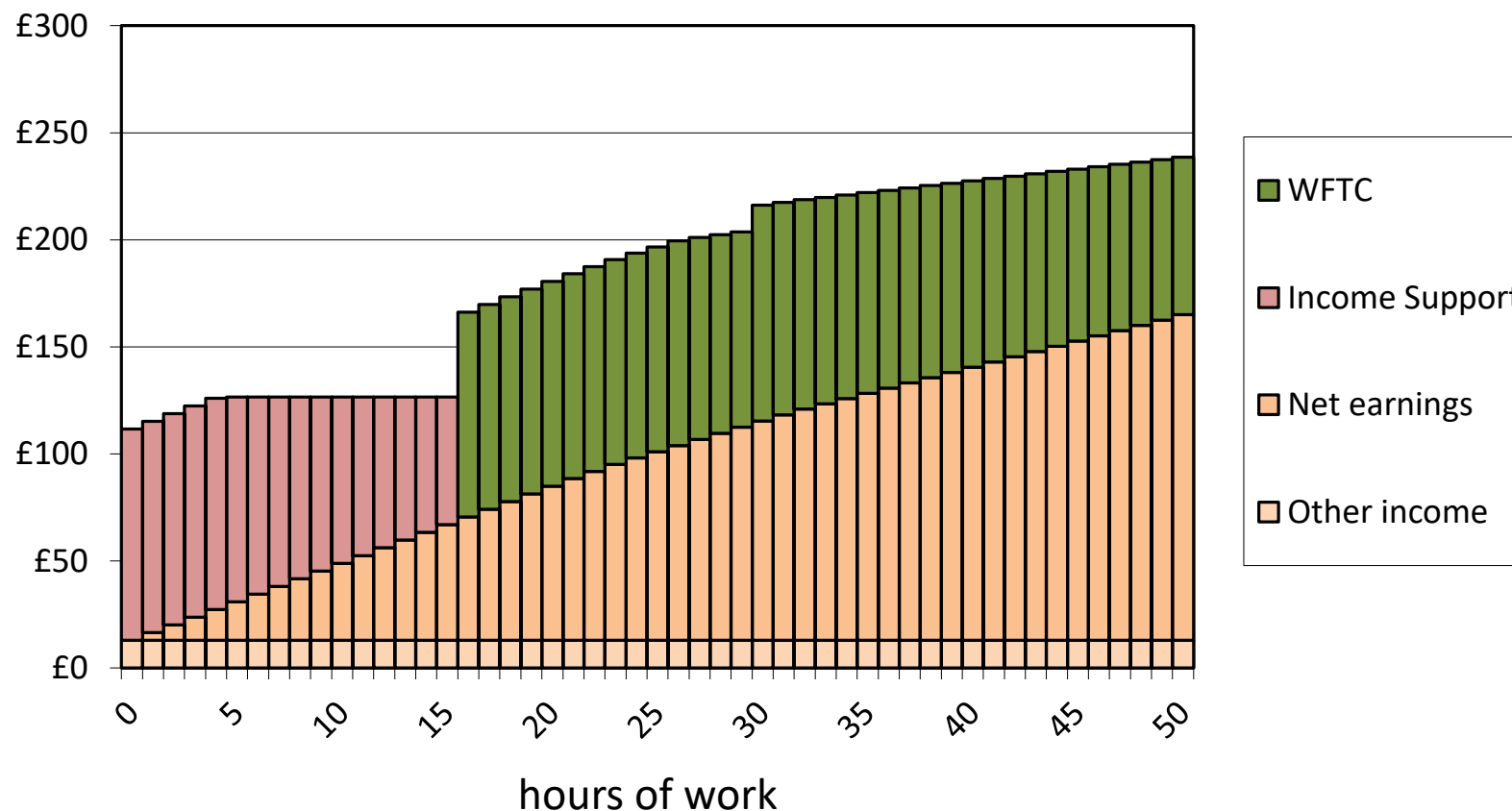
individual heterogeneity:  $\omega_i$

persistent shocks:  $v_{ist} = \rho_s v_{is,t-1} + \mu_{ist}$

random shocks:  $\xi_{ist}$

# The interaction between taxes, in-work benefits and welfare in UK

Low wage lone parent with one child, weekly amount, 2000

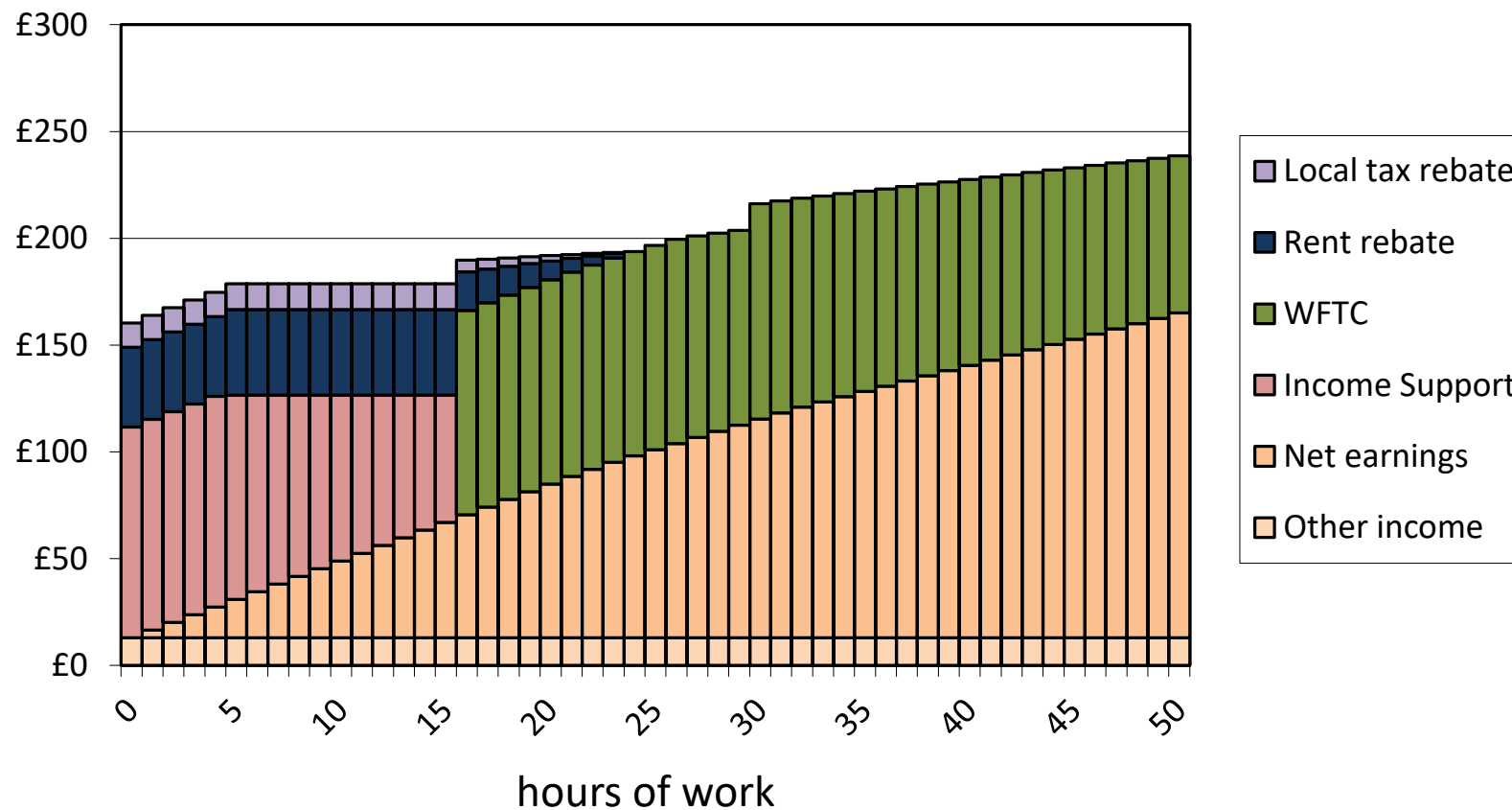


- motivation for the *Working Families Tax Credit* was to preserve labour market attachment, reduce skill depreciation and attenuate the gender gap.
- note the *minimum hours eligibility* rule that focuses incentives on part-time work (not in UC).

