

Impact of health social transfers in kind on income distribution and inequality

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INTRODUCTION

- Analyse the main methodological choices of non-monetary income indicators (taking into account social benefits in kind) as complementary measures for inequality and poverty
- Aim: to show additional aspects of inequality and poverty not covered by existing monetary indicators
- The model used in this analysis is based on experimental statistics
- Analysis of distribution of non-monetary income is limited to health social in kind benefits (received from public spending)

METHODOLOGY

- Health social transfers in kind (STiK) received by households from government. These benefits are assumed to be uniform at country level.
- Income distribution is computed from survey micro data and the social transfers in kind are imputed to the micro data for further distributional income analysis.
- Several conceptual issues are addressed:
 - valuation of health STiK, 'insurance' approach;
 - socio - demographic variables to be taken into account for STiK distribution;
 - STiK value imputation at household and individual level (equivalence scales);
 - income distribution and poverty indicators (based on monetary income and/or STiK).

DATA SOURCES

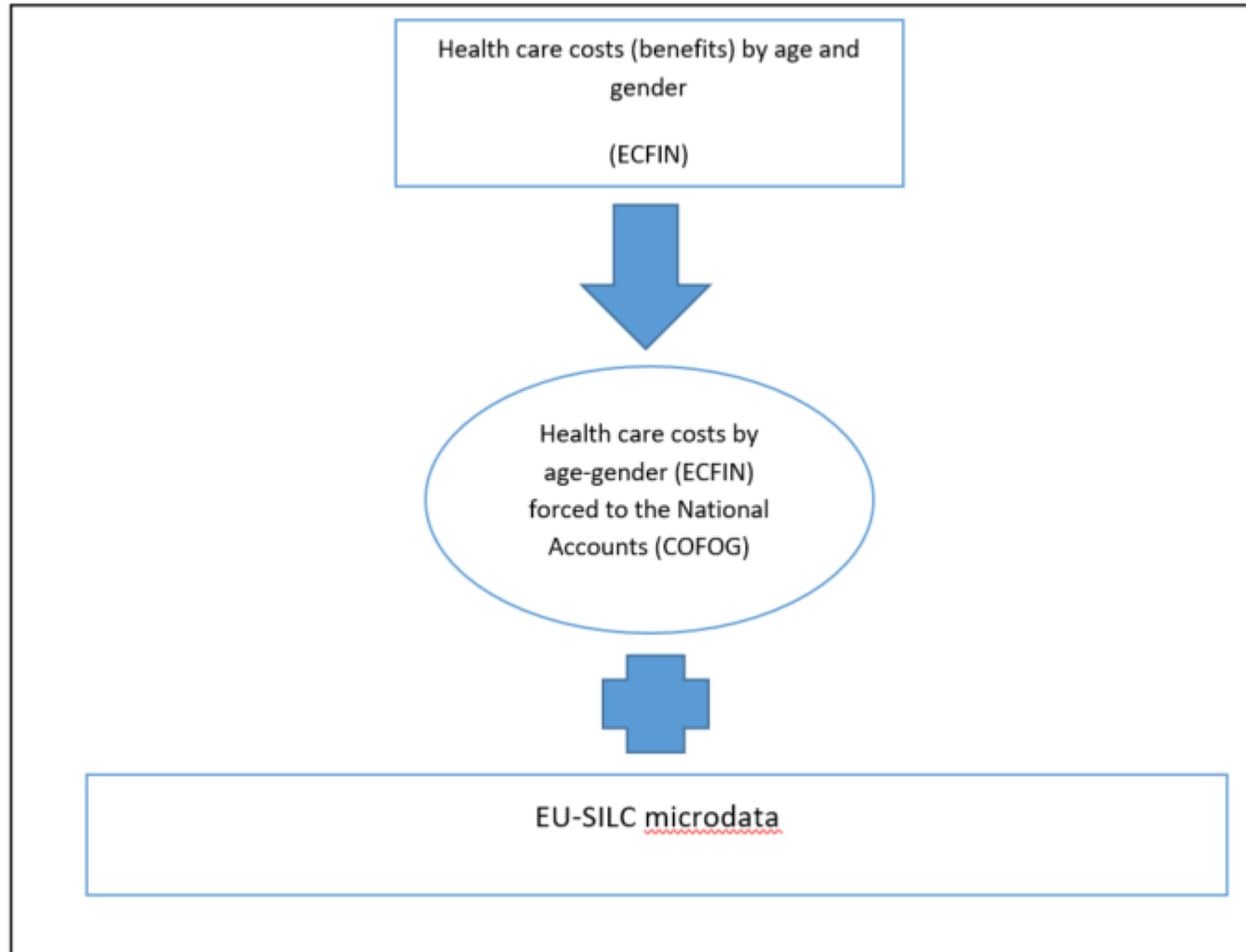


Figure 1: Workflow of the data base for the health STiK analysis

SILC variables used in this study

Variable	
EQ_INC20	Equivalized disposable income
EQ_SS	Equivalized household size
HHSIZE	Effective household size
HT	Household type
QITILE	Income quintiles
deprived	Deprivation
sev_dep	Severe deprivation
HY20	Total disposable household income
sna_scale	SNA scale
Age; truncated_age	
DB010 DB020 DB030 RB030 DB090 RB090 RB050a	Year survey; country; HH ID; Personal ID; HH cross-sectional weight; sex; Personal cross-sectional weight

