Preface to the Second Edition

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Nine years after the Edward Elgar publication of *The Distribution of Wealth* in 2004, John King suggested that the time had come for a new edition incorporating an update of the personal distribution of wealth figures featuring in that book’s Chapter 3. When I expressed doubts about my ability to carry out this task, John suggested I approach Andrew Leigh for suggestions of a co-author. An opportunity for this approach occurred at the Melbourne launch of Andrew’s *Battlers and Billionaires* (Leigh, 2013). It produced immediate results, in the form of an introduction there and then to Mike Pottenger, with whom I formed a rapport that quickly led to an agreement that we would co-author the new book. When Edward Elgar Publishing suggested that the second edition should concentrate on growth in inequality in the personal distribution of wealth, we happily agreed, with my wife Margaret coming up with the new title *The Distribution of Wealth – Growing Inequality?* Eighteen months later, having been diagnosed with liver cancer (emanating from an eye melanoma), with Mike’s agreement I invited my long-standing friend and colleague John King to join us as a co-author; happily he accepted.

Our principal purpose in writing this book is to determine whether, in the countries for which data are available, the personal distribution of wealth has changed over time, and if so, whether the change has been in the direction of greater inequality or greater equality. The first edition threw some light on the answer to this question, at least up to 2002, though this was not the main focus of that book, as will be apparent from the Preface to it (reproduced here above). While much of the argument of the earlier book has been retained in this one, it has throughout been recast so as to focus on change over time in the personal distribution of wealth. In some cases the revisions have been so substantial as to almost consider this a separate book, rather than a second edition.

One of the problems I encountered in writing the earlier book was a paucity of data relating to the distribution of wealth. In the mere ten or so years since then there has been a huge increase in available data relating to the personal distribution of wealth, though it has to be said that much of
it is not very reliable; as Thomas Piketty (2015a, p.2) put it with respect to ‘the evolution of income and wealth distributions’, although ‘we have too little historical data at our disposal to draw definitive judgements . . . at least we have substantially more evidence than we used to’. One wonders if this increase in evidence is related to a widespread perception that in recent years there has been a rapidly growing inequality in the personal distribution of wealth. More specifically, a massive increase in available data occurred in 2013 when Thomas Piketty published *Le capital au XXI siècle* (an English translation appeared in 2014, under the title *Capital in the Twenty-First Century*). In this book Piketty also set out to explain changes in the distribution of wealth by economic class from time immemorial to the present; an assessment of his explanation, and of its implications for changes over time in the personal distribution of wealth, is to be found in Chapter 5 of this book. Elsewhere, however, this book does not attempt to deal with the distribution of wealth by economic class, important though that topic is. Likewise, this book does not attempt to cover distribution of wealth by cohorts identified by income, age, education, sex or race, important though these topics are.

As in the case of the first edition, given the universal relevance of the subject matter of this book, we have tried as far as possible to make it accessible to the general reader; diagrams and equations are very few and far between, and technical matters relating to the measurement of the personal distribution of wealth have been relegated to an Appendix. We have nonetheless eschewed the ‘dumbing-down’ which has continued to afflict the modern world.

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