IFS Calculations. Notes: Single parent, wage £6.50/hr, 1 children, no other income, £80/wk rent. Ignores council tax and rebates

# The interaction between taxes, in-work benefits and welfare in UK

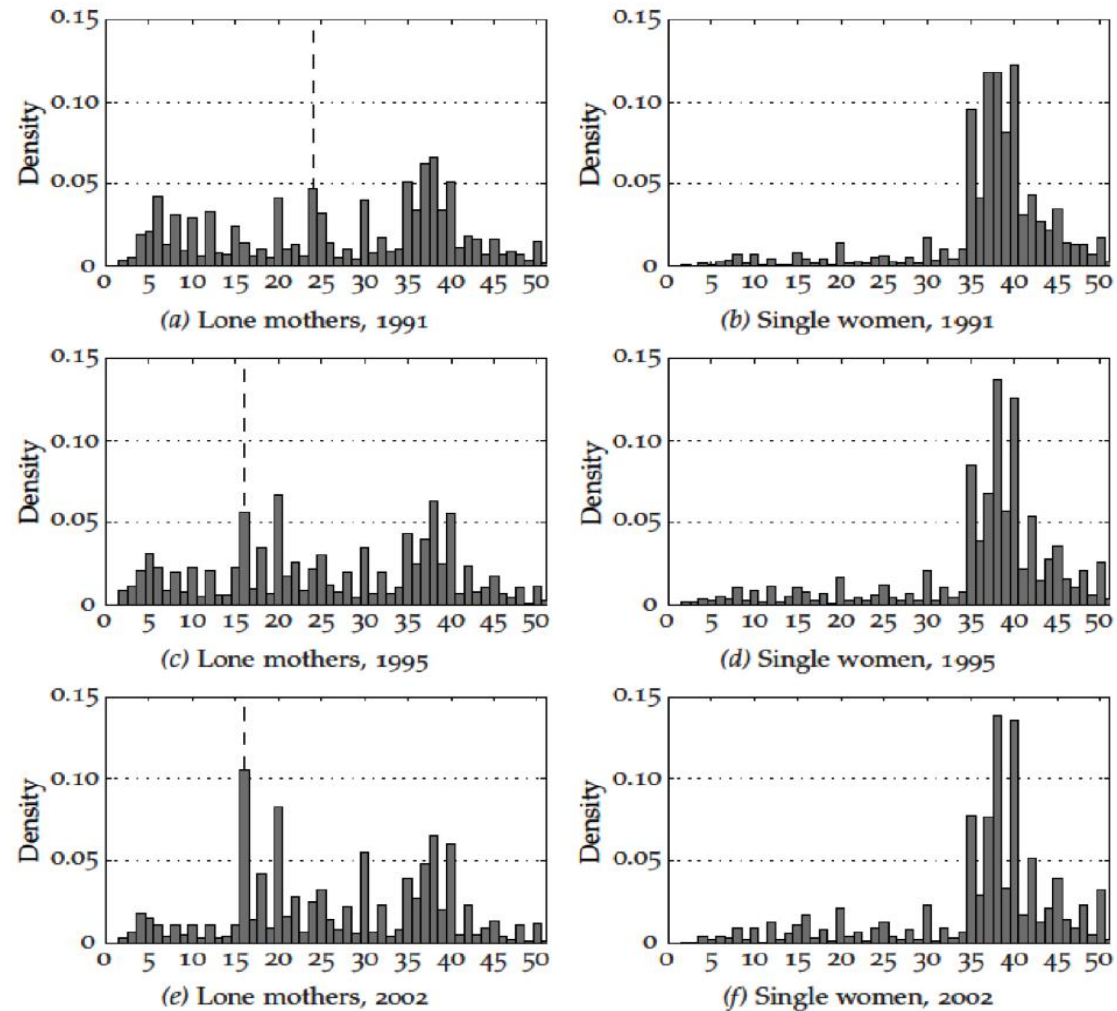
Low wage lone parent with one child, weekly amount, 2000



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IFS calculations. Notes: Single parent, wage £6.50/hr, 1 children, no other income, £80/wk rent. Ignores council tax and rebates

# Single Women, lower educated (aged 18-45): Bunching at Tax Kinks



Source: Blundell and Shephard (2014)

# Wage equation estimates: women, UK HLS

	Secondary		High School		University	
baseline at age 25	7.19	(.25)	8.64	(.17)	10.55	(.31)
returns to experience $\gamma_{1,s}$	.15	(.02)	.23	(.02)	.31	(.03)
autocorrelation coef $\rho_s$	.92	(.03)	.91	(.03)	.88	(.02)
depreciation rate $\delta_s$	.08	(.02)	.08	(.01)	.07	(.02)
accumulation of HC in PTE $\alpha_{2,s}$	.13	(.02)	.10	(.02)	.12	(.03)

$$\ln w_{ist} = \ln W_{st} + \gamma_{0s}(x_i) + \gamma_{1s}(x_i) \ln(\kappa_{ist} + 1) + \omega_i + v_{ist} + \xi_{ist}$$

$$\kappa_{ist} = \kappa_{is,t-1}(1 - \delta_s) + FT_{i,t-1} + \alpha_{2sPTi,t-1}$$

Notes: Method of Simulated Moments estimates. Interactions with background factors  $x_i$  included. Correlated unobserved heterogeneity in wage and choice model.

Data: 18 waves from the UK HLS data. Unbalanced panel of 7,359 women aged 19-59.

Descriptive statistics and full set of results available.

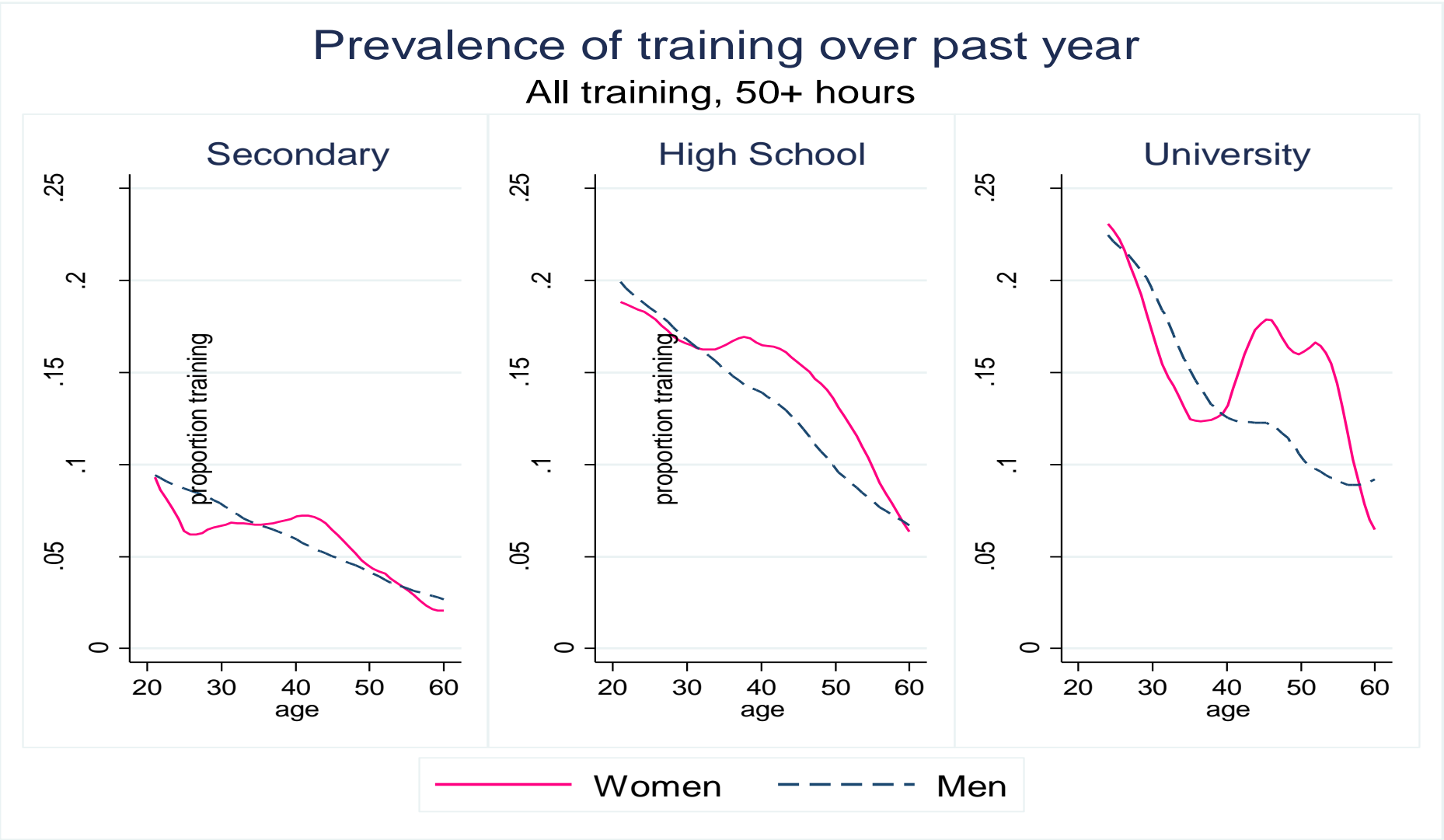
Source: Blundell, Costa-Dias, Meghir and Shaw (Ecta, 2016, updated)

