

INCOME DISTRIBUTION DATA REVIEW – GREECE

1. Available data sources used for reporting on income inequality and poverty as well as wage inequality

1.1. OECD reporting:

The OECD Income Distribution Data for Greece are computed using data from the Household Budget Survey (HBS) and are provided by the Bank of Greece.

In the OECD database, income inequality and poverty rates are currently available for income years 1974, 1988, 1994, 1999, 2004, 2008 and 2009.

1.2. National reporting and reporting in other international agencies:

- *Hellenic Statistical Authority* is the official national survey in Greece. The Greek Survey on Income and Living Conditions is part of the European Statistical Program and has replaced since 2003 the European Community Household Survey (ECHP). The survey is the reference for comparative statistics on income distribution and social exclusion in the European Union.
- Greece has been included in the *EU-SILC (Statistics on Income and Living Conditions)* survey since 2003 onwards (income year 2002). EU-SILC is a multi-dimensional instrument focused on the income and the living conditions of different types of households. It is collecting, on an annual basis, timely and comparable multidimensional micro-data on income, material deprivation, housing condition, labour, education, health and subjective well-being.
- *EUROSTAT* has been computing indicators on inequalities and poverty for Greece from 2000 (income year 1999) onwards.
- The *Luxembourg Income Study Database (LIS)* included Greece in years 1995, 2000, and 2004. It is based on the Microcensus survey that is presented in more details in the below table.

The below table presents the main characteristics of those four datasets:

Table 11. Characteristics of datasets used for income reporting, Greece

	OECD reference series income distribution database	LIS database	Statistics Greece	Eurostat
Name	Household Budget Survey	Household Income and Living Conditions Survey / ECHP (1995 & 2000) Survey on Income and Living Conditions / EU-SILC (2004)	Survey on Income and Living Conditions	EU-SILC
Name of the responsible agency	Bank of Greece	National level: General Secretariat of the National Statistical Service of Greece (1995 & 2004) National Statistical Office (2004)	Hellenic Statistical Authority	Eurostat
Year (survey and income/wage)	1974, 1988, 1994, 1999, 2004, 2008, 2009	1995, 2000, 2004	1999-2010	Survey 2000 to 2011 representing income for years 1999 to 2010
Period over which income is assessed	Income in the previous year for self-employed. Month for wages, salaries and transfers. Monthly income is converted to an annual equivalent by multiplied by 12.	Annual income	Annual income N-1	Annual income N-1
Covered population	All adults.	The reference population is all citizens officially living on the Greek territory in private households. Persons living in collective households and in institutions are excluded from the target population, as well as households having members in diplomatic mission	all persons living in private households. Persons living in collective households and in institutions are generally excluded from the target population.	The primary sample units (PSUs) are the areas (one or more unified building blocks). The secondary sample units (SSUs) are the households.
Sample size	2008: 3460 Households / 8930 individuals (sampling fraction: 1/1000)	The final sample included 6,928 households, of which 5,568 completed the questionnaire (2005 survey)	The initial sample size was 8.000 households (2009)	The initial sample size was 8.000 households (2009)
Sample procedure	Cross-section household surveys (from 2008 panel and rotation sample)	Two-stage design with first stage unit stratification	stratified two-stage sampling design	stratified two-stage sampling design
Response rate	68,5% (2008)	80.79%	89.2% (2009)	89.2% (2009)
Imputation of missing values		Within completed questionnaires, all items are fully imputed.	No imputation procedure was applied.	No imputation procedure was applied.
Unit for data collection	Household	Individual	Household	Household
Break in series	No	No	No	No
Web source:	http://www.oecd.org/els/socialpoliciesanddata/incomedistributionandpovertydatafiguresmethodsandconcepts.htm	http://www.lisdatacenter.org/wp-content/uploads/our-lis-documentation-by-gr04-survey.pdf	http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0802/Other/A0802_SFA10_M T_AN_00_2011_00_2011_01E_F_EN.pdf	http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/quality/national_quality_reports

