

Comments on “The Distribution of Household Income in the Framework of National Accounts: the Italian Experience 2015-2020

by Sorrentino, Donatiello, Cavalli, Consolini and Cuicchio

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Veli-Matti Törmälehto, Statistics Finland

General comments on the paper

- Demonstrates nicely how information available only at national level (from both sources) benefits compilation of distributional household accounts
- The key contribution is inclusion of social transfers in kind in income and analysis of the distribution of adjusted disposable income, including the first year of Covid
- Describes details of both data sources and gives an overview of the methods, however some essential information is not included, such as how large are the micro/macro gaps of different income components



NA and SILC income data in Italy

National Accounts (NA)

- Italian NA has separate accounts for households as consumers and as producers because of significant presence of very small unincorporated enterprises.
- Detailed information available for each component of household disposable income (under-reporting, undeclared labour input, illegal activities)
- Social transfers in kind (STIK) 17 % of gross disposable income in NA

Survey on Income and Living Conditions (SILC)

- IT-SILC uses both administrative and interview-based data and reconciles these at micro level in the data integration process
- The reconciliation process benefits from more detailed and granular data available at national level vs. centralized EU-SILC based exercises
- STIK is not included in SILC; it is imputed based on insurance approach on health and actual consumption approach on education
 - imputed rents, employers' social contributions available although not part of standard SILC income definition



Remarks on adjustment methods

It is not entirely clear from the paper whether SILC micro data set is adjusted directly (resulting in micro data set which yields weighted totals consistent with NA)?

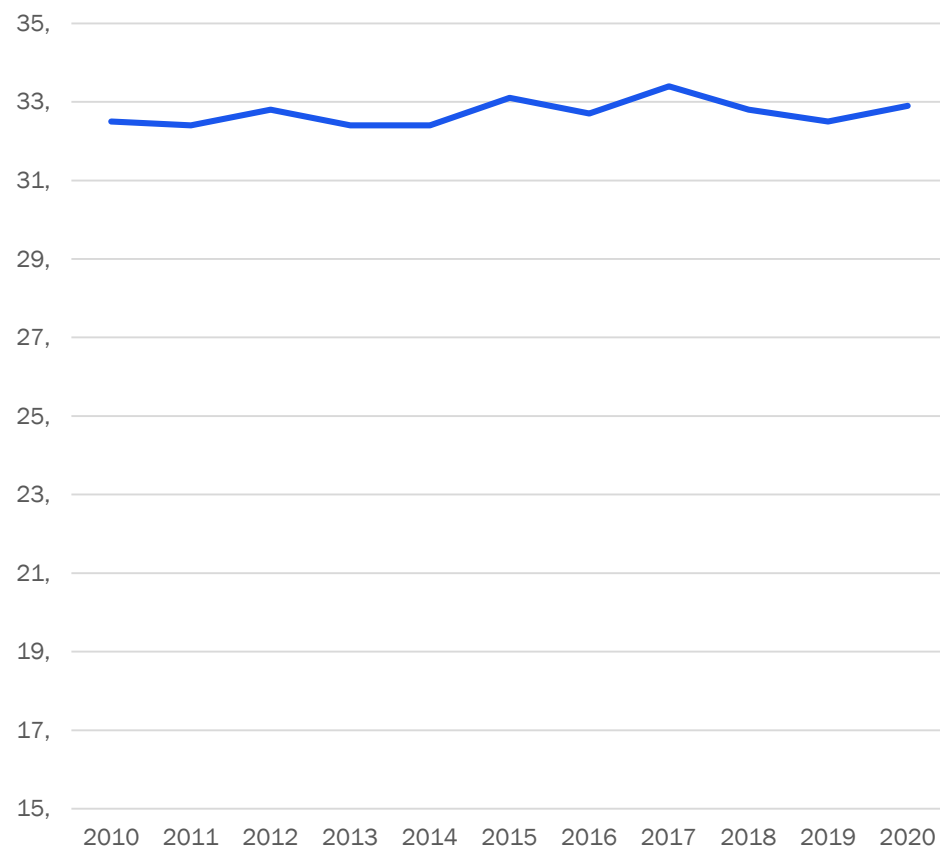
More than 85 % of income is distributed by method A direct scaling of micro sources but property income received is adjusted with indirect/invariant methods C and D:

- Table 2.2. indicates that SILC has no comparable micro data on interest and dividends of corporations; is this because of low quality of the corresponding SILC variable (HY090)?
- Figure 2.1 indicates that interest and dividends are distributed based on external data (method C): what is the external source and how is the allocation done?
- Withdrawals and other distributed income of corporations are distributed in proportion to the total of all NA components adjusted with other methods (method D); are there plans to improve the allocation method?



Remarks on results

Gini coefficient of disposable monetary income in Italy 2010-2020 (source: Eurostat, EU-SILC)



- Gini index (excl. STIK) is estimated as 0.36 in 2020 which is somewhat higher than estimates published from SILC (0.329)
- It would be useful to compare the results with those from SILC, other micro sources (e.g- SHIW) or Eurostat/OECD centralized DNA results
- IT distributional accounts will refer only to the sub-sector of households as consumers while Eurostat/OECD experimental statistics include the entire household sector – what (if any) is the impact of this for distributional indicators such as Gini coefficient?



Thank you!