## Wage progression and experience results: summary

- Returns to work experience show strong complementarity with education
  - much lower returns to work experience for lower educated and also for part-time work,
  - employment is not (any longer) a route out of low earnings and longer-run self sufficiency.
- Implications for welfare-benefit reform,
  - importance of low returns to experience for the low educated and the adverse impact of part-time work, limit the effectiveness of in-work benefits (earned income tax-credits),
  - little incentive for active investment in progression by workers or firms.
- What about the role of on-the-job training?
  - training vs learning by doing.



2. Training also appears complementarity with education



Source: Blundell, Costa-Dias, Goll and Meghir (2021), Notes: UK HLS

## Wage progression and training: results summary

- Particularly strong effects for ‘middle’ education, below University, group
  - with return equivalent to that in formal education,
  - training can partially offset human capital depreciation from lost work experience and (partially) reverse the gender wage gap,
  - firm-based qualification training is key.
- Policy implications
  - a subsidy for firm-based qualification training can be integrated with work conditions in the welfare system for parents and provide an incentive for progression.

### 3. Do firms matter and what skills bring largest returns?

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Dig deeper into why some lower education workers do well

- Focus here on the returns to skills
  - use new measurements of qualifications, wages, occupations, tenure, and qualifications of other workers in the same firm ...,
  - examine the role of social skills, hard to verify unlike cognitive skills.
- Based on a 'Task' model of complementarity in production

# New linked Administrative Data for the UK

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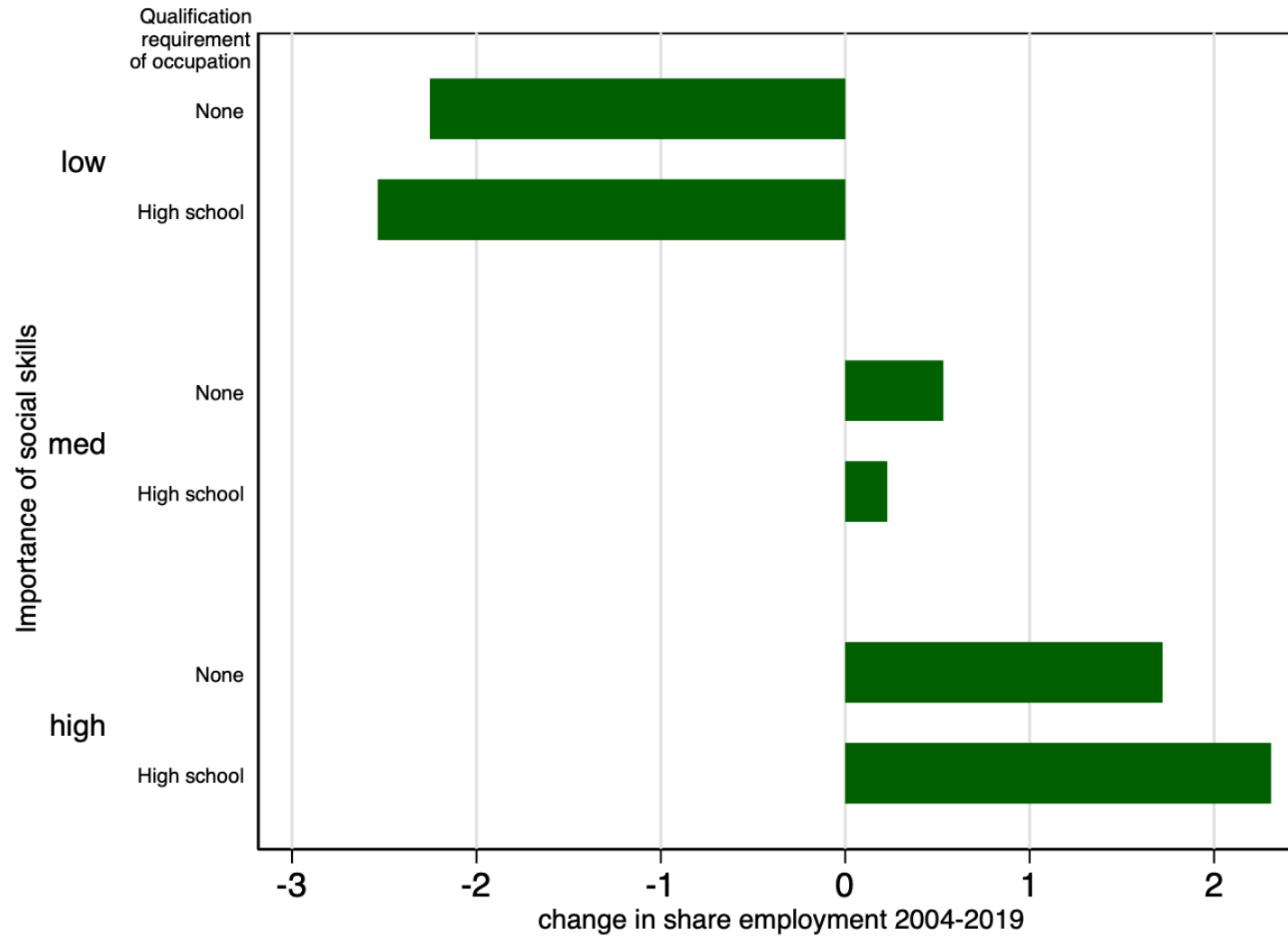
- **Workers and jobs**
  - **Annual Survey of Hours and Earning (ASHE)**: panel data following workers across firms 1998-2019, based on tax records, wages, hours and earnings, and location,
  - **Census**: newly linked to ASHE, population household-based data on all individuals, education, qualifications, family structure, etc..
- **Nature of occupations**
  - **O\*NET** - to identify the task and skill content of occupations, matched at 4-digit level'
  - **European Working Conditions Survey (EWCS)** survey on quality of work.
- Find that 'social skills' for lower-educated workers are a key route to higher wages and increased wage progression.

# Ten task measures of social skills

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1. Work with Work-Group or Team Coordinate or Lead Others Social Perceptiveness Coordination: Importance of working with others in a group or team.
  2. Coordinate or Lead Others: Importance of coordinating or leading others in accomplishing work activities.
  3. Social Perceptiveness: Awareness of other parties' reactions and extent does she understand why the other parties react as they do.
  4. Coordination: The extent does the worker adjust her actions to the actions taken by the other parties.
  5. Problem Sensitivity: The worker's ability to tell when something is wrong or is likely to go wrong.
  6. Active Listening: The extent does the worker devote full attention to what other parties are saying.
  7. Responsibility for Outcomes and Results: Responsible for work outcomes and results of other workers.
  8. Impact on Others: Complementarity with firm's other assets.
  9. Consequence of Error: The seriousness of a mistake that was not readily correctable.
  10. Impact of Decisions on Co-workers or Company Results: The results of decisions on other people or the image or reputation or financial resources of the employer.
- Construct an index ( $\lambda$ ) aggregating the dimensions of social skills into a single score using factor analysis.

