

**MEETING OF PROVIDERS OF OECD INCOME DISTRIBUTION DATA:
AGENDA**
(Version 20th February 2013)

OECD Conference Centre, 21-22 February 2013

Room D (21/02 all day and 22/02 until 13.00); Room CC13 (22/02 from 14.30 to 16.30)

The OECD has a long-standing tradition in the collection and publication of income distribution data. Such collection takes place through a network of practitioners in member countries that provide the Secretariat with detailed cross tabulations. These tabulations are based on micro data of the national source which is deemed by member countries to be most suitable for monitoring and benchmarking income distribution, and on methodological specifications provided by the Secretariat.

With the increased visibility of OECD work in this field (following the publication of *Growing Unequal?*, in 2008, and of *Divided We Stand*, via www.oecd.org/social/inequality.htm, in 2011), in 2012 the data collection moved to a more permanent basis, with collection of rolling updates (depending on the frequency of the source data). Such collection is undertaken jointly by the OECD Statistics Directorate and by the Social Policy Division within the OECD Directorate for Employment, Labour and Social Affairs.

In this context, the aim of this meeting is to reinforce the collaborative relationship between the OECD Secretariat and data providers in member countries, and to identify the steps that could be taken to improve the quality and comparability of the data collected, and to extend its coverage to additional aspects.

Agenda

Day one: 21 February 2013	
Venue: OECD Conference center - Room D	
1. Welcome and work plan	
9.30-9.40	1.1 Introduction Martine Durand (<i>OECD Chief Statistician and Director of the OECD Statistics Directorate</i>)
9.40-9.50	1.2 Overview and objectives of the meeting Michael Förster (<i>OECD, Employment, Labour and Social Affairs Directorate</i>)
2. The OECD Income Distribution Database	
9.50-10.20	2.1 Collection process, statistical infrastructure and indicators Secretariat introduction: Nicolas Ruiz (<i>OECD, Statistics Directorate</i>) Country presentation: Canada

10.20-10.40	<p>2.2 Comparability of OECD with other international and national estimates on income inequality and poverty</p> <p>Secretariat introduction: Maxime Ladaique (<i>OECD, Employment, Labour and Social Affairs Directorate</i>)</p> <p>Presentation: Eurostat</p>
10.40-11.00	Coffee break
11.00-11.30	<p>2.3 Better informing users of the OECD income distribution data about the quality of the underlying national sources</p> <p>Country presentation: Australia</p>
11.30-12.30	2.4 General discussion and wrap-up session
12.30-14.00	Lunch break
3. Technical issues I: Income definitions and comparability	
14.00-14.30	<p>3.1 Alignment of the income nomenclature to Canberra 2011</p> <p>Secretariat introduction: Nicolas Ruiz (<i>OECD, Statistics Directorate</i>)</p> <p>Country presentation: Netherlands</p>
14.30-15.00	<p>3.2 Classification of income components, in particular private/public transfers</p> <p>Secretariat introduction: Michael Förster (<i>OECD, Employment, Labour and Social Affairs Directorate</i>)</p> <p>Country presentation: Switzerland</p> <p>Presentation on the treatment of tax credits: Paul Alkemade (<i>Luxembourg Income Study</i>)</p>
15.00-15.30	<p>3.3 Scaling-up of survey amounts with National Accounts</p> <p>Secretariat presentation: Horacio Levy (<i>OECD, Employment, Labour and Social Affairs Directorate</i>)</p>
15.30-16.00	Coffee break
16.00-17.30	3.4 General discussion and wrap-up session
17.30	End of the first day

Day two: 22 February 2013	
Venue: OECD Conference center - Room D until 13.00 / Room CC13 from 14.30 to 16.30	
4. Technical issues II: Data treatment	
9.00-9.30	4.1 Treatment of negative income, top and bottom coding Secretariat introduction: Nicolas Ruiz (<i>OECD, Statistics Directorate</i>) Country presentation: Mexico
9.30-10.00	4.2 Correction for item-non-response Secretariat introduction: Maxime Ladaique (<i>OECD, Employment, Labour and Social Affairs Directorate</i>) Country presentation: Germany
10.00-10.30	4.3 Computation of standard errors Secretariat introduction: Nicolas Ruiz (<i>OECD, Statistics Directorate</i>) Country presentation 1: Luxembourg Country presentation 2: Japan
10.30-11.00	4.4 Household definitions Secretariat introduction: Nicolas Ruiz (<i>OECD, Statistics Directorate</i>) Country presentation: Norway
11.00-11.30	4.5 General discussion and wrap-up session
11.30-12.00	Coffee break
5. Technical issues III: Possible extensions of the OECD data collection	
12.00-13.00	5.1 Broadening the income concept: Imputed rents and social transfers in kind Secretariat introduction on imputed rents: Nicolas Ruiz (<i>OECD, Statistics Directorate</i>) Country presentation: Finland Secretariat introduction on social transfers in kind: Michael Förster (<i>OECD, Employment, Labour and Social Affairs Directorate</i>) Country presentation: Australia

