

Changing Income Structure and Financial Crisis

Abstract

Goal of the address is to show that the major tendencies one can observe recently in the income structure, should be considered as a major root of crisis which begun in 2007. Declining wages share in the GDP and rising income inequalities in both developed and developing countries, led to development of two major causes: global imbalance and unsustainable level of household debt. There are also serious worries that counter-crisis economic policy is not aimed to solve structural problems and in the long term it can make situation even worse.