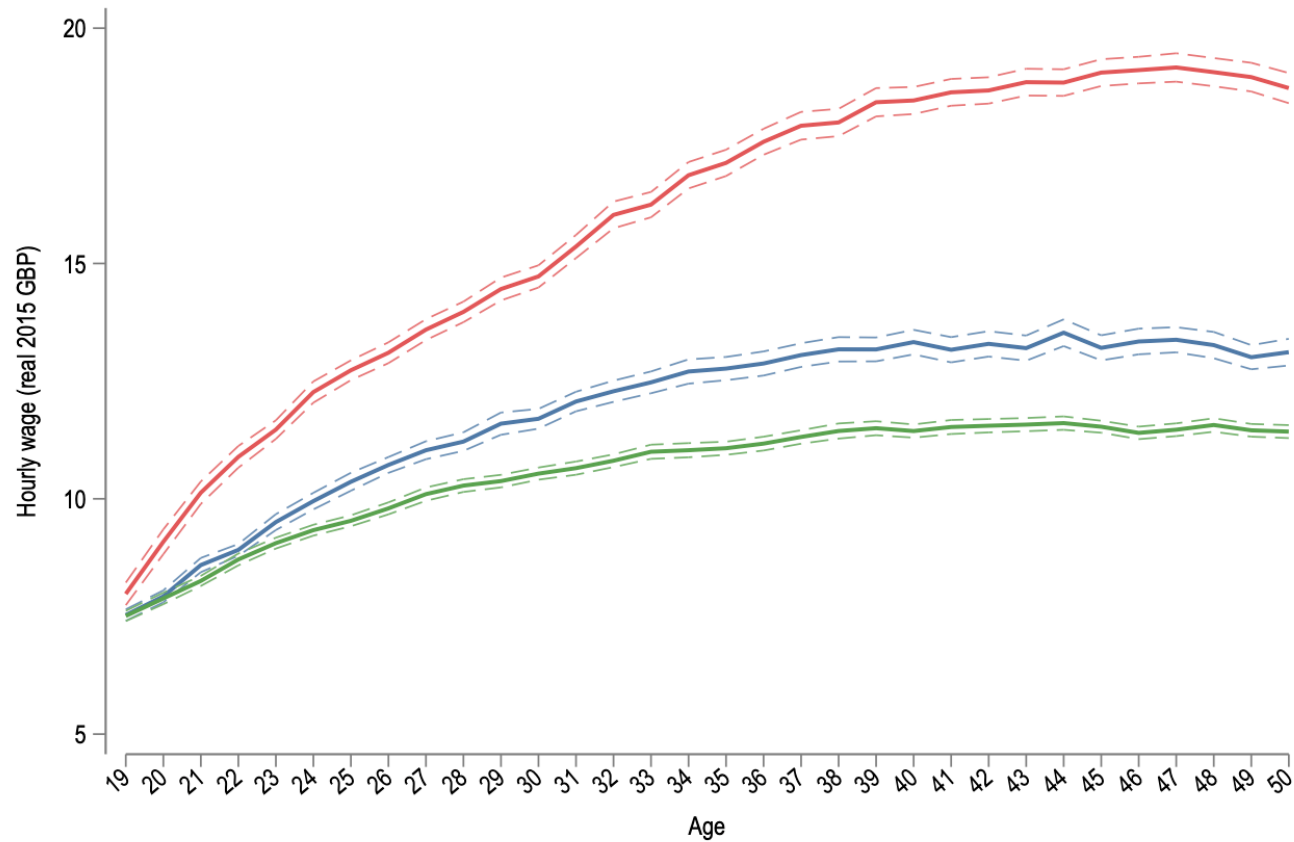
# Change in employment shares for non-degree workers



Source: Aghion, Bergeaud, Blundell and Griffith (2023)

# Wage progression for workers according to social skill intensity ( $\lambda$ )

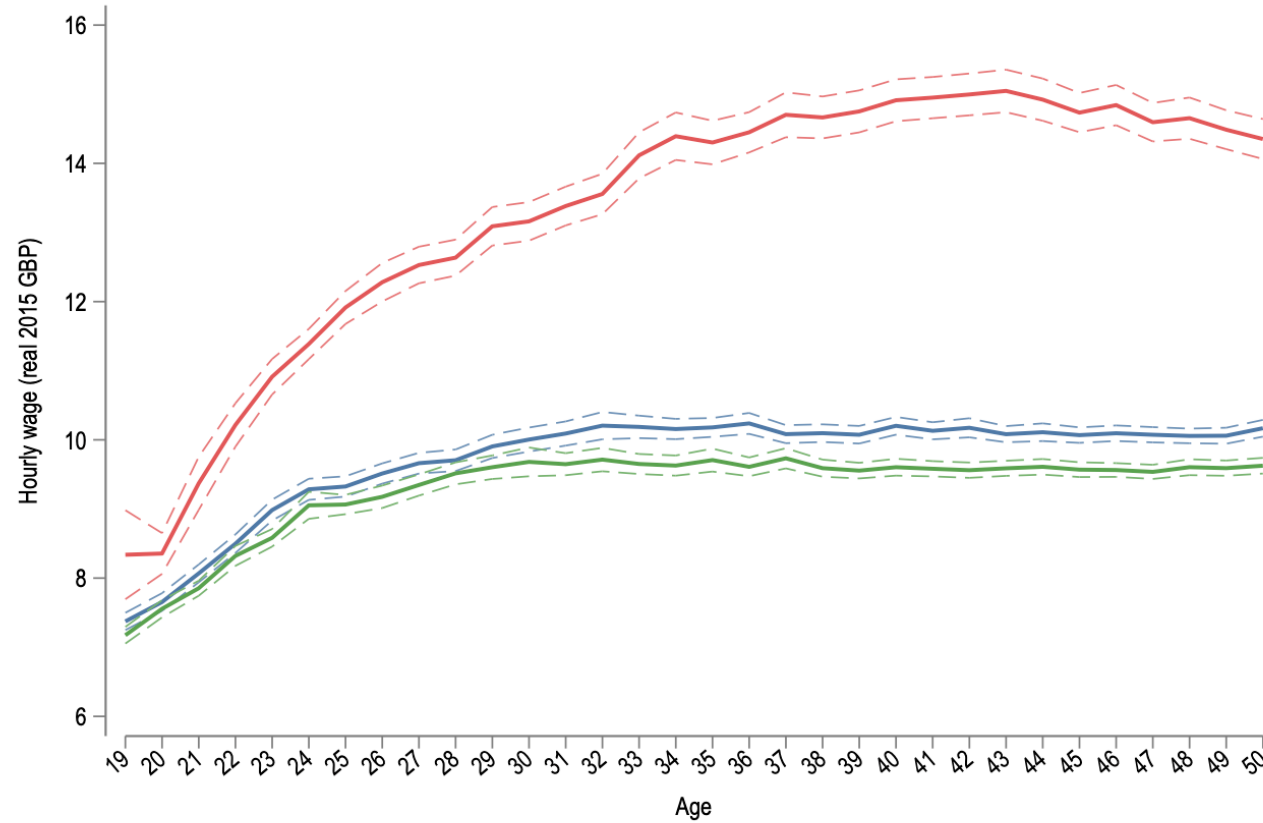
## Lower-educated men



Source: Aghion, Bergeaud, Blundell and Griffith (2023)

# Wage progression for workers according to social skill intensity $\lambda$

## Lower-educated women



Notes: Data from Annual Survey of Hours and Employment (ASHE) 2004-2019. Figure shows average hourly wage at each age for male workers in private sector firms in occupations with low-educational requirements categorised by the measure of the importance of soft-skills (Regulatory Qualification Framework, RQF).  $\lambda$  index split in three equal bins.

