Wealth Taxation and Economic Inequality: A Comparative Analysis

International Student Panel on Inequality (ISPI) | Initial Research Proposal, October 2026

Introduction and Rationale:

Wealth taxation, broadly encompassing taxes on accumulated assets and transfers of wealth, has emerged as a prominent policy consideration in addressing economic inequality. According to the *World Inequality Report 2022*, the wealthiest 10% of the global population owns approximately 76% of total household wealth, while the bottom 50% owns just 2%. Despite this concentration, approaches to wealth taxation vary considerably across countries. According to the OECD, the number of member countries levying recurrent net wealth taxes declined from 12 in 1990 to just 4 in 2017, reflecting concerns over tax avoidance, administrative complexity, and economic efficiency. Meanwhile, alternative approaches, including inheritance, property, and capital gains taxation, remain widely employed.

These contrasting approaches raise questions about the effectiveness of wealth taxation as a redistributive policy instrument. The International Student Panel on Inequality (ISPI) proposes to examine the design, implementation, and economic consequences of wealth taxation across countries, with particular attention to its potential to mitigate economic inequality.

Research Questions:

1. **Taxation Systems:** How do countries differ in their approaches to taxing wealth, including net wealth, inheritance, property, and capital gains taxes?
2. **Effectiveness and Trade-offs:** To what extent do these policies generate revenue and reduce wealth concentration? What economic and administrative challenges limit their effectiveness?
3. **International Experiences:** Why have some countries maintained or expanded wealth taxation while others have reduced or abolished it?
4. **Redistribution:** How might revenue generated through wealth taxation be allocated toward public services, social programs, or direct transfers to reduce inequality?
5. **Policy Implications:** Under what conditions, if any, might wealth taxation offer an effective and sustainable approach to addressing economic inequality?

Proposed Methodology

ISPI will undertake a comparative analysis of wealth taxation through the collection and synthesis of existing research, government tax records, and economic data from institutions including the OECD, IMF, and World Inequality Database. The study will examine national tax

structures, rates, exemptions, revenues, and historical reforms, alongside available measures of wealth concentration and inequality.

Country Fellows will investigate the tax policies of their respective countries using a standardized research framework. Each Fellow will prepare a country-level assessment documenting the development and current structure of relevant taxes, their reported economic and distributional effects, and the principal arguments surrounding their implementation or reform. Particular attention will be given to differences between countries that have maintained, modified, or abolished recurrent net wealth taxes, as well as those relying on alternative forms of wealth-related taxation.

Periodic group calls among Country Fellows will provide opportunities to present findings, discuss contrasting national experiences, identify gaps in available evidence, and coordinate subsequent research. The resulting analyses will be synthesized into an inaugural ISPI Working Paper assessing the effectiveness, limitations, and broader policy implications of wealth taxation. Consistent with ISPI's mandate, the research will emphasize evidence-based analysis rather than advocacy.

Faculty Advisory Participation

ISPI seeks to assemble an Advisory Council of academics and researchers with expertise in economics, public policy, taxation, and inequality. Participation will be voluntary, flexible, and limited in time commitment. Advisors may offer guidance on research methodology, recommend relevant literature and data sources, identify limitations in the analysis, or provide feedback on preliminary findings and drafts, as their availability permits. Research and writing will remain the responsibility of ISPI's student Country Fellows.