

CHILE: Scaling Up to National Accounts

Example using data from CASEN 2011



Gobierno
de Chile

Context

- Total income from household surveys most often is an underestimation:
 - No reporting (truncation of the sample and non response)
 - Under reporting
- It is desirable for economic data to be consistent
- National accounts are based primarily on administrative records which makes them more reliable
- Scaling Up of Chilean data has been a process performed by ECLAC (who follows similar approaches for all member countries)

The adjustment followed by ECLAC

- 1) Correction from non response
 - Workers with no income
 - Retirees with pension buy with no amount
 - Property owners with no imputed rent
 - (minor corrections of inconsistent responses regarding social benefits)

The adjustment followed by ECLAC

- 2) Adjustment due to under reporting

TABLE 1
CASEN, 1990-2006 ADJUSTMENT FACTORS

	Wages and Salaries	Income from Self-employment	Social Security Benefits	Property/ Capital Income	Imputed Rent
1990	1.208	1.980	1.473	0.129	0.664
1992	1.071	1.992	1.633	0.067	0.548
1994	1.071	1.513	1.435	0.064	0.475
1996	0.990	2.043	1.398	0.064	0.454
1998	1.004	1.955	1.347	0.069	0.439
2000	0.957	1.826	1.471	0.054	0.449
2003	1.000	1.976	1.145	0.028	0.437
2006	1.010	1.976	1.126	0.035	0.437

Source: Mideplan.

The adjustment followed by ECLAC

2) Adjustment due to under reporting

DETALLE DEL AJUSTE DE LOS INGRESOS MEDIDOS EN
LA ENCUESTA CASEN. 2003, 2006, 2009 Y 2011

	Total anual		Promedio por persona		Factor de ajuste
	Cuentas Nacionales a/	CASEN	Cuentas Nacionales	CASEN	
	(millones de pesos)		(pesos)		
2011					
Sueldos y salarios	26.478,534	23.801,118	1,535,125	1,403,160	1.094
Ingresos del trabajo independiente	13,117,825	6,290,251	760,522	370,832	2.051
Prestaciones de la seguridad social	3,531,640	3,541,246	204,751	208,769	0.981
Rentas de la propiedad b/	2,292,113	652,427	132,888	38,463	0.062
Alquiler imputado	2,463,817	5,170,419	142,843	304,814	0.469
Ingreso autónomo c/					1.296
Ingreso total					1.186

Source: ECLAC

The adjustment followed by ECLAC

2) Adjustment due to under reporting

- Assumptions:
 - Under reporting is more related to the type of income rather than to the level (correction is made by type of income)
 - Under reporting follows a pattern of unitary elasticity (with the exception income from properties where the whole imputation is done in the top 20% of households)

The adjustment followed by ECLAC

Annual Income of Households 2011	
	(millions of pesos)
Original from survey	41,513,424
After non response correction	42,137,556
After adjustment for under reporting	50,243,976
SNA CASEN 2011	73,117,794

(1)

(2)

Gap persists due to overtime changes in the methodology of National Accounts which were not fully taken into consideration in order to maintain the comparability of the poverty and inequality series

Impact on poverty and inequality indicators

GINI (entire population)	Raw data *	After correction *	After upscaling
Before taxes and transfers	0.503	0.499	0.526
After taxes and transfers	0.476	0.473	0.501
Poverty (50% median) (entire population / head count ratio)	Raw data *	After correction *	After upscaling
Before taxes and transfers	21.3%	20,9%	20.4%
After taxes and transfers	18.2%	17.8%	18.0%

* Preliminary estimates