Source: Aghion, Bergeaud, Blundell and Griffith (2022)



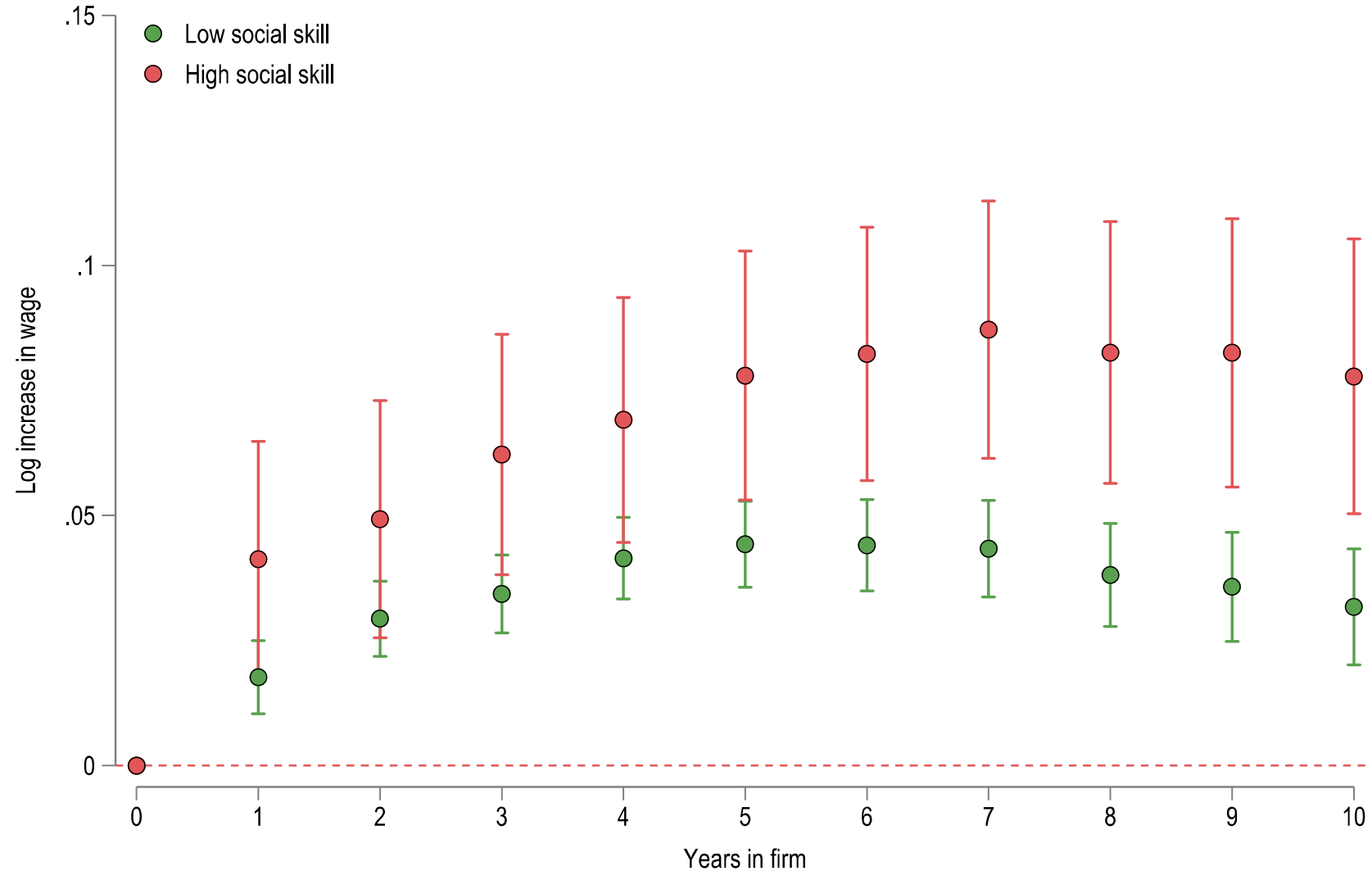
## Individual wage growth with social skills ( $\lambda$ ) and tenure ( $T$ )

$\log(w_{ijkft})$	(1)	(2)	(3)	(4)	(5)
$\lambda_{j(it)}$	0.05327*** (0.00456)	0.04551*** (0.00435)	0.00596 (0.00716)	0.02530** (0.01142)	-0.0095 (0.01492)
$\lambda_{j(it)} \times T_{ift}$	0.00485*** (0.0014)	0.00489*** (0.00126)	0.00467*** (0.00155)		
$\lambda_{j(it)} \times T_{ift}^2$	-0.0001 (0.00007)	-0.00015** (0.00006)	-0.00016** (0.00007)		
$w_{i0}$ (initial wage)		0.03132*** (0.00072)		0.03133*** (0.00072)	
Full set of controls included					
Fixed-effects:					
Area-year	✓	✓	✓		✓
Firm-Worker			✓		✓
Year			✓		✓
Observations	260012	260012	260012	260012	260012

Source: Aghion, Bergeaud, Blundell and Griffith (2023).

Notes: Sample is male workers aged 18-49 in low-educated occupations in private sector firms 2004-2019. Stars indicate \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

## Wage growth from working in a high- $\lambda$ job



Notes: Sample is male workers aged 18-49 in low-educated occupations in private sector firms 2004-2019. Stars indicate \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$  Source: Aghion, Bergeaud, Blundell and Griffith (2023).

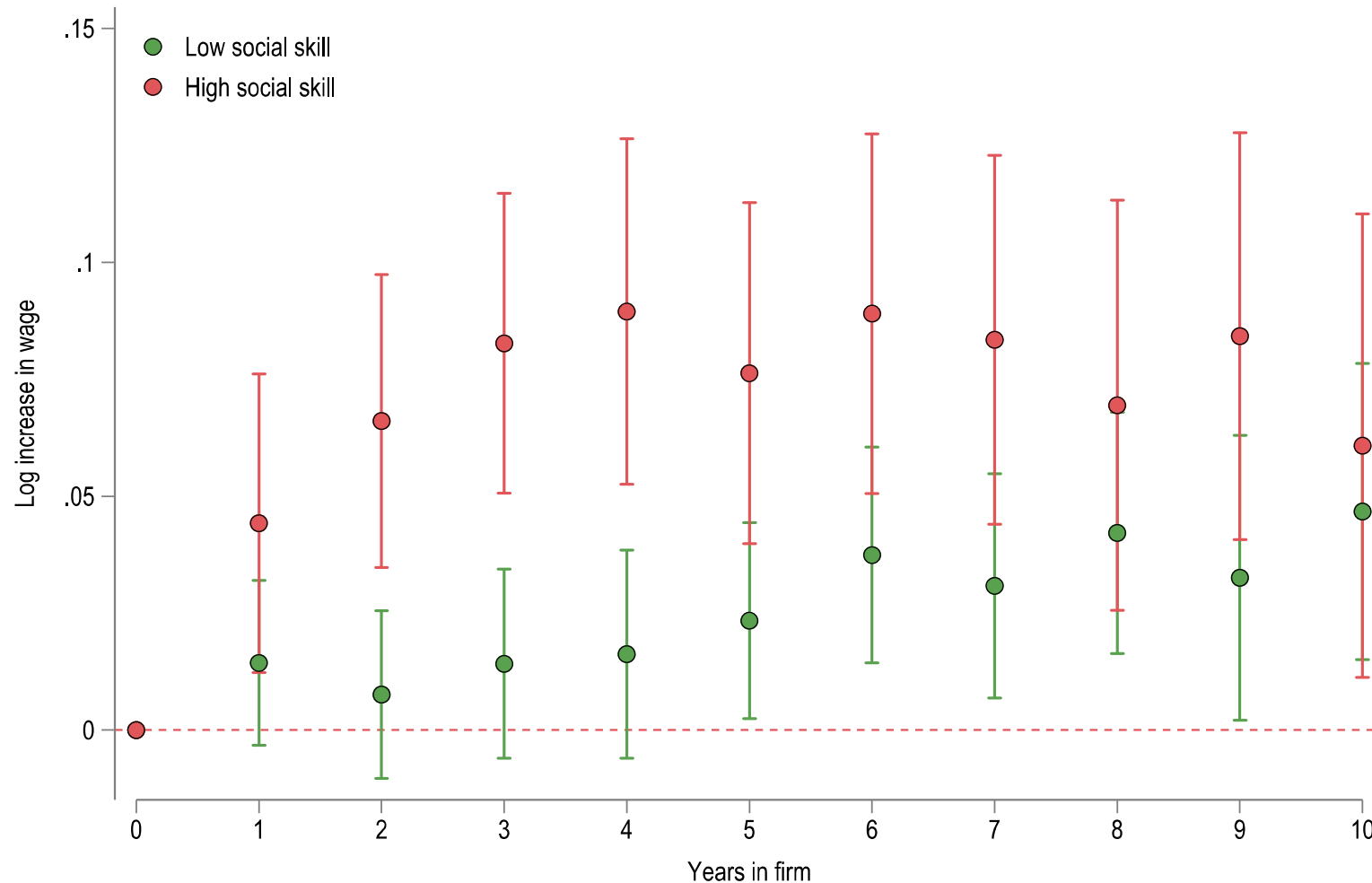
# Wage growth: the role of the share high educated workers ( $Q$ ) in the firm