Impact of health STiK on income distribution

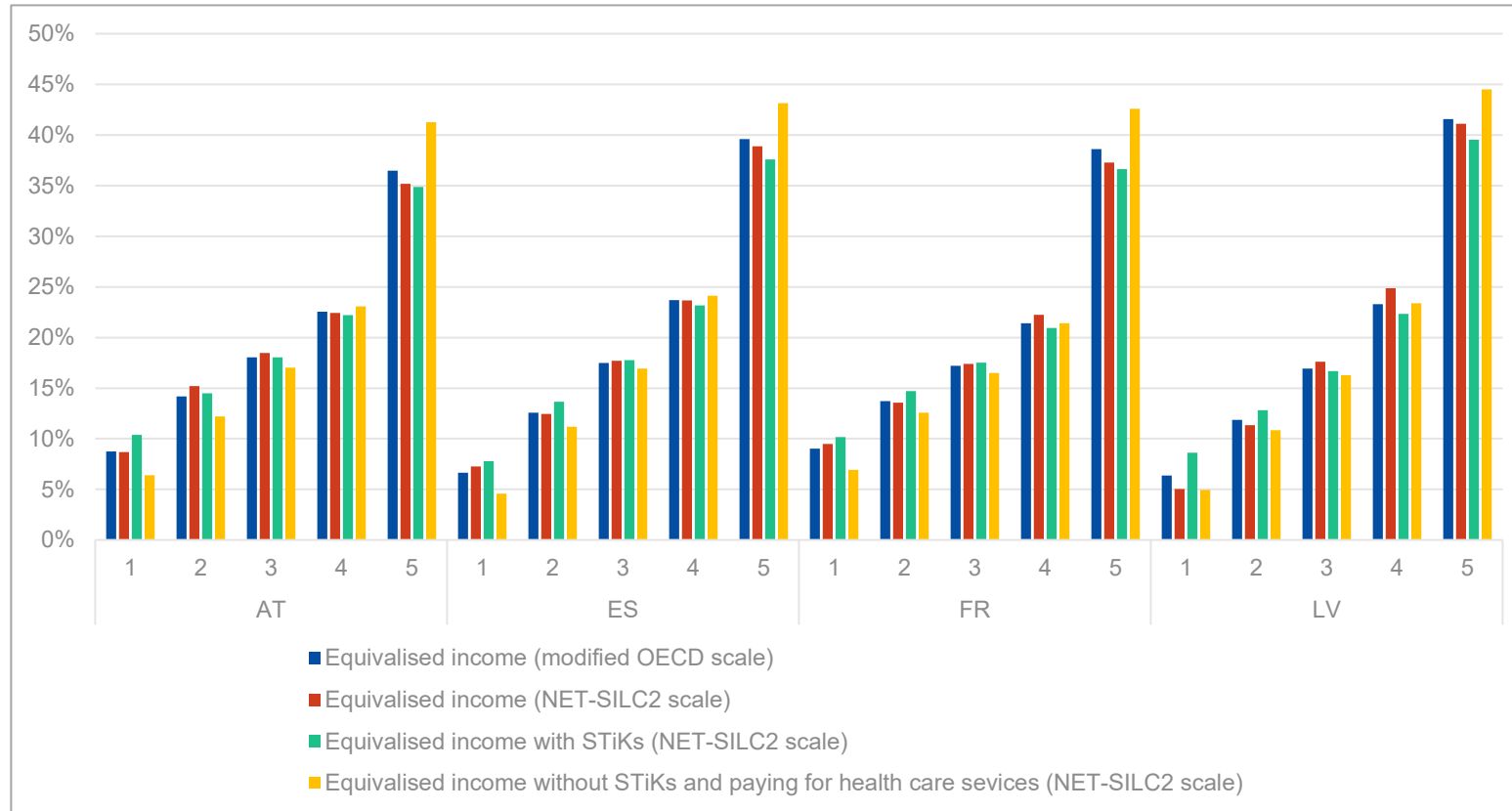


Figure 2: Income share of equivalised monetary income and equivalised monetary income including health STiKs based on distribution of equivalised monetary income, %.

Note: results are based on authors' computations using EU-SILC 2019 data, ECFIN health cost profiles 2019 data, and National Accounts COFOG 2019 data.

