

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**

www.oecd.org/social/inequality-database.htm

- 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

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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 (CSLC) 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 ?