Qualifications:	None		High school	
$\lambda_{j(it)}$	-0.01924*** (0.0053)	-0.01279*** (0.0047)	-0.01993*** (0.00449)	-0.00555 (0.00398)
$\lambda_{j(it)} \times T_{ift}$	0.01043*** (0.0018)	0.00953*** (0.00156)	0.00767*** (0.00144)	0.00695*** (0.00118)
$\lambda_{j(it)} \times T_{ift}^2$	-0.00004 (0.0001)	-0.00013 (0.00008)	-0.00004 (0.00007)	-0.00012* (0.00006)
$\lambda_{j(it)} \times T_{ift} \times Q_f$	0.00753*** (0.00238)	0.00359* (0.002)	0.01248*** (0.00162)	0.00730*** (0.00131)
$\lambda_{j(it)} \times T_{ift}^2 \times Q_f$	-0.00067*** (0.00012)	-0.00045*** (0.0001)	-0.00082*** (0.00008)	-0.00059*** (0.00006)
$\lambda_{j(it)} \times Q_f$	0.05438*** (0.0092)	0.04596*** (0.00844)	0.04129*** (0.00622)	0.02981*** (0.00532)
$T_{ift} \times Q_f$	0.00511*** (0.00065)	0.00404*** (0.00054)	0.00482*** (0.00066)	0.00383*** (0.00051)
$Q_f$	0.00988** (0.00437)	0.01130*** (0.00359)	0.02943*** (0.00455)	0.02750*** (0.00347)
$w_{i0}$		0.03957*** (0.00141)		0.04019*** (0.00114)
Area-year effects	✓	✓	✓	✓
Observations	114530	114530	176190	176190

Source: Aghion, Bergeaud, Blundell and Griffith (2023).

Notes: Sample is male workers aged 18-49 in low-educated occupations in private sector firms 2004-2019. Stars indicate \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

# Additional wage growth from working in a high- $\lambda$ job in a firm with a high share of educated workers



Notes: Sample is male workers aged 18-49 in low-educated occupations in private sector firms 2004-2019. Stars indicate \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$  Source: Aghion, Bergeaud, Blundell and Griffith (2023).

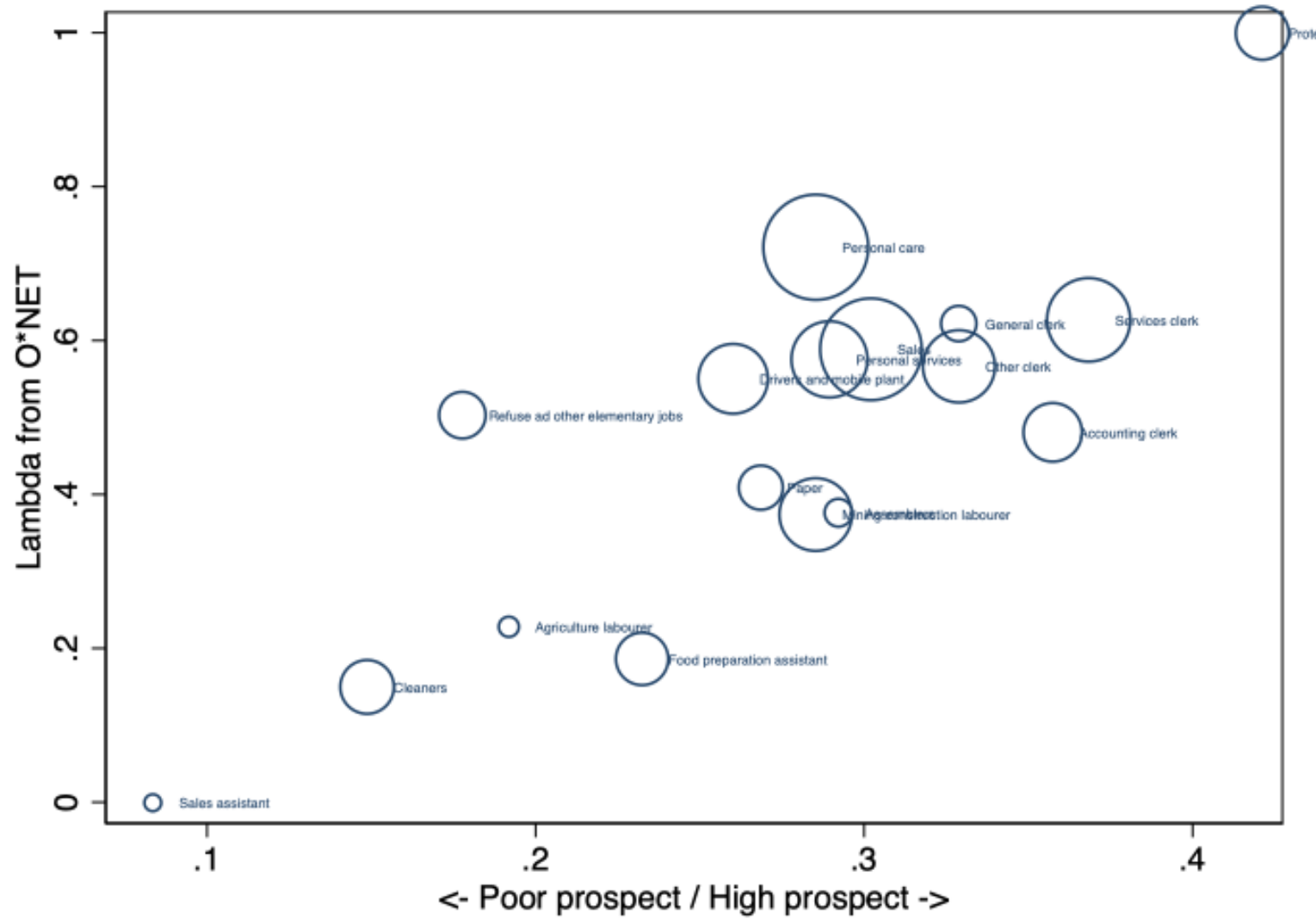
# Social skills ( $\lambda$ ) and training



Notes: EWCS. Each dot is a 2-digit occupation, scaled by UK employment.  
Source: Aghion, Bergeaud, Blundell and Griffith (2023)

# Do social skills in job ( $\lambda$ ) identify “good jobs”?

EWCS: ‘My job offers good prospects for career advancement’, low-educated



Notes: EWCS. Each dot is a 2-digit occupation, scaled by UK employment.

Source: Aghion, Bergeaud, Blundell and Griffith (2023)

## Do firms matter and what skills bring largest returns? summary

- Find some lower educated workers experience higher wage progression
  - this (partly) reflects the value of ‘social skills’,
  - cognitive and other skills matter too but social skills remain an important dimension for lower educated workers
  - more likely to occur in firms with a larger share of higher educated,
  - these workers see more training,
  - also less likely to be out-sourced, *cleaners* as a case study.
- Interpretation:
  - workers with ‘social skills’ are complementary to high skilled workers (and other assets) and can capture a higher share of the surplus.

