

INCOME DISTRIBUTION DATA REVIEW – SLOVENIA ⁴⁴

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

1.1. OECD reporting:

OECD income distribution and poverty indicators for Slovenia are computed from EU-SILC data from 2004 onwards. The data are computed internally and sent to the Statistical Office of the Republic of Slovenia for verification.

1.2. National reporting and reporting in other international agencies:

- data series based on annual surveys since 2000 (HBS from 2000 to 2003, 2004 missing, EU-SILC from 2005 onwards).
- LIS database, using annual surveys from the Household Budget Survey for 1997, 1999, and 2004.
- The Statistical Office of the Republic of Slovenia using annual data from EU-SILC since 2005 (2004 income).

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

⁴⁴ This revised version of the review benefited from valuable comments from Stanka INTIHAR from Statistical Office Slovenia (SURS).

Table 31. Characteristics of datasets used for income reporting, Slovenia

	OECD reference series income distribution database	National Survey (income)	Eurostat	LIS database
Name	EU-SILC	EU-SILC	EU-SILC, HBS	Household Budget Survey
Name of the responsible agency	Eurostat	Statistical Office of the Republic of Slovenia (SORS) and Eurostat	Eurostat	Statistical Office of the Republic of Slovenia (SORS)
Year (survey and income/wage)	EU-SILC 2005-2010 surveys representing income for 2004-2009	EU-SILC 2005-2010 surveys representing income for 2004-2009	EU-SILC 2005-2010 surveys representing income for 2004-2009, HBS 2000-2003 surveys representing income for 2000-2003	1997, 1999 and 2004.
Period over which income is assessed	Annual income for the all year (N-1)	Annual income for the all year (N-1)	Annual income for the all year (N-1)	Annual income for the all year N (data from three consecutive years are calculated to the middle year which is used as the reference year)
Covered population	All private households	All private households	All private households	All private households
Sample size	9364 households containing 29520 individuals (2010).	9364 households containing 29520 individuals (2010).	EU-SILC (2010): 9364 households containing 29520 individuals. HBS (2003): 3794 households containing 11688 individuals who completed the interview	3,725 households containing 11,303 individuals who completed the interview (2004)
Sample procedure	Two-stage stratified sampling design, with systematic sampling of enumeration areas within each stratum.	Two-stage stratified sampling design, with systematic sampling of enumeration areas within each stratum.	EU-SILC: two-stage stratified sampling design, with systematic sampling of enumeration areas within each stratum; HBS: simple random sample for towns with more than 10 000 inhabitants, two-stage stratified sample design for other areas.	Simple random sample for towns with more than 10 000 inhabitants, two-stage stratified sample design for other areas.
Response rate	About 79% (2010)	About 79% (2010)	EU-SILC (2010): about 79% HBS (2003): about 76%	About 74% (2004)
Imputation of missing values	No missing values, negative values treated as suggested in the terms of references	No missing values for income variables in the final database (in the process missing values are imputed for most of the variables)	No missing values for income variables in the final database (in the process missing values are imputed for most of the variables)	All missing information is fully imputed.
Unit for data collection	Individual and household	Individual and household	Individual and household	Household and household
Break in series			Missing data for year 2004. Data prior to 2004 (from HBS) cannot be directly compared with data from 2005 onwards (from EU-SILC).	
Web source:	http://stats.oecd.org/indicator.aspx?QueryId=26068	http://www.stat.si/doc/metod_pojasnila/08-025-ME.htm	http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/quality/national_quality_reports	http://www.lisdatacenter.org/wp-content/uploads/our-lis-documentation-by-si04-survey.pdf

