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Changes in the earnings distribution in Slovenia during rapid growth, 1993-2005

Following independence in 1991, Slovenia experienced rapid economic growth and a significant societal transformation. In this paper we will analyse the distribution of earnings during this dynamic period, with particular emphasis on the analysis of the top and bottom of the distribution. This will be achieved through the matching of data from two administrative sources, the personal income tax returns (from the Tax administration) and data on employees (from the Central registry of employed persons, at the Statistical office of Slovenia). In such a way, only the earnings of full-time employed persons will be analysed. Though wages and salaries are the main income sources for these wage-earners, some other income sources, such as wage related allowances and income from contractual work, also have an impact on overall income inequality. The gender wage gap, as well as the public sector-private sector wage differential will also be explored. Some explanations for the trends in income inequality and trends in wage gaps will be offered.