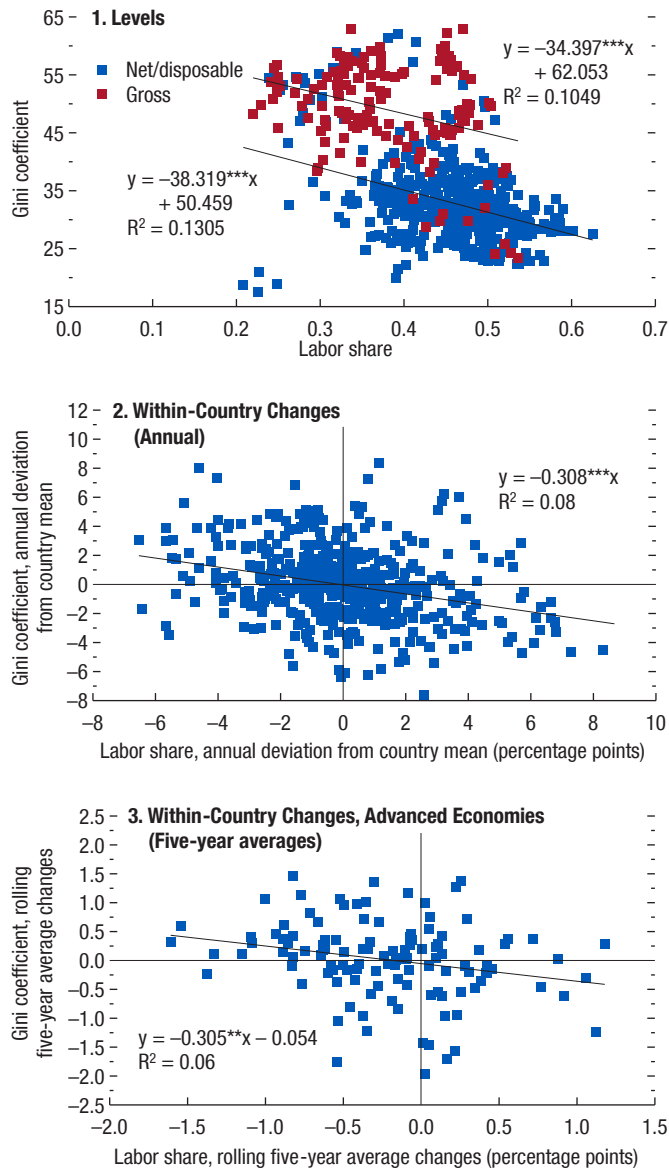


Figure 3.2. Labor Shares and Income Inequality

Lower labor shares are strongly associated with higher income inequality (measured by Gini coefficients) both across countries and over time within countries.



Sources: CEIC database; Karabarounis and Neiman (2014); national authorities; Organisation for Economic Co-operation and Development; World Bank, All the Ginis database; and IMF staff calculations.

Note: *** indicates 1 percent statistical significance; ** indicates 5 percent statistical significance.