## Some take-aways ...

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### Little overall earnings progression for lower educated workers

- employment alone is (increasingly) not enough to escape poverty and low earnings,
- find diverging wage profiles by education and by part-time work,
- low rates of on-the-job training for lower educated workers,

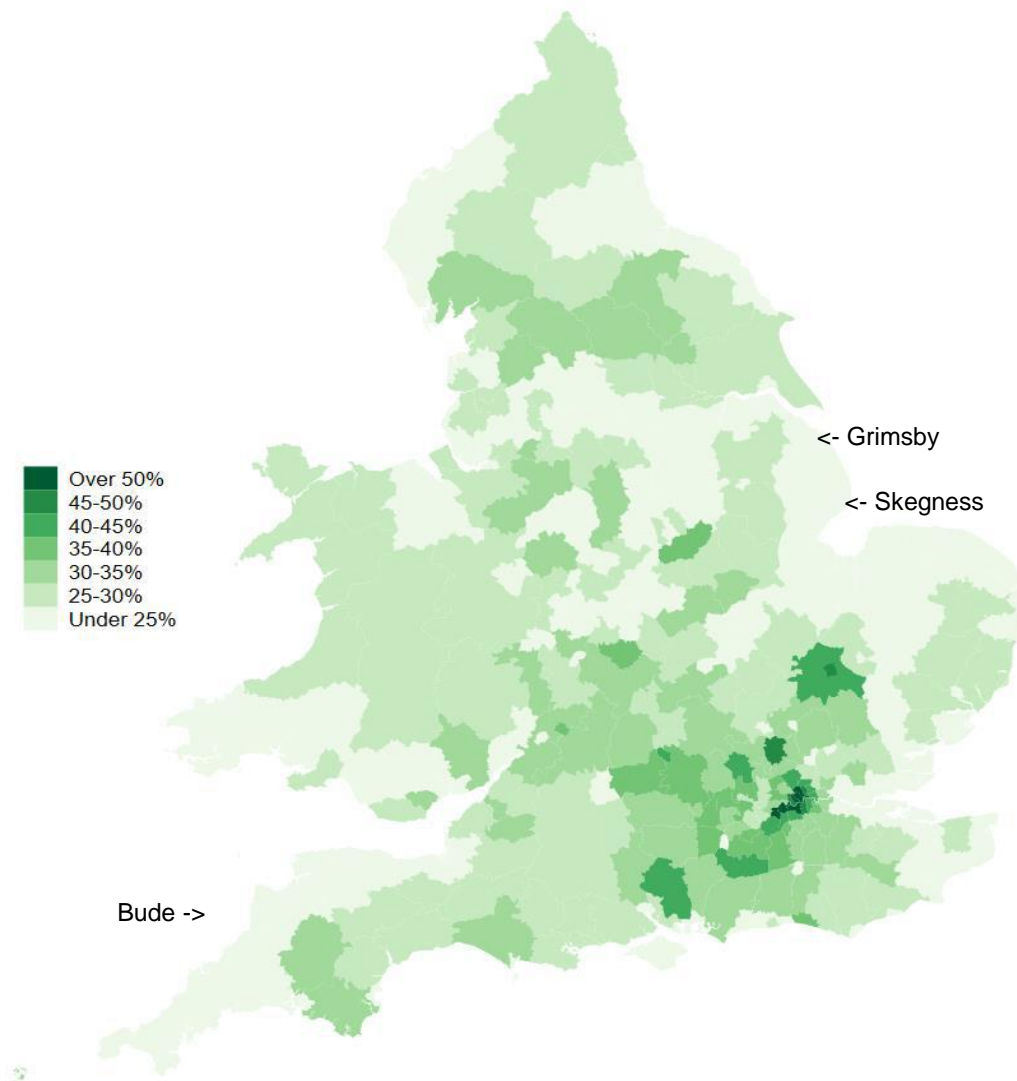
but.....

- find significant returns for firm-based qualification training, and
- low-educated workers with 'social skills' see improved progression, with more training and longer tenures,
- especially in firms with a large share of higher educated workers –  
=> the challenge of 'left-behind' areas...



# Regional disparities in education

## Share of Population (England and Wales) with Post A-level Qualifications



Source: Blundell et al. 2021 (Figure 1).

# Educational flight: regional disparities in education and social mobility

Share from TTWA v. share living in TTWA at age 27

	Share of pupils who get degrees	Share of adults who have degrees (in same cohorts)	Net loss (as share of base)
Bridlington	23%	13%	43%
Skegness and Louth	24%	14%	40%
Bude	27%	16%	40%
Northallerton	32%	20%	36%
Spalding	24%	15%	36%
Grimsby	19%	12%	36%
Bridport	29%	19%	34%
Clacton	19%	12%	34%
Boston	23%	16%	33%
Wisbech	17%	11%	33%

Source: Overman and Xu (Deaton Review, IFS, 2023)

# Key Challenges

- improvements in (female) employment - but stagnant real earnings and a growth in 'in-work' poverty, employment no longer enough to escape poverty.
- a large rise in the minimum wage - but poor wage progression at the bottom and strong growth in low wage solo self-employed, part-time work and outsourcing.
- an increase in education levels - but falling levels of in-work training and fewer routes to 'good jobs' for those not going to university.
- a rise in female participation in HE and in the paid labour force - but stalling gender pay gap with high levels of part time work and low levels of progression for mothers.
- Small group of top 'super star' firms - but high mark-ups and, for the rest, a long tail of low productivity firms.
- productive firms in some industries - but increasing concentration in thriving cities with widening geographic dispersion in productivity and wages.
- growth in top incomes – but concentrated in finance and paid as business income which attract lower taxation; capital is taxed lower than labour....

## The policy balance: Beyond tax, welfare and the minimum wage

- In-work benefits - well targeted to low earning families, but do little for pay progression.
- Minimum wages - raise hourly wages, less well targeted and little incentive for progression.
- Cannot continue to rely exclusively on these as the main policy leavers.

### Can we put flesh on the idea of a 'good jobs' agenda?

- Training - a focus on the firm-based accredited skills, particularly social skills, that enhance progression and complement new technologies, integrated with in-work benefits.
- Place-based policies - policies to attract entry of R&D firms and firms that employ a mix of educational groups, policies that are essential for agglomeration, progression and to reverse educational flight.
- Competition/anti-trust policy and regulation – sufficient incentives for 'good firm' entry to ensure the surplus is shared with workers and consumers. Increasingly regulation of 'tech' firms becomes key to maintain scale economies...

