



EUROSTAT EU-SILC

Meeting of Providers of OECD Income Distribution Data

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

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1. EU-SILC - Overview

- **Statistics on Income and Living Conditions**
- **Annual data:** cross-sectional and longitudinal (4-year rotating panel), EU27 + CH + IS + NO + HR + TR + tests in FYROM, Serbia, Montenegro
- Information on both households and individuals (micro level)
 - **Income and tax**
 - **Material deprivation**
 - **Housing conditions**
 - **Employment, Childcare**
 - **Health, Education**

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1. EU-SILC - Overview

- Reference population
 - All private households and their current members**
- Sample size
 - Minimum sample size corresponding to a precision criteria for the key indicator (precision of at-risk-of-poverty rate of 1%)**
- Ex-ante output harmonization
 - **Definition of target concepts/variables to be measured**
 - **Standardized output (format and content)**
 - **National implementation (subsidiarity)**

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1. EU-SILC - Overview

- Legal basis: Regulations - EC Regulation 1177/2003
 - **Obligation of Member States to deliver data and specifications**
 - **Quality reports (national and EU)**
 - + **Harmonised guidelines to be followed (monitored by Eurostat)**
- National flexibility in the implementation
 - **Source: national survey and/or registers (DK, NL, SI, FI, SE, IS, NO) or (more and more) mixed**
 - **Fieldwork: one-shot (≠ length) or continuous survey**
 - **Income reference period: fixed or moving 12-months**

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2. EU-SILC - Validating & Processing

- Micro validation
 - File structure; Format & Syntax
 - Routing of variables; Diagnostics on missing values
 - Logic
- Macro Validation
 - Outliers detection
 - Summary Statistics
 - Longitudinal weights
 - Time series: frequencies & quartiles changes to Y-1
 - Comparison with external sources for weighting

Member States to send comments on errors & warnings with first transmission (Validation and indicator calculation programs made available to Member States)

Eurostat



2. EU-SILC - Validating & Processing

- Politically agreed indicators – calculated immediately after validation; application shared with MS
- Time series (4 years) and revision checks (T-1)
- Additional datasets – updated every middle of month

Eurostat to send indicators computed to Member States for final validation (Validation and indicator calculation programs made available to Member States)

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3. Comparability

- Any difference in sources may affect cross-country comparability
 - **Administrative vs. survey sources**
 - **Coverage, etc.**
 - **Key role of quality reports and metadata (ESMS)**
- Indeed this is still more difficult among international sources
 - **EU-SILC is not always the source on income used at national / OECD level in / for EU countries**
 - **Methodologies refer to international standards (Canberra Group handbook) but different rules in the implementation might interfere**

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3. Comparability

- Equivalence scale
 - Eurostat uses "Modified OECD equivalence scale", weights:
 - 1 for the 1st adult (≥ 14 years)
 - 0.5 for other adults
 - 0.3 for children <14
 - Comparing with OECD ($\sqrt{\cdot}$):

▪ 1 adult:	ESTAT = 1	OECD = 1
▪ 1 adult 1 child:	ESTAT = 1.3	OECD = 1.41
▪ 1 adult 2 children:	ESTAT = 1.6	OECD = 1.73
▪ 2 adults:	ESTAT = 1.5	OECD = 1.41
▪ 2 adults 2 children:	ESTAT = 2.1	OECD = 2
▪ 3 adults 3 children:	ESTAT = 2.9	OECD = 2.45

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3. Comparability

- Some EU-SILC rules concerning various meeting's agenda items
 - **Missing values and imputation:**
 - **No missing values are accepted for income variables**
 - **Corresponding imputation rules are defined nationally**
 - **For non-income variables, calculations are done based on non-missing values**
 - **Negative incomes are accepted (self-employed)**
 - **There is no top-coding by Eurostat of its micro data (however some Member States do it before sending data to Eurostat)**

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3. Comparability

- EU-SILC developments related to various meeting's agenda items
 - **Imputed rent:**
 - **Data are collected**
 - **But the cross-country comparability is too low to include it in Eurostat income figures**
 - **Social Transfers In Kind:**
 - **On-going project, priority to education and health**
 - **Issues on hook variables, sources and equivalence scales**
 - **Precision (variance):**
 - **Calculation on main indicators using linearisation methods**
 - **Implemented; to be disseminated soon**

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4. EU-SILC - Some links

- **EU-SILC on Eurostat web site:**

http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/introduction

- **EU-SILC in Eurostat Statistics Explained:**

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Category:Living_conditions_and_social_protection

- **EU-SILC quality reports (national and EU):**

<https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp>

Then: -> "EU-SILC" -> "Library" -> "05. Quality assessment"

And also (EU only):

http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/quality/eu_quality_reports

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Thank you for your attention

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