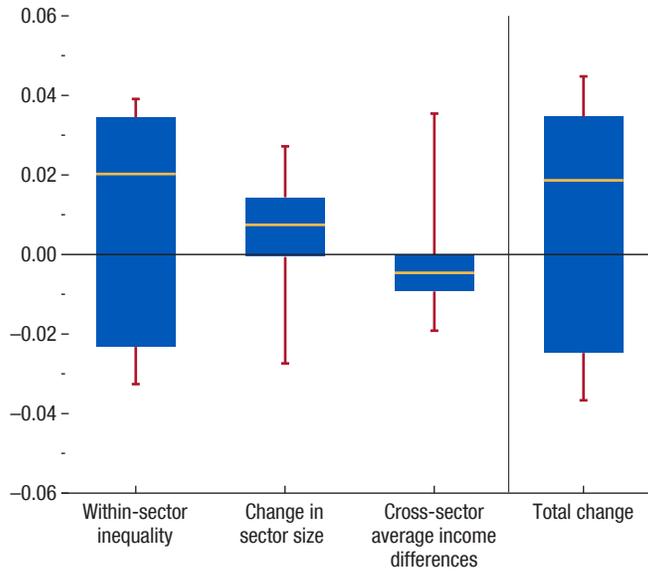


Figure 3.22. Contribution to Change in Overall Labor Income Inequality between the 1980s and 2000s
(Points)

Most of the increase in overall labor income inequality between the 1980s and 2000s is explained by rising inequality within sectors, rather than by shifts in the relative size of employment between industry and services.



Sources: Luxembourg Income Study database; and IMF staff calculations.

Note: The figure shows the cross-country distribution of the change in aggregate labor income inequality between 1980–89 and 2000–09 and the contribution from changes in inequality within sectors, changes in the relative size of sectors, and changes in the difference of average income levels across sectors. The horizontal line inside each box represents the median; the upper and lower edges of each box show the top and bottom quartiles; and the red markers denote the top and bottom deciles. The measure of inequality used is generalized entropy based on disposable income. The sample consists of 13 countries (see Annex 3.4 for details).