2. Comparison of main results derived from sources used for OECD indicators with alternative sources

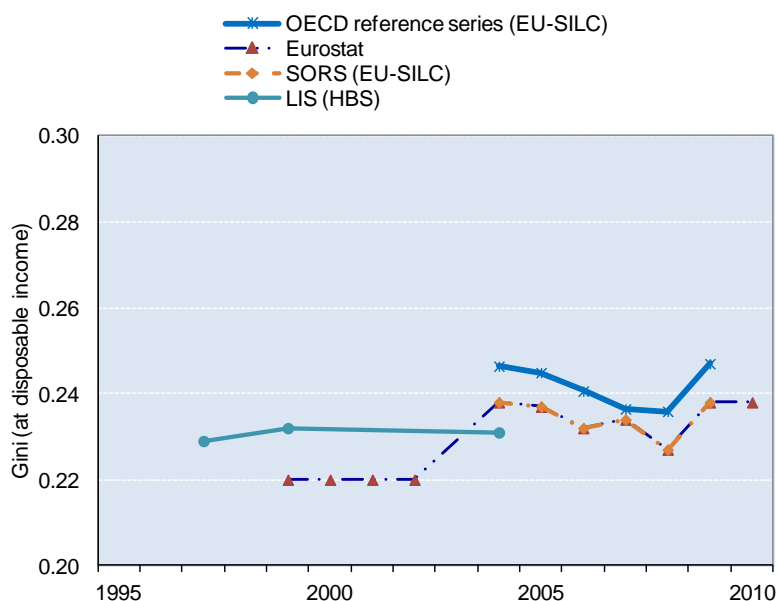
2.1 Income

2.1.1 Time series of Gini coefficients and other inequality indicators

According to the OECD income distribution database, income inequality among total population has been lower in Slovenia than in any other OECD member and slightly falling from 2004 (0.246) to 2008 (0.236). However, the data from 2009 shows a significant increase compared to 2008 (0.246).

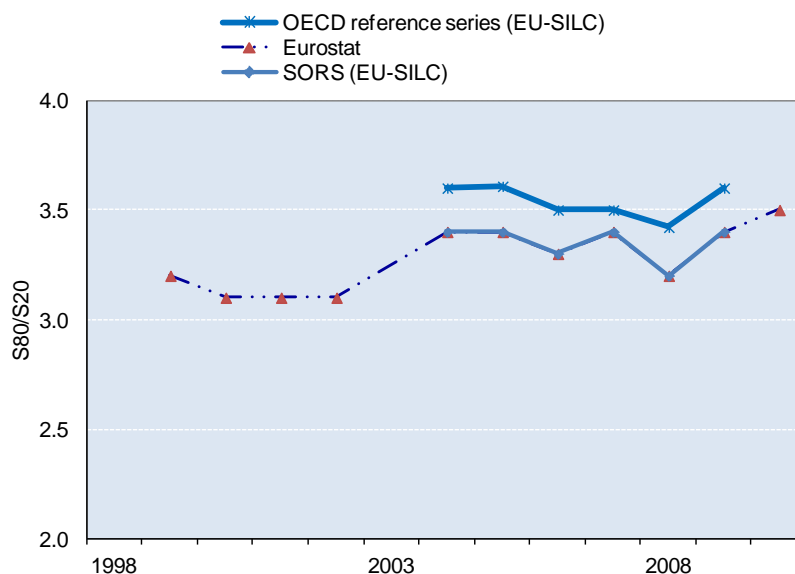
From the four other series of Gini coefficients on disposable income in Slovenia, the EU-SILC series and the Statistical Office of Republic of Slovenia (SORS) series are identical (SORS uses EU-SILC data + methodology), and they show the same hike in 2009. The LIS series shows generally higher levels of inequality than Eurostat series, although data is only available until 2004 and is therefore difficult to compare with the other series.

Figure 55.1 Trends in Gini coefficient (disposable income)



Also, when comparing the income quintile share ratio (S80/S20) from the OECD reference series, the EU-SILC, and SORS, the trends are generally quite similar, although the OECD series shows higher levels. The Eurostat and SORS series are identical since 2004 and point to an increase since 2008, following a decrease between 2004 and 2008.

Figure 1.2 S80/S20



2.1.2 Time series of poverty rates

According to the OECD income distribution database, the share of the Slovenian population living with less than 50% of the median equivalised income (7327 Euros per year in 2008) has slightly increased from 8.5% in 2004 to 8.7% in 2009.

The series from Eurostat shows trends that are similar to the OECD reference series in both poverty rates and Child poverty rates, but it also shows lower levels throughout. LIS series differ markedly from Eurostat series.