# Inequality, Redistribution and the Labour Market: Reflections from the Deaton Review

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Richard Blundell

*University College London and Institute for Fiscal Studies*

Inaugural Lecture

UPF

Barcelona

October 18<sup>th</sup> 2023

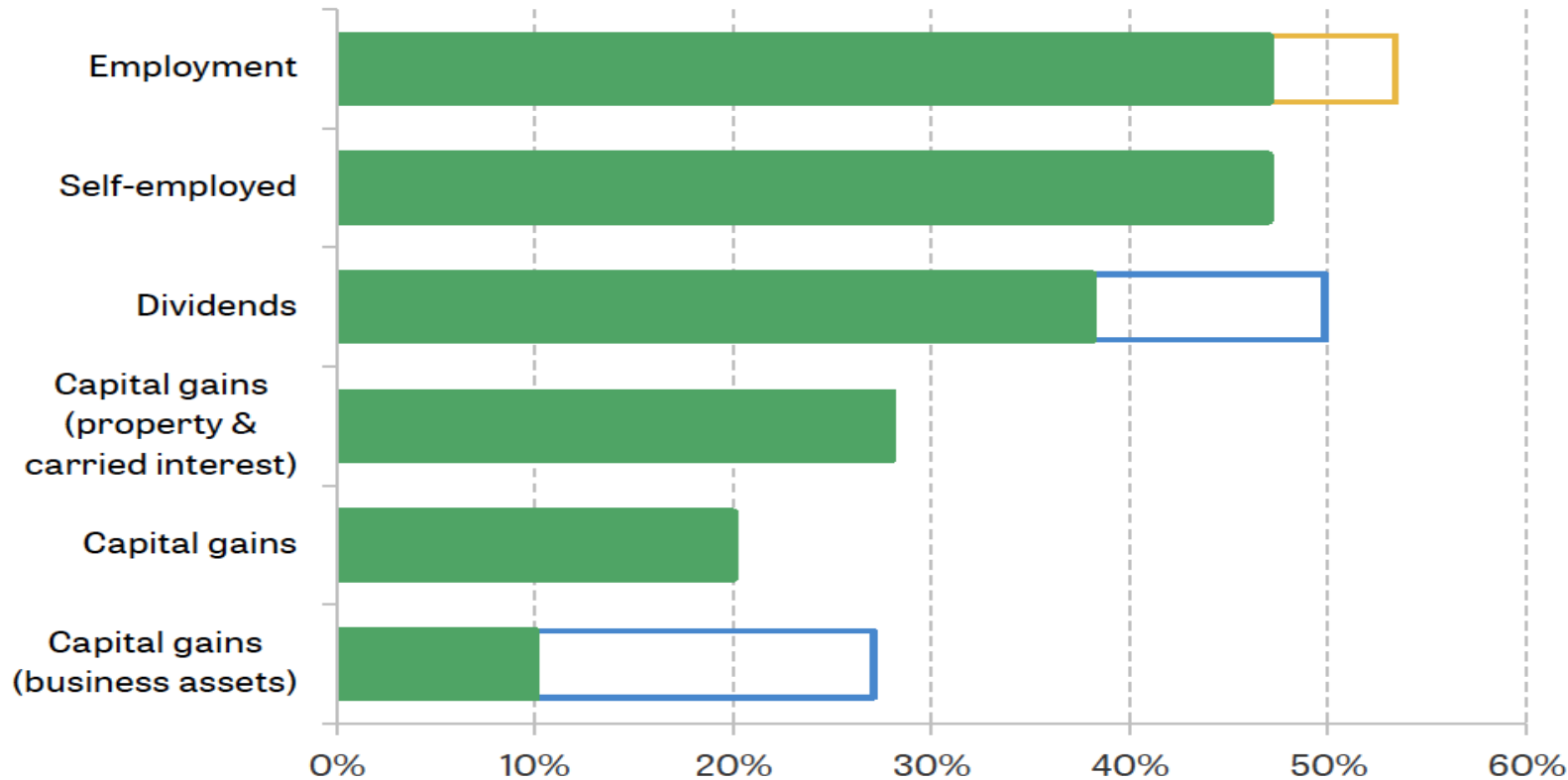
IFS-Deaton Review: Inequalities in the 21st Century

<https://www.ifs.org.uk/inequality/>

Background studies with commentaries, all available online, <https://www.ifs.org.uk/inequality/>

- ‘Labour market inequality’, Steve Machin and Giulia Giupponi, IFS Deaton Review of Inequalities, 2023.
- ‘The transfer system’, Hilary Hoynes, Robert Joyce and Tom Waters, IFS Deaton Review of Inequalities, 2023.
- ‘Spatial disparities across labour markets’, Henry Overman and Xiaowei Xu, IFS Deaton Review of Inequalities, 2023.
- ‘Women and men at work’, Alison Andrew, Oriana Bandiera, Monica Costa-Dias, and Camille Landais’, IFS Deaton Review of Inequalities, 2023.
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- ‘Female Labour Supply, Human Capital and Welfare Reform’, Richard Blundell, Monica Costa-Dias, Costas Meghir and Jonathan Shaw, *Econometrica*, 84(5), September 2016.
- ‘Wages, Experience and Training of Women over the Lifecycle’, Richard Blundell, Monica Costa-Dias, David Goll and Costas Meghir, *Journal of Labour Economics*, January, 2021.
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- ‘Inequality, Redistribution and the Labour Market’, Richard Blundell, *Centenary Issue, Economica* 89, May 2022.
- ‘Inequality and the COVID Crisis’, Richard Blundell, Jonathan Cribb, Monica Costa-Dias, Robert Joyce, Tom Waters, Xiaowei Xu), *Annual Review of Economics*, Volume 14, August 2022.

# Top marginal statutory tax rates, UK 2021–22



Source: IFS Deaton Review; Survey of Personal Incomes 2018–19.

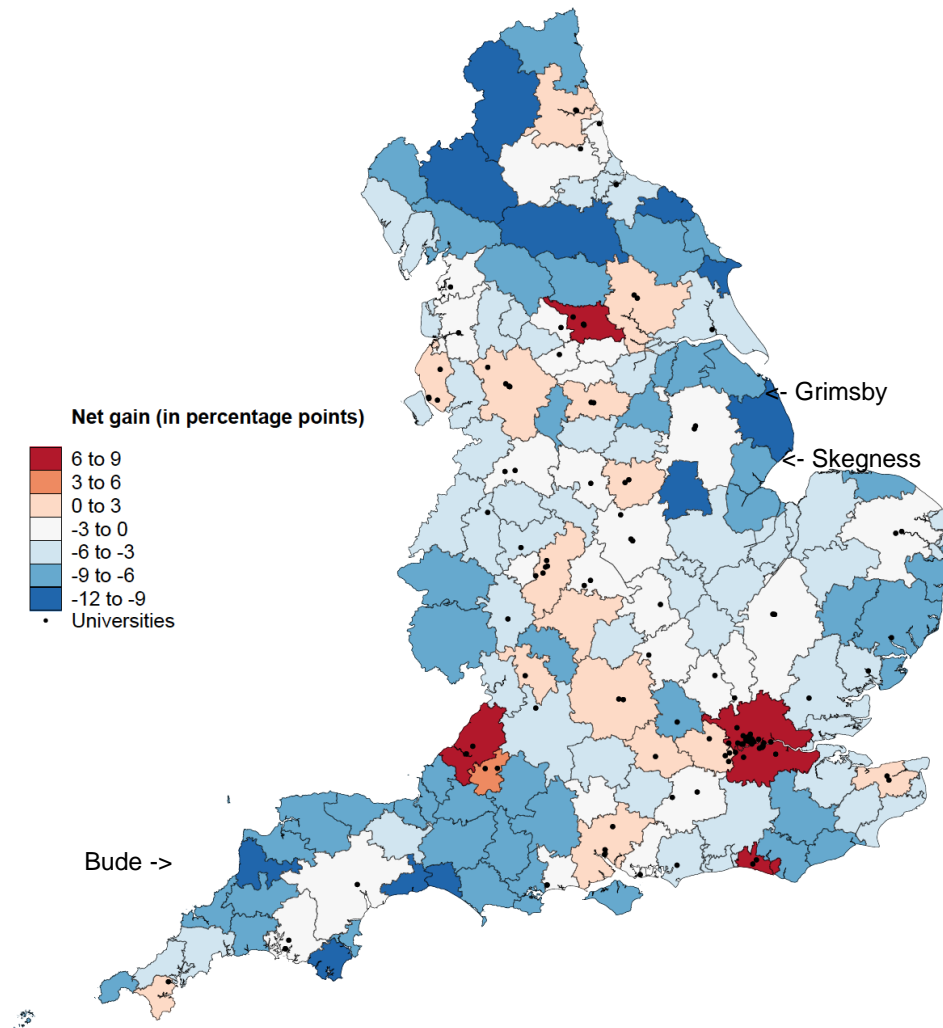
■ Excluding employer NICs & corporation tax  
□ Inclusive of corporation tax  
□ Inclusive of employer NICs

- At the top capital gains becomes a key area for reform...
- Average tax rate on wage-earners in the top 1% is as high as 49%, but rate on company is 27% on income taken in capital gains (zero if gains are deferred until death).

Source: IFS Deaton Review, 2022.

# Regional disparities in education

Change in share of (future) graduates in TTWA, age 16 to age 27



Note: IFS. NPD, LEO Data. Net gain is the percentage point difference between the share of 16-year-olds from the area who went on to be graduates and the share of 27-year-olds who live in the area who are graduates. Black dots signify universities.