

# Inequality Matters

Quarterly updates on inequality research, LIS micro data releases, and other developments at LIS



## MESSAGE FROM THE EDITOR

Dear readers,

2021 ends with two exciting news!

First, we are glad to announce that we strengthened our ties to the International Inequalities Institute (III) at the London School of Economics (LSE), which led to the establishment earlier this month of the UK LIS Satellite Office. Similarly to the longer established US Satellite Office (currently at CUNY), this second LIS Satellite Office aims at building on the complementarity between high-quality data provision and research excellence in order to exploit synergies to foster innovative research in the field of inequality and social policy. Please find more information about this collaboration in the news section in this newsletter issue.

Second, this year ends with a remarkable release of 61 new datasets for the LIS Database and 2 more datasets for the LWS Database in this quarter. This includes data points for Australia (AU16 and AU18 for LIS and LWS), Russia (RU19), Vietnam (VN05, VN07, and VN09), and annual series for Austria (AT03 to AT19), Colombia (CO01 to CO20), Paraguay (PY97 to PY20), and Poland (PL05 to PL20). We hope that the various annual micro data series help the LIS users to analyse better inequality trends and patterns inside and between these countries. We look forward to hearing from you and your analyses. We are happy to see that many of the 2021 LIS & LWS working papers were published in well-perceived peer-reviewed journals.

To those of you who are used to access the [Inequality and Poverty Key Figures](#), please note an update of methodology consistent to the one applied in DART. Please note, that we also updated our [programs](#) section on the website, where we provide the syntax with the new methodology to replicate the numbers in LISSY. Stay tuned for the update of the self-teaching material during the next weeks, which equally introduces the new methodology.

Last but not least, a brief summary of the *Inequality Matters* articles in this issue: Felix Estgen takes a closer look at a selection of the data newly made available in the LIS Database. Gintare Mazeikaite (LIS) and Merve Uzunalioglu (LISER & UCL) elaborate on the reasons why earnings gaps arise and persist; the authors highlight annual trends in gender employment and earnings gaps in Austria, Germany and Switzerland since the early 2000s. Teresa Munzi (LIS) and Jörg Neugschwender (LIS) describe the particular challenges that arose during harmonisation of the annual Colombian micro data series. Marie Valentova (LISER & University of Luxembourg) and Merve Uzunalioglu (LISER & UCL) summarise the 2nd workshop of the (LIS)<sup>2</sup>ER initiative: "Policies to Fight Inequality: The Case of Work-life Reconciliation and Family Policies".

Enjoy reading!

Jörg Neugschwender

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## Inequality Reduction over the last two Decades: Observations from the Newest LIS Data

Felix Estgen<sup>1</sup> ✉

While economic inequalities between countries have generally seen a decline over the past two decades, primarily due to the rise of China and India, there has been increasing concern about growing inequalities within developed countries over the same period. This scrutiny has been especially noticeable since the financial crisis of 2008, seen by many as the manifestation of the underlying ills of the same system that has led to said worrying trends. Even though some degree of income inequality is generally considered justified or even desirable, there are particularly important trepidations about the effects severe income inequality might have on economic growth as well as socio-political stability (primarily through the incitement of populist movements), not to mention the likely implications on the relative living standard of the most vulnerable members of society.

In this brief, we inspect the changes in the income distribution of several high- and middle-income countries over the first two decades of this century. More specifically, we take a closer look at a selection of the data newly made available in the Luxembourg Income Study (LIS) Database as part of the December 2021 LIS data release which, in total, is comprised of 61 entirely new and 45 revised data sets covering seven different countries.

The analysis provided builds on parts of the article of Munzi and Neugschwender (2021a) in the March 2021 issue of *Inequality Matters* and is structured as follows. In a first step, this article presents an overview of several Gini Index trends based on two different definitions: *gross* income and *disposable* income. This enables an overview of how much taxation and social contribution payment has reduced inequality and how this pattern differs both by country and/or time. In the second section, we consider how incomes have changed at the bottom, the middle, and the top of the distribution, respectively. Doing so makes it possible to distinguish the parts of the