Figure 2.1 Trends in poverty rates

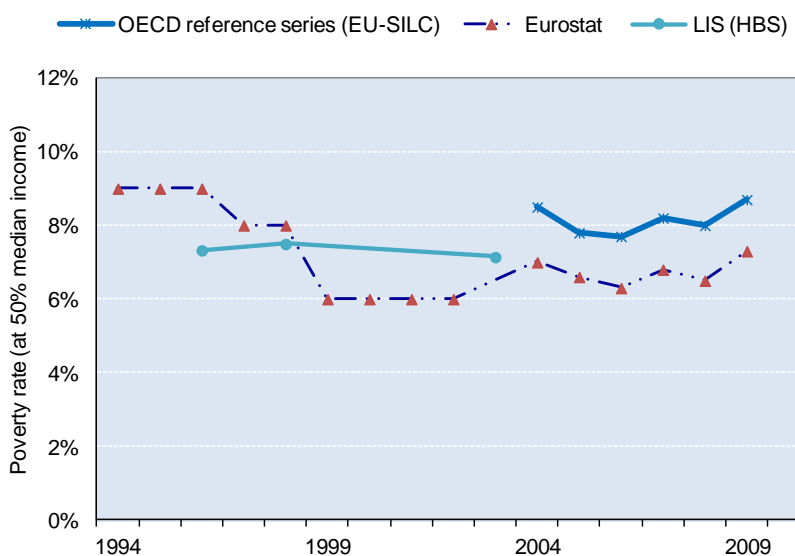
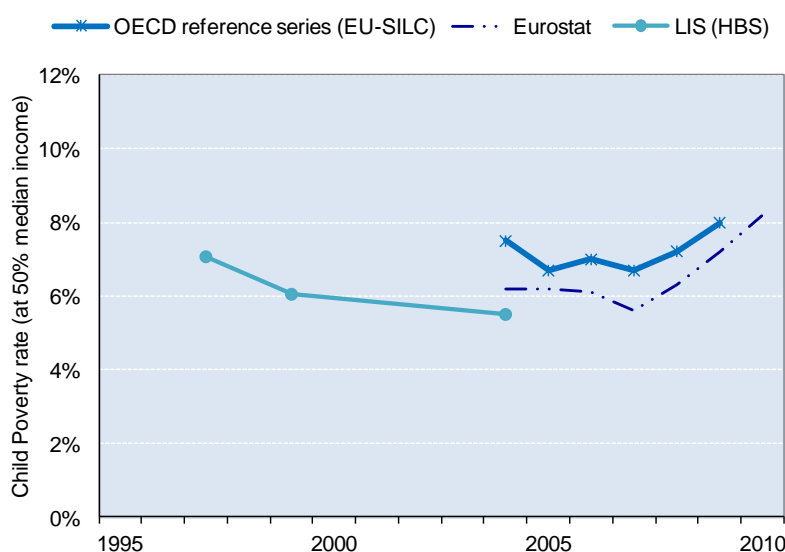


Figure 2.2 Trends in Child poverty rates

2.2 Wages

See Part II of the present Quality Review

3. Consistency of income components shares with alternative data sources

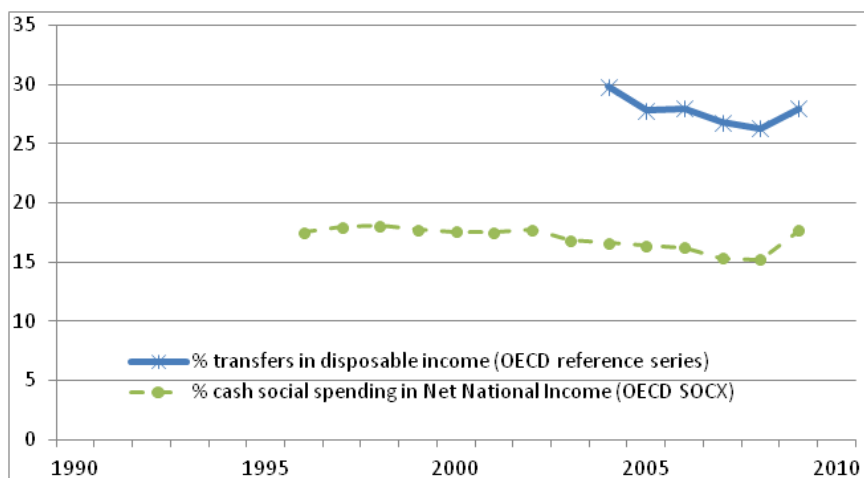
3.1. Comparison of main aggregates: earnings, self-employment income, capital income, transfers and direct taxes

Table 2 shows shares of income components for the latest available year, according to the OECD benchmark series. Unfortunately, such information is not available for the other data sources described in table 1.

Table 32. 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	13,660	352	1,187	3,852	-4,452	14,653
		% av HDI	93%	2%	8%	26%	-30%	

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.

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 EU-SILC series :

The OECD reference series (as well as the LIS series) use the square root of household size, whereas the EU-SILC series and SORS 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 trends of the OECD reference series and of EU-SILC are generally quite consistent, although the OECD reference series exhibits higher levels overall. This may be due to the difference equivalence scales used (square foot of household size for the OECD series; OECD modified equivalence scale for EU-SILC) since the samples used are identical.