2.2 Comparability of OECD with other international and national estimates on income inequality and poverty

Quality review of the OECD database

- Three main parts:
  - Part I: self-assessment by OECD staff of different quality dimensions
  - Part II: cross-country comparability of OECD Earnings Distribution Database
  - Part III: detailed comparison of OECD and country-level data

- Which sources do we compare?
  
  134 sources reviewed -> that is on average 4 sources per country
  min. 2 in CHL NZL TUR max. 6 in the USA

  = 34 OECD reference series
  + 100 alternative series = 50 series from national sources
  + 25 series from EU-SILC as published by Eurostat
  + 25 series from LIS series
Importance of EU-SILC

- EU-SILC is used in 13 (+FIN + CHE) of our 34 reference series
  - with data processing using the OECD Terms of References

- But EU-SILC is not used by the OECD for 9 countries: DNK FRA GER GRC HUN NLD NOR SWE UK
  - with national sources often based on larger sample sizes, or longer time series

- OECD reference values for Gini coeff. vs Eurostat (EU-SLIC):
  - OECD > ESTAT in AUT CZE EST FIN NOR SVN SWE (from 2006)
  - OECD < ESTAT in DNK (from 2008 onwards) and GER

  - Fluctuations in EU-SILC series in BEL FRA GRC HUN SWE
  - Possible data issues: in 2005 for HUN -- in 2008-9 for IRL -- In 2004-5 for POL

Data reviews: some findings

- OECD reference series generally match quite closely those available from national sources, except for:

  - Belgium from 2005 onwards: EU-SILC (↘) whereas STATBEL (↗) based on fiscal declarations
  - Denmark: national series include negative income & imputed rent (4% of the property value is added to capital income for owners) which increases inequality
  - Japan: similar (↗) trends but different levels of inequality depending on the national source:
    higher levels in OECD (CSLIC) than in Pickett & Wilkinson (NSFIE)
  - USA: official CBS & CBO series (without taxes) > OECD ref. series
  - Different trends in recent years for GRC & ISR
For discussion

• For all countries, are we using the most appropriate source:
  – reference series?
  – alternative benchmark series?

• Can you suggest additional reasons explaining for differences between the OECD reference series and alternative sources?

• Do the country notes omit important points/elements?