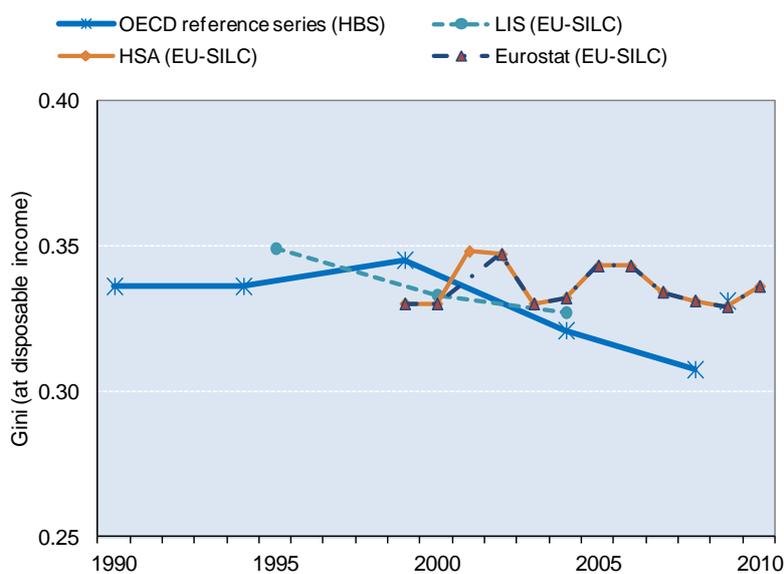
2. Comparison of main results derived from sources used for OECD indicators (=benchmark) with alternative sources

2.1 Income

2.1.1 Time series of Gini coefficients and other inequality indicators

The below figure shows the evolution of Gini coefficients for Greece from 1990 to 2010, as reported by the OECD, LIS, Hellenic Statistical Authority (HSA), and the EU-SILC.

Figure 16.1 Trends in Gini coefficient (disposable income)



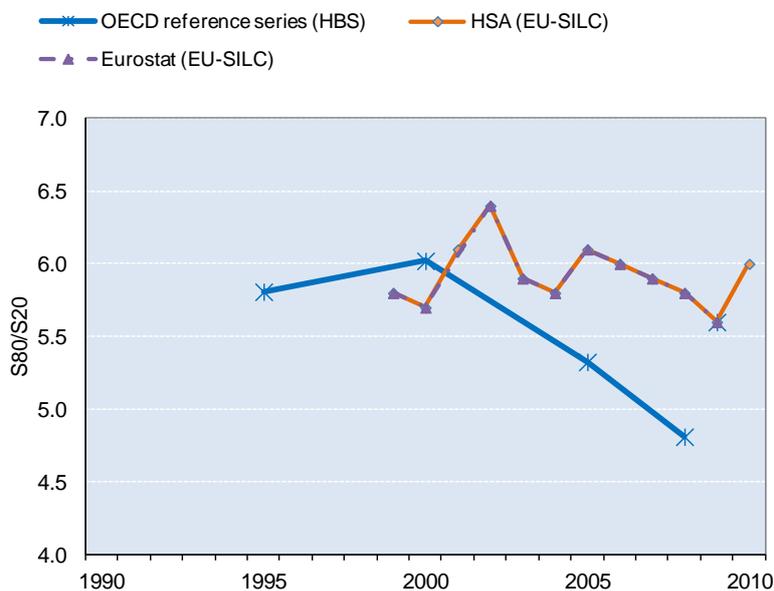
According to the OECD series, income inequality in Greece rose slightly during the 1990s, before dropping considerably during the 2000s, reaching 0.307 in 2008. For comparison, the latest data point for 2009 in the OECD series is shown, based on EU-SILC data.

While data from HBS suggest a continuous decline of the Gini coefficient, data from EU-SILC suggest an inverse u-shape trend with little change in the level (albeit an increase in 2009). It is difficult to depict the reasons for this divergency.

The LIS series, while only available until 2004 shows trends exhibiting a decline in inequality levels that is similar to the OECD series, for the period between the mid-1990s and mid-2000s, with 0.327 points in 2004, versus 0.307 for the OECD in 2004.