13.00-14.30	Lunch break
14.30-15.30	<p>5.2 Breakdown of key aggregates at the sub-national level</p> <p>Secretariat introduction: Mario Piacentini (<i>OECD, Statistics Directorate</i>)</p> <p>Country presentation: Canada</p> <p>Country presentation: U.S.</p> <p>Presentation: EUROSTAT</p>
6. Next steps	
15.30-16.30	<p>6.1 Summary session</p> <p>Secretariat introduction</p>
16.30	Meeting close

Proposed items for discussion at the meeting

The agenda above reflects the thoughts of the Secretariat as well as feedbacks and suggestions of the country experts in order to explore the possible extensions to the current OECD database to improve cross-country comparability of income inequality and poverty data. It is structured into four broad sessions and more specific topics under each of them:

The OECD Income Distribution Database

The OECD income distribution questionnaire aims at collecting a basic set of indicators on a yearly basis. The questionnaire, substantially reduced and simplified relative to that used in past waves, is composed of four tables: one compiling the main poverty and inequality indicators, the second on disposable income per deciles and its breakdown by main components, the third one on disposable income per household groups, and the last one on providing meta data. The collection process relies on the cooperation of practitioners and is confronted with several quality issues and data gaps. Based on the current collection process, this session aims at describing:

- How the OECD could work more closely with practitioners in order to improve the efficiency of the collection process.
- Identifying the scope for improvements in data quality and discussing the selection of national sources (based on a paper presented by the Secretariat reviewing the different income data sources available within countries).
- How data quality statements might be presented in the template used to provide data, and how information should be made available to users to help them understand and use the statistics in an appropriate way.

Technical issues I: Income definitions and comparability

The session will highlight the areas where differences in country practices exist and where there are opportunities to better align the OECD nomenclature and classification to international standards for household income statistics, including proposals on how to handle possible breaks in time series. Views and suggestions from practitioners will be sought on:

- How the classification of income components currently used in the OECD database could be more closely aligned with the revised international standards provided by the 2011 edition of the *Canberra Group Handbook on Household Income Statistics*
- Assessing to what extent the classification of current transfers as public and private can affect the indicators of income distribution before taxes, in particular for the retirement-age population
- Which others classification issues bear on cross-country comparability and data interpretability, based on the experience of EUROSTAT and the *Luxembourg Income Study*

Technical issues II: Data treatment

A number of technical issues impact on the interpretation and comparability of country estimates in the OECD database, and can be a source of differences with respect to the estimates most commonly used in

member countries. The discussion will focus on some of the following issues (and possibly others), and could inform decisions about possible changes in the OECD Terms of references:

- Current treatment of negative income in the OECD Terms of Reference, and country practices for top and bottom coding (i.e. reasons for the approaches taken and possible changes thereof). The pros and cons of alternative options will be discussed, as well as the scope for better alignment of country practices.
- What are the practices in member countries with respect to item non-response, how they are likely to differ across countries, and how changes in these practices are often a source of significant revisions in time series. Best practices for dealing with the break in the time series will be discussed.
- Assessment of the feasibility of computing standard errors using different methods and information required to perform such calculations. The best practices for disseminating information on standard errors to users will be also discussed.
- Scope for including a more precise definition of households in the OECD Terms of References to improve cross-country comparability.

Technical issues III: Extension of the OECD data collection

This session will explore possible extensions to the current database in the future that could improve cross-country comparisons and enhance the understanding of the economic and social circumstances of households.

A first set of issues relate to the possibility of broadening the scope of the income concept currently used, which is limited to cash and quasi-cash income components: two main extensions could be considered:

- *Social transfers in kind*. Currently, only few OECD countries impute values of social transfers in kind at the micro level on a regular basis. Practitioners will be asked to describe national practices in this field, as well as options for meeting a growing demand for reliable information in this field in a comparable way.
- *Imputed rents*. Several countries have recently included estimates of imputed rent in their income distribution statistics (e.g. EU countries in EU-SILC), with significant impacts for income distribution analysis. Practitioners will be asked to describe national practices in this field, as well as options for meeting a growing demand in this field in the context of the OECD database
- A second set of issues related to the increasing policy demand for better information on how income inequality and poverty is distributed *within* countries. To that end, the OECD Statistics Directorate is working together with the Territorial Development and Governance Directorate of the OECD to respond to this demand, by compiling a limited number of indicators on income distribution and poverty at the sub-national level. The OECD Secretariat will present the specifics of such data collection, and the type of approaches that it considers using where the sample size of national sources does not allow producing significant estimates. Practitioners will be asked to present their experience in computing sub-national estimates in this field, and to express their views on the possibility of collaborating with the OECD Secretariat to compute these estimates for their country.

