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Indonesia Development Forum 2017

Fighting Inequality for Better Growth

Jakarta, 9-10 August 2017



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INEQUALITY & SOCIAL PROTECTION



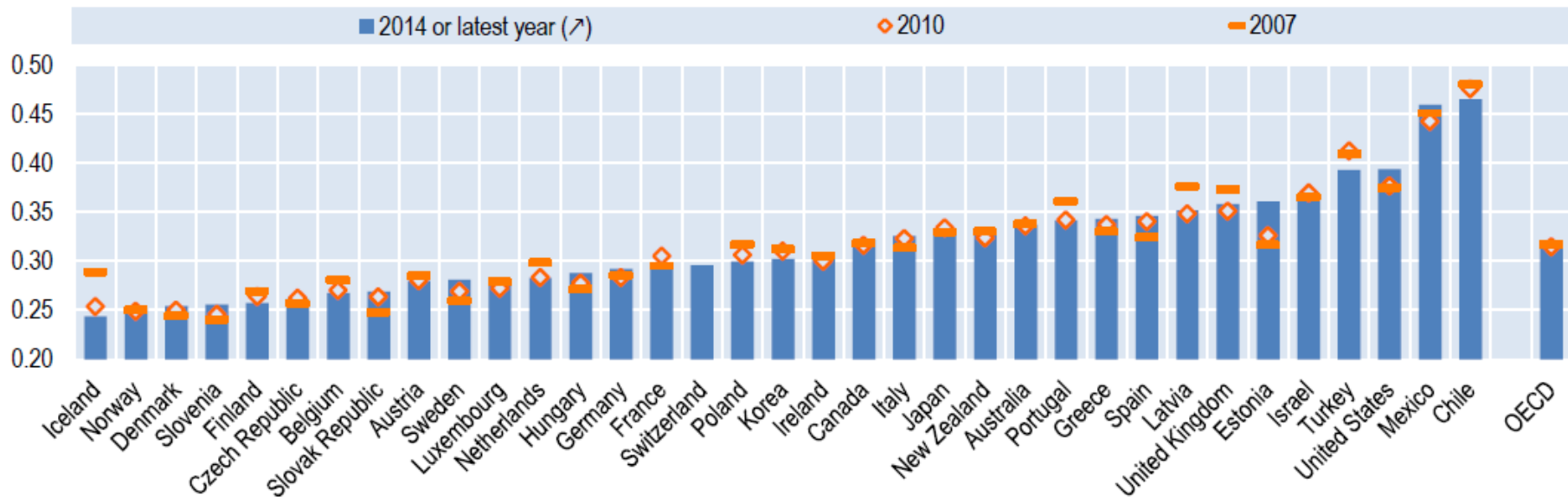
INEQUALITY & SOCIAL PROTECTION

Alessandra Heinemann
OECD Development Centre
Jakarta, 9 August, 2017



Income inequality remains historically high in the OECD

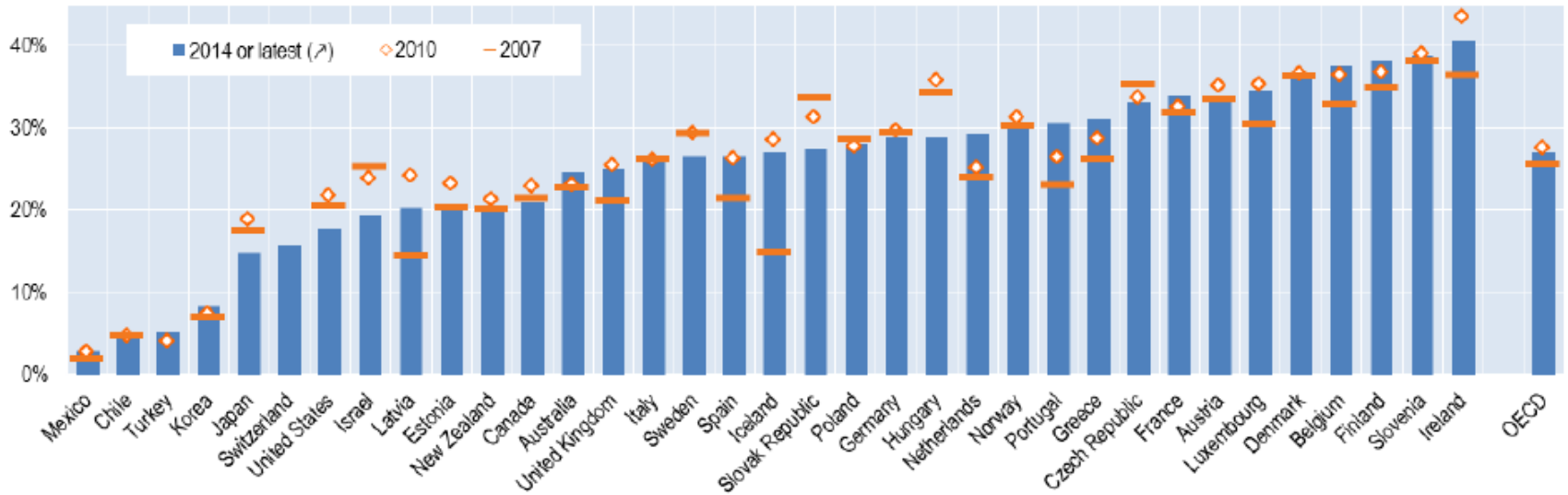
Gini coefficient of disposable income inequality in 2007 - 14 (or latest year), total population





Redistribution decreased in a majority of countries since 2010

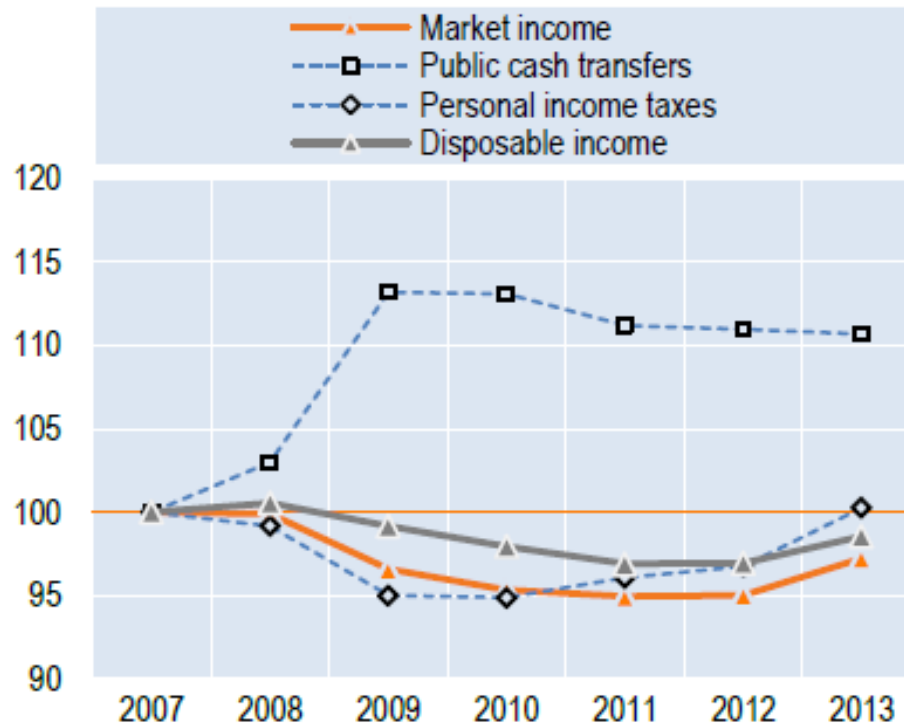
Percentage reduction of market income inequality due to transfers and taxes, 2007 - 14 (or latest year), working-age population





Taxes are back at pre-crisis levels while transfers stagnate

Change in real average market and disposable income, public cash transfers and taxes, 2007=100, Working-age population, OECD average



Notes: The figures correspond to the changes in real terms of the mean of each component since 2007. OECD average excludes Hungary, Mexico, Switzerland and Turkey.



Policy Priorities

- 1. Re-design our tax systems to reduce inequality and promote inclusive growth*
- 2. Focus on early childhood development*
- 3. Enhance dynamism in the business sector to the benefit of young firms and SMEs*



TERIMA KASIH!

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