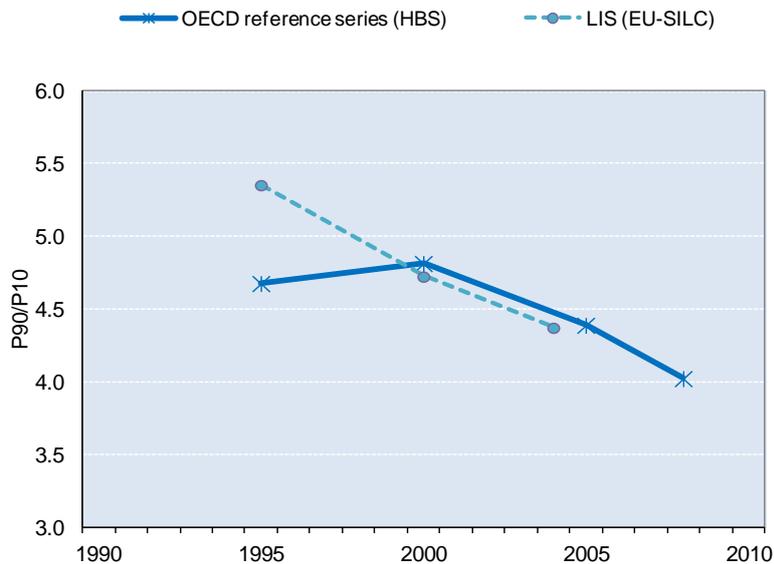
Also, when comparing the income quintile share ratio (S80/S20) from the OECD series with the series from the EU-SILC and the HSA, it is visible that the two series diverge.

Figure 1.2 S80/S20



Regarding the P90/P10 Index, data is only available from the OECD and the LIS series. Both show similar levels and trends, displaying a constant decline for the LIS series since 1995, and for the OECD series since 2000, reaching 4.0 points in 2008.

Figure 1.3 P90/P10

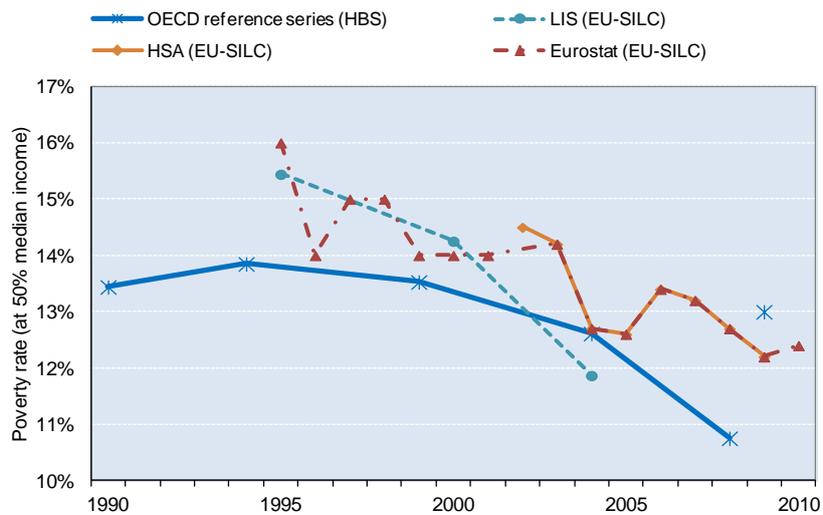


2.1.2 Time series of poverty rates

According to the OECD series, poverty rates dropped since 1994 in a continuous way, from some 14% to some 11% in 2008. For comparison, the latest data point for 2009 in the OECD series is shown, based on EU-SILC data. This suggests a poverty rate of rather 13%.

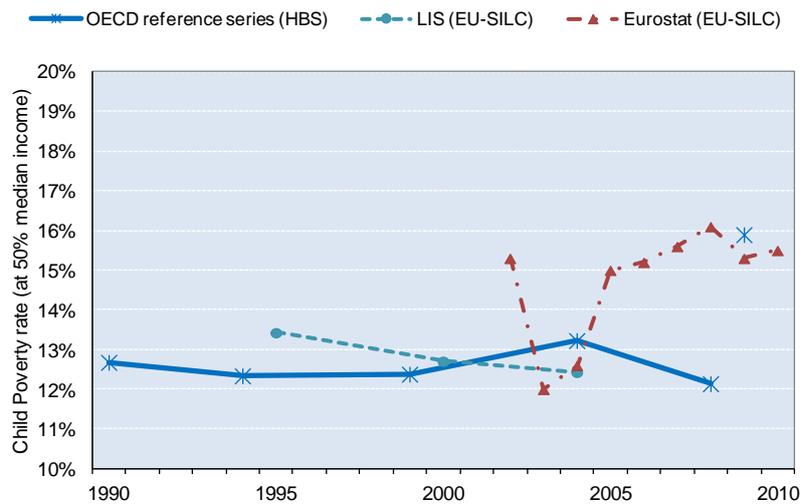
While the LIS series reports an event stronger decline from 1996 to 2004, Eurostat and HAS data differ, in some years significantly..