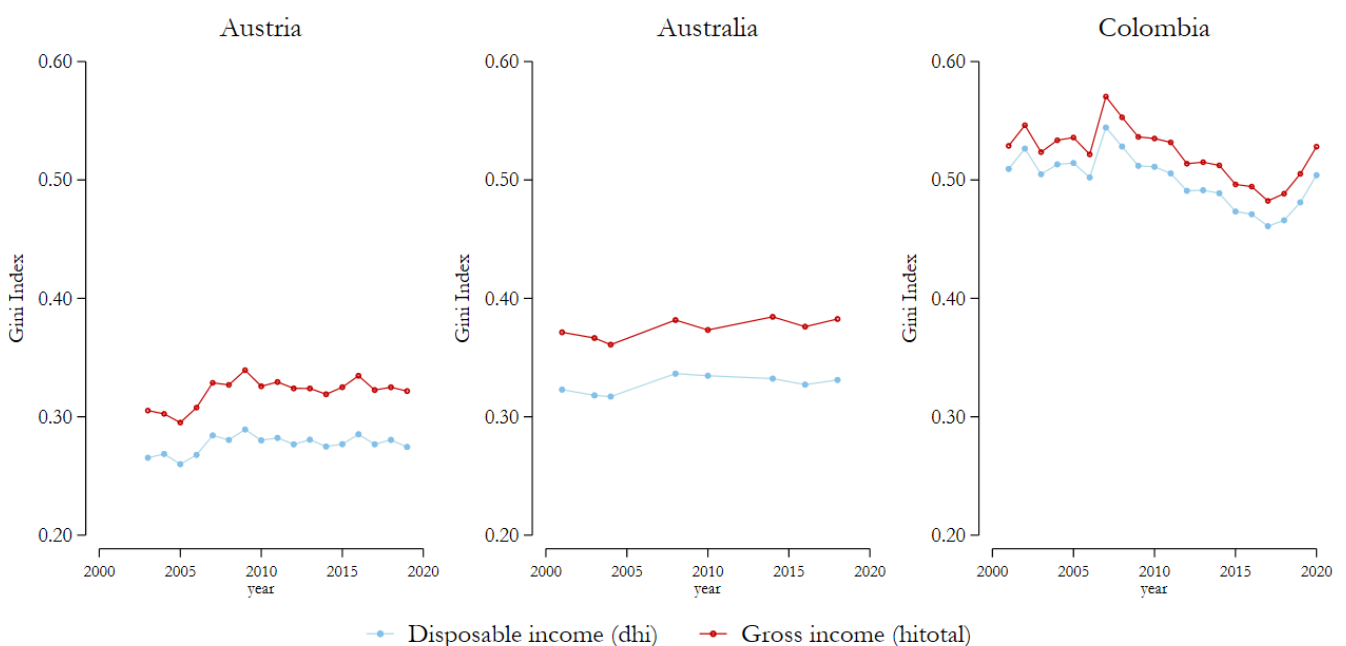
population that have benefitted the most from economic growth over the last two decades. Such considerations have recently been among the most important and contentious in globalization-critical discourse and thus merit special attention.

It is essential to emphasize the specific conception of ‘inequality’ employed in this article and its limitations. This article focuses purely on inequality of *income*. This particular definition is certainly of heightened relevance to the redistributive efforts of modern welfare states, but various other considerations would have to be included for a more holistic comparison of human well-being across countries and time. For instance, Munzi and Neugschwender (2021a) mention “wealth, material well-being, or social exclusion” as other relevant factors.

We consider the changes in the Gini Indices for three countries for which LIS provides data on both *gross* and *disposable* (net) household income: Austria, Australia, and Colombia (Figure 1). *Gross* income refers to labour and capital income, contributory pensions, private transfers, as well as transfers received from the state, all before deduction of income taxes and social contributions. The inclusion of social state transfers is particularly important as it means that, compared to *market* income, *gross* income already incorporates one of the two main pillars of redistribution in modern welfare states. The second central element for redistribution, taxation, is taken into account in the concept of *disposable* income, which is obtained by subtracting taxes and social contributions from *gross* income. In the following, we will refer to the difference between *gross* and *disposable* income as *tax redistribution*.

Figure 1 illustrates the different trends in inequality Austria, Australia, and Colombia over the last 20 years. The two high-income countries under consideration, Australia and Austria, show very similar levels of

