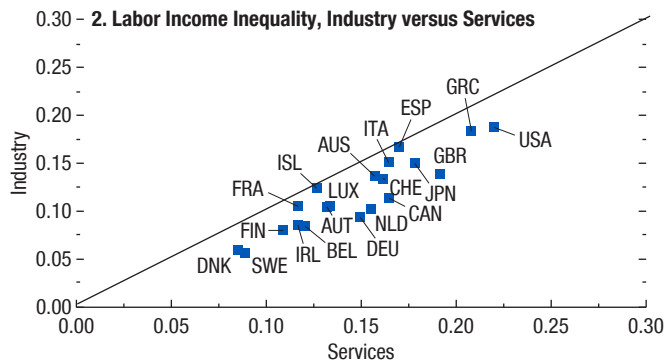
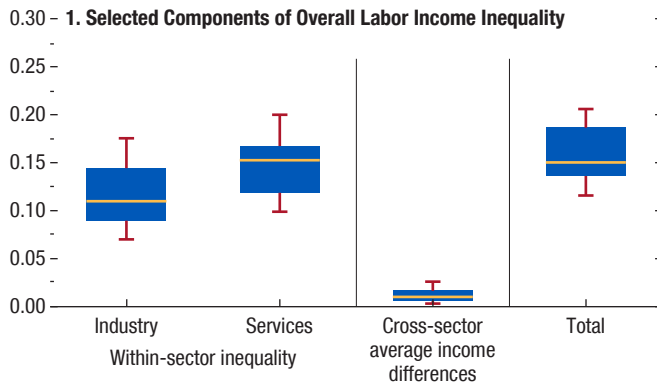


Figure 3.21. Labor Income Inequality in the 2000s
(Points)

Labor income inequality is somewhat lower in industry than in services, but country characteristics dominate in explaining within-sector inequality in both industry and services.



Sources: Luxembourg Income Study database; and IMF staff calculations.
 Note: For each country, the analysis is based on data from the latest year available during 2000–09. The measure of inequality used is generalized entropy based on disposable income (see Annex 3.4 for details). Panel 1 shows the cross-country distribution of labor income inequality in industry and services; the contribution of differences in average earnings across sectors to aggregate inequality; and aggregate inequality. 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. Data labels in panel 2 use International Organization for Standardization (ISO) country codes.