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Distributional National Accounts (DINA) and Household Survey Data: Methodical Issues and Results for European Countries

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The paper aims to discuss to what extent it is feasible to use international harmonized household surveys to construct Distributional National Accounts (DINA) for various European countries. We apply several methodical steps to reconcile micro and macro data, accounting for different variable definitions, non-response and under-reporting as well as missing information on the micro level. We calculate different income concepts for both the household sector and the entire economy and compare different methodical approaches (i.e., the EG DNA approach of OECD and Eurostat, and the DINA approach). Finally, we discuss the implications of the different conceptual choices for the level of income inequality in European countries and compare the results of the different income concepts. We conclude that household survey data are a valuable source for constructing DINA, even though substantial caveats remain.