**Fig. 1. Gini Index Trends in Australia, Austria, and Colombia**



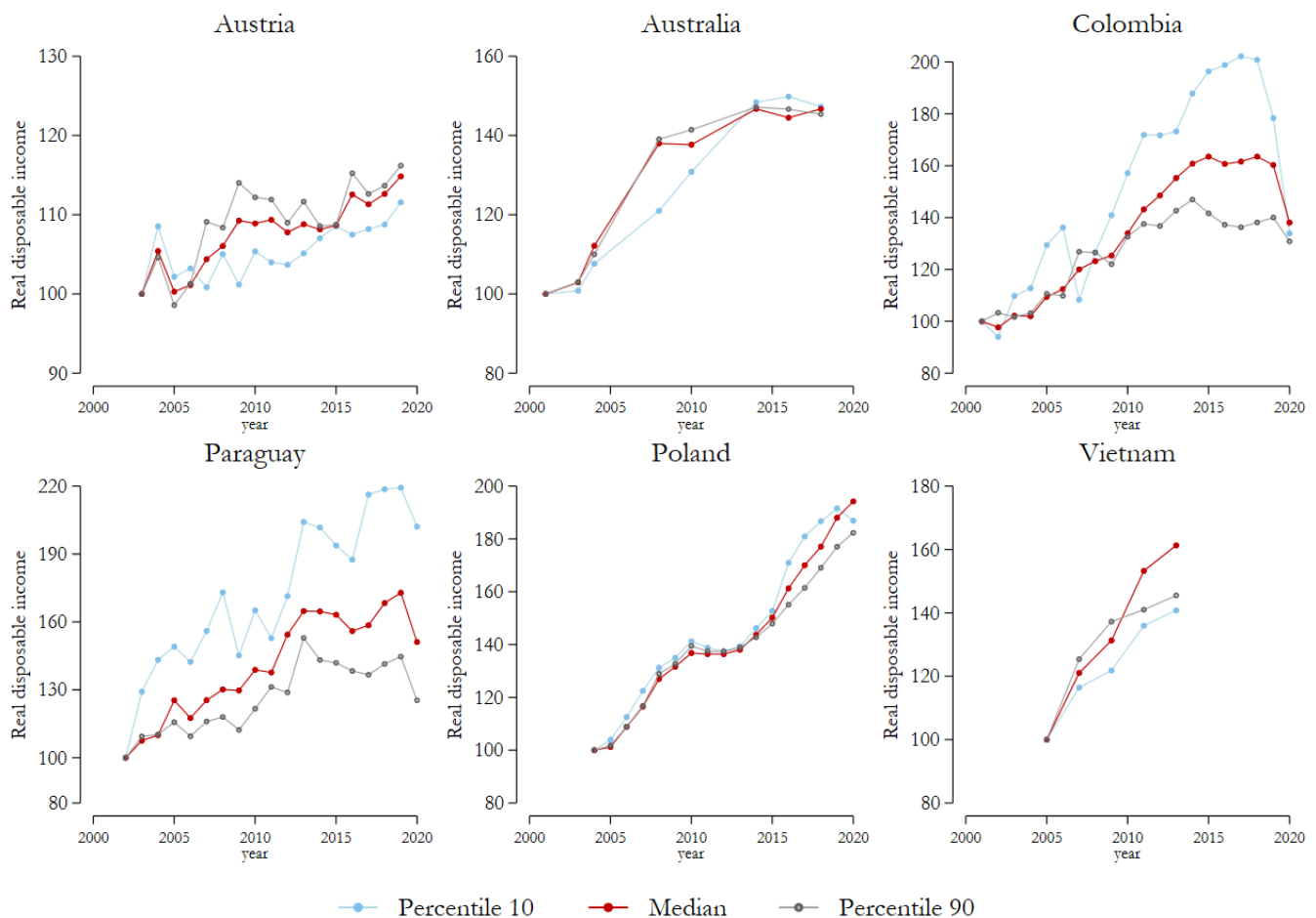
Source: Luxembourg Income Study (LIS) Database.

tax redistribution. Yet we can see that, as a result of more unequally distributed *gross* income, Australia consistently reports higher net Gini values as well. Whether the higher *gross* levels of inequality are primarily a result of higher *market* income inequality or rather of more modest levels of state transfers cannot be deduced from the numbers shown here, but earlier numbers in DART support that market income inequality is even higher in Austria, suggesting a much higher relevance of redistribution through social benefits in Austria. The overall trends in Austria and Australia are very similar. Both countries' levels of inequality have remained relatively stable over the years, with a slight but noticeable increasing tendency. Colombia, on the other hand, displays much more erratic trends in inequality. From 2007 until 2017, we can notice a significant trend towards lower income inequality (see on explanation of the jump in inequality from 2006 to 2007 Munzi and Neugschwender (2021b) in this newsletter issue). However, much of this development seems to have come undone since then. Looking at the levels of tax redistribution, they are substantially lower in Colombia than for Austria and Australia. This, of course, is consistent with the fact that the welfare state is generally less developed and extensive in middle-income countries. Combined with the elevated levels of *market* income inequality in Colombia, this results in much higher *disposable* income inequality as compared to the two high-income countries.

While the Gini Index is undoubtedly a helpful indicator that aims to summarize inequality in one headline statistic, it does not tell us anything about the more nuanced distributional dynamics at play in each case. Hence, an increase in a country's Gini Index can reflect a deteriorating economic situation of the poor, an improving economic situation only for the rich, or even a combination of the two. In order to draw a clearer picture of the primary beneficiaries of economic growth in different countries, Figure 2 looks at the development of *disposable* income at different points of the distribution. More specifically, we isolate income growth at three different points: percentile 10, at the median, and at percentile 90. In order to properly approximate actual improvements in the living standards of the populations involved, all trends are expressed in real terms, i.e. inflation-adjusