

Country profiles

Indicators of inequality outcomes, policies affecting labour income inequality and tax and transfer policies

Various indicators of inequality outcomes, policies affecting labour income inequality, as well as of tax and transfer policies have been presented in the main paper. For each individual country, the country profile assembles those indicators which are considered as most relevant and for which data are available for a majority of countries. Each diamond shows the level of the indicator compared with the OECD average, thus showing country differences and what the available policy levers are. The dotted lines represent the OECD average, and the data are in units of standard deviation. Examples as to how to interpret these diamonds are given in the main text in Boxes 2.4, 3.5 and 4.4. Legends for each of the diamonds shown are given below.

Indicators of inequality outcomes

Individual labour earnings (ILE)

ILE Gini 18-65 = ILE Gini index for working age population, including wage earners, self-employed, unemployed and non-employed
ILE P9/P1 = 9th to 1st decile for wage earnings of full-time employees
ILE P9/P5 = 9th to 5th decile for wage earnings of full-time employees
ILE P5/P1 = 5th to 1st decile for wage earnings of full-time employees
Men/Women = Median wage earnings of men to women
Part-time = Ratio of part-time workers to total employment
NER = Non-employment rate

Household labour earnings (HLE)

HLE Gini 18-65 = HLE Gini index for working age population
Gini head = Gini index for heads of household
Gini spouse = Gini index for spouses

Household market income (HMI)

CC capital = Concentration coefficient for capital income
CC self-employed = Concentration coefficient for self-employment income
HMI Gini 18-65 = HMI Gini index for working age population, with households ranked by market income
HMI Gini all = HMI Gini index for total population, with households ranked by disposable income

Household disposable income (HDI)

CC transfers = Concentration coefficient for cash transfers
CC taxes = Concentration coefficient for household taxes
HDI Gini 18-65 = HDI Gini index for working age population
HDI Gini 65+ = HDI Gini index for population aged 66 and over
HDI Gini all = HDI Gini index for total population

Adjustment to household disposable income for public spending (HADI)

Health = Redistributive impact of health care in-kind benefits, as measured by the difference between the quintile ratio (Q5/Q1) for HDI adjusted for health and the same quintile ratio for unadjusted HDI
Education = Redistributive impact of education in-kind benefits, including early childhood education and care, as measured by the difference between the quintile ratio (Q5/Q1) for HDI adjusted for education and the same quintile ratio for unadjusted HDI
HADI = HDI adjusted for health and education in-kind public spending, 5th to 1st quintile

Others

Poverty rate = Relative poverty rate
Gini regional = Gini index for regional GDP

Indicators of policies affecting labour income inequality

Employment

PMR = Economy-wide product market regulation indicator
Min wage = Ratio of minimum wage to median wage
EPL total = Employment Protection Legislation
EPL perm/temp = Difference in EPL between permanent and temporary workers
Unemp benefits = Average gross unemployment benefit replacement rate for a single worker

Equality of opportunity

- LT Unemp = Long-term unemployed as share of total unemployed
- PISA soc econ = Average reading score point difference associated with socio-economic background
- PISA rural/city = Reading performance, difference between students attending city schools versus rural/village schools
- Social mobility = Intergenerational earnings elasticity
- Income mobility = Share of people staying within HDI quintile over a three-year period (average of all quintiles)
- Poverty mobility = Share of people experiencing persistent poverty

Earnings equality

- PMR* = Economy-wide product market regulation indicator (inverted)
- Min wage* = Ratio of minimum wage to median wage (inverted)
- EPL perm/temp = Difference in EPL between permanent and temporary workers
- Unemp benefits* = Average gross unemployment benefit replacement rate for a single worker (inverted)
- Union density* = Share of workers affiliated with a trade union (inverted)
- Public emp* = Employment in general government and public corporations as a percentage of the total labour force (inverted)

Indicators of tax and transfer policies

Size and mix of taxes

- Taxes/GDP = Total tax revenue, % of GDP
- Consumption tax = Taxes on goods and services, % total tax revenue
- Personal income tax = Income taxes on individuals or households, % total tax revenue
- Property tax = Taxes on property, % total tax revenue

Progressivity of taxes

- Household taxes = Progressivity of total household taxes (Kakwani index, based on household surveys)
- PIT & SSCs = Net personal income tax progressivity, synthetic indicator, based on income tax plus employee contributions less cash benefits as a % of gross wage earnings, single person without children
- PIT & SSCs, upper end = As above, gap in tax rate between those earning 167% of the average wage and those at the average wage.
- PIT & SSCs, lower end = As above, gap in tax rate between those earning the average wage and those at 67% of the average wage

Size and mix of cash transfers

- Cash transfers/GDP=Total cash transfers, public and mandatory private sources, % of GDP
- Old age pensions = Old age and survivors' pensions, % total cash transfers
- Incapacity pensions = Incapacity related cash transfers, % total cash transfers
- Unemployment benefits = Unemployment cash benefits, % total cash transfers
- Family benefits = Family cash benefits, % total cash transfers

Progressivity of cash transfers

- Household cash transfers = Progressivity of total household cash transfers, total population
- Old age benefits = Progressivity of pensions and entitlement earnings
- Unemployment benefits = Progressivity of unemployment benefits, net of taxes for a single person

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.