Can NA Data Account for Differences among Household Groups? Integration of Micro and Macro Data on Labour Income for Households Accounts

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National Accounts describe the economic behaviour of a representative household without investigating heterogeneity, while micro data sources provide information on the distribution of income, consumption and wealth among people. However, the latter might fail in covering comprehensively all households' earnings and expenses and do not allow for analysing households vis a vis the other economic sectors. Over the years the macro and micro approaches developed separately, often leading to divergent results even when coping with ex-post fully harmonized population domains and income definitions. Moreover, if micro data are used to derive distributional information for sub-populations, the resulting estimates might be misleading, due to heterogeneous magnitudes of discrepancies across different strata of the relevant population. It is therefore important to investigate and detect all sources of differences and to consequently adjust micro and macro data, in order to derive correct distributional information.

The aim of the paper is to show how administrative archives can be used to integrate micro and macro data on labour input and labour compensation, finding the reasons of discrepancies on these flows. The paper describes the process of record linkage between an household income survey (It-Silc) and the Italian Social Security archives with data on employee and self-employed. The latter, combined with Labour Force Survey data, already constitutes the base of Italian National Accounts estimates on labour input and labour compensation. The massive use of these integrated survey and administrative data let macro data have a sound and coherent micro database; the further integration of It-Silc data provides a valuable framework for distributional purposes.

The comparison among administrative and survey data at the micro level allows for detecting and appropriately correcting inconsistencies. They may come from diverging occupational status – occupied vs non-occupied - or employment status –employee vs self-employed- at the individual level as well as at the job one. It also enables to identify non-registered workers, permitting to impute their own relevant labour income. Once working characteristics are

reconciled, it also provides a valid support for minimizing discrepancies between amounts in the data from different sources by imputing non-reported and/or under-reported income components.