Figure 2.1 Trends in poverty rates



As for child poverty, the OECD series remains broadly stable. For child poverty levels, the difference is very pronounced with Eurostat estimates: 12% versus 16%.

Figure 2.2 Trends in Child poverty rates



2.2 Wages

See Part II of the present Quality Review

3. Consistency of income components shares with alternative data sources

3.1. Comparison of main aggregates: earnings, self-employment income, capital income, transfers and direct taxes

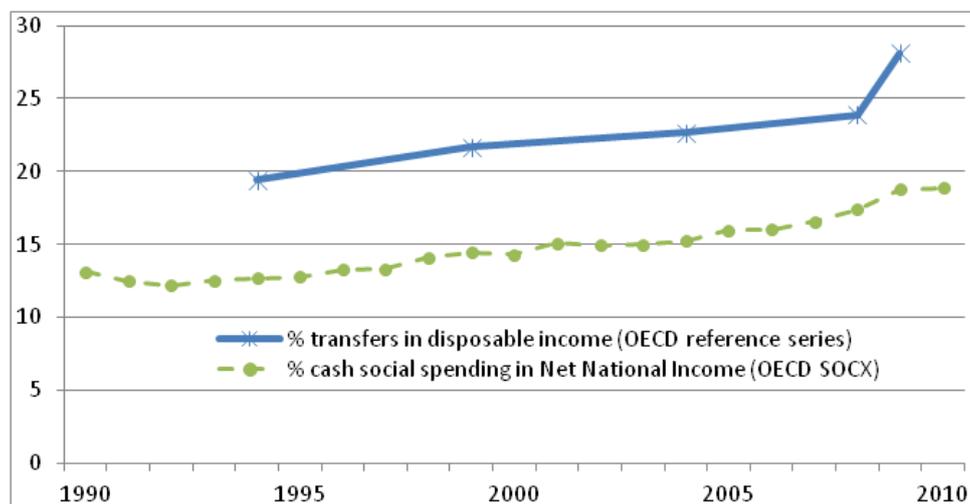
Table 2 shows shares of income components for the latest available year, according to the OECD benchmark series. Those are not comparable to the shares computed on the basis of EU-SILC. Indeed, HBS data report incomes net of taxes while EU-SILC reports income taxes.

Table 12. Shares of income components in total disposable income, OECD reference series

Survey	Year	Unit	Wages	Capital	Self Employment	Transfers	Taxes	Disposable income (HDI)
OECD reference survey	2008	natcur	7,513	1,175	3,792	3,919	0	16,399
		% av HDI	46%	7%	23%	24%	0%	
EU-SILC (OECD-ELS)	2008	natcur	10,149	999	4,710	4,119	-4,961	15,003
		% av HDI	68%	7%	31%	27%	-33%	

Figure 3 compares the trend in shares of public cash transfers in equivalised disposable income from the OECD reference series with the share of total cash social spending in net national income, reported from the OECD Social Expenditure database (OECD SOCX). OECD SOCX series include pensions, incapacity, family, unemployment, social assistance. Both series show similar trends throughout the period, except for the latest year.

Figure 3. Trends in shares of public social transfers



4. Metadata of data sources which could explain differences and inconsistencies

Definitions, methodology, data treatment

Methodological differences between the OECD reference series and the other income series:

Equivalence scale: The OECD reference series, as well as the LIS series, use the square root of household size, whereas the EU-SILC series and Hellenic Statistical Authority (HSA) series use the OECD modified equivalence scale (1.0 to the first adult, 0.5 to the second and each subsequent person aged 14 and over, 0.3 to each child aged under 14).

5. Summary evaluation

The different indicators for Greece are generally quite dissimilar, particularly between the OECD series and the EU-SILC and HSA series (the latter being based on EU-SILC). There is less difference between the OECD and the LIS series but the latter go up only to 2004. Overall, the EU-SILC data show consistently higher levels of poverty and inequality rates, with more fluctuating trends. Moreover, the OECD series shows a decline in inequality and poverty rates for Greece until 2008.

There is some agreement among data providers that the trend data since 2004 are more plausible depicted by EU-SILC data. As the OECD database includes 2004 data on the basis of both data sources, it may be reconsidered to adjust pre 2004 data and move the OECD reporting to EU-SILC.