Session 1: Income components (1/2)
(abstracts of all session papers)

Chair: Eric Marlier (LISER, Luxembourg)

- Tim Goedemé and Lorena Zardo Trindade (University of Antwerp, Belgium): Net-SILC3 main findings and recommendations on the comparability of the EU-SILC income variables

- Veli-Matti Törmälehto (Statistics Finland): Reconciliation of EU-SILC data with national accounts
Tim Goedemé and Lorena Zardo Trindade (University of Antwerp, Belgium): Net-
SILC3 main findings and recommendations on the comparability of the EU-SILC
income variables

In this paper, we study how individual income components are aggregated into the EU-
SILC target variables. In particular, we look at compliance with Eurostat guidelines,
misclassifications and omitted income sources, all potentially undermining cross-
national comparability. On the basis of a survey among national statistical institutes,
we compiled a database which maps the exact classification of income components
into the EU-SILC target variables. The focus of the database is on EU-SILC 2015,
covering 26 EU-SILC countries. The database contains information on the composition
of variables on total income before and after transfers; income from benefits, work and
capital; social contributions and taxes. On the basis of this exercise, we draw some
general conclusions with regard to (1) cross-national deviations with regard to the
calculation of the EU-SILC total income variables; (2) the classification of national
income components (e.g. particular benefits) that can be considered “borderline cases”
which are currently classified inconsistently across countries; (3) possibilities for
improving the definition of target variables; (4) the (unjustified) omission of some
income components from EU-SILC target variables; (5) recommendations that may be
helpful to improve the comparability of EU-SILC in the future.

Veli-Matti Törmälehto (Statistics Finland): Reconciliation of EU-SILC data with
national accounts

The coherence of household survey data with national accounts has been studied
extensively in recent years, following the “Beyond GDP” initiatives. This paper compares
income aggregates in EU-SILC and national accounts, adjusts for the main conceptual
differences, and discusses factors that could influence the observed discrepancies.
Following a proposal by Atkinson, Guio and Marlier (2017), sensitivity of key social
indicators to the micro/macro-discrepancies is then examined by adjusting the micro
data totals to match the reconciled macro aggregates. Three adjustment methods are
tested (simple proportional scaling, calibration to margins, Pareto imputation), and their
impact on the measures of income inequality and at risk of poverty compared. In line
with other studies, the micro/macro gaps are found to vary significantly across
countries, and are more substantial in property and self-employment income compared
to wages and salaries and transfers received. The observed gaps are likely to be mostly
due to measurement errors and conceptual differences. Adjusting the micro data with
the gaps results in significant increases in inequality and median income levels, but
more subdued changes in at risk of poverty rates. The results are sensitive to the
adjustment methods as well as proper assessment of the micro/macro gaps. Caution
is warranted if distributional indicators are computed from macro-adjusted micro data.