Impact of health STiK on GINI

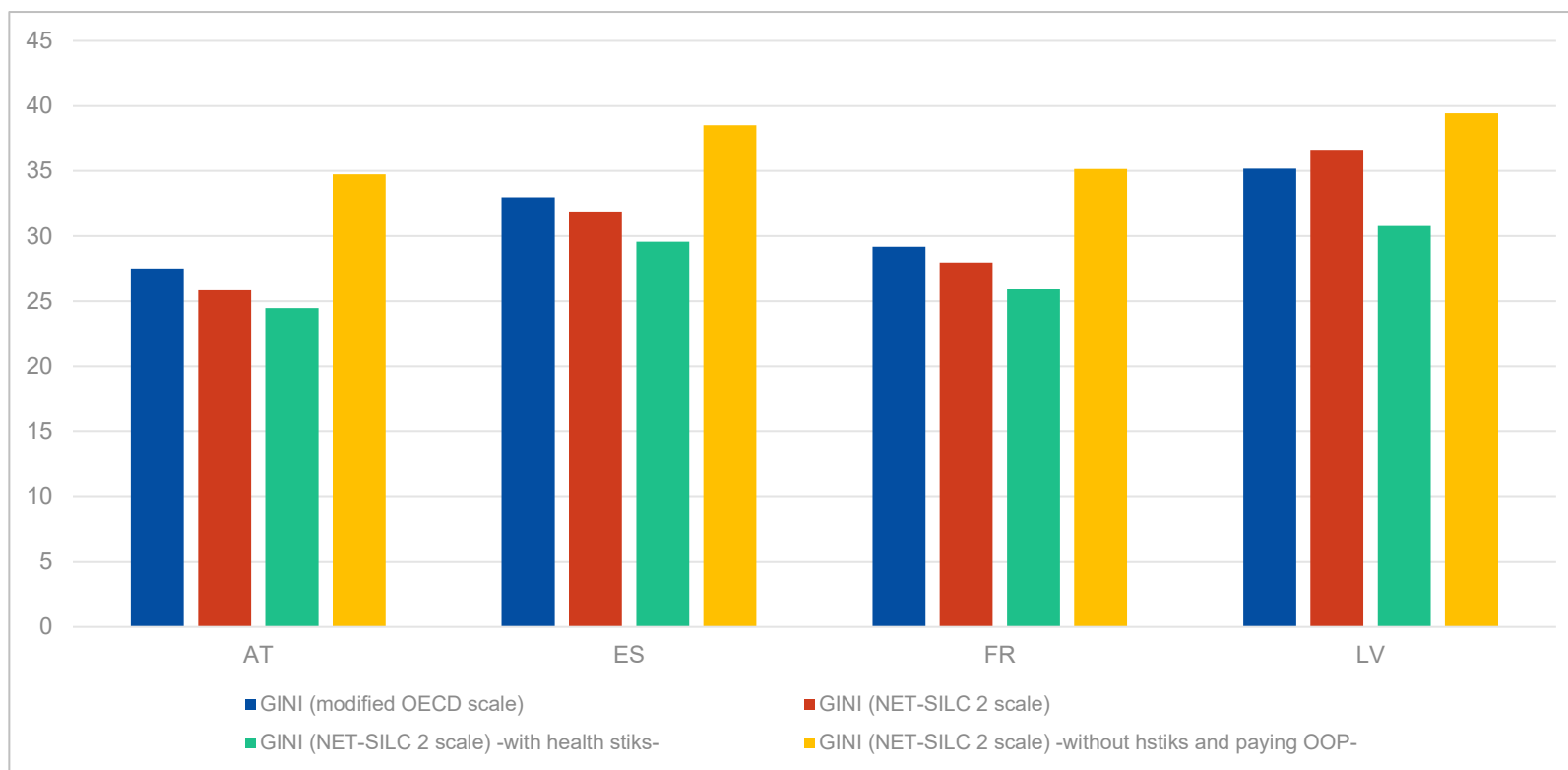


Figure 3: Impact of health STiKs on Gini coefficient of equivalised disposable income - EU-SILC survey

Note: results are based on authors' computations using EU-SILC 2019 data

CONCLUSIONS

- The first results of this work shown how social transfers in kind for health, make the total income (monetary and in kind) more equal across the income quintiles, however the extent varies across countries
- Health social transfer in kind might help to improve the distribution of equivalised monetary income across quintiles
- Health social transfer in kind might help to reduce income inequalities (GINI) although results may vary by country.
- The absence of public social transfers in kind would worsen the monetary inequality (for instance, as in Luxembourg, Lithuania, Italy, Ireland, Slovakia, Greece, Spain, or Austria).

Forthcoming work

- Extend the results by different socio-economic characteristics of the population such as age, gender, household size, main source of income, activity status
- Study education STiK
- Experimental statistics explained article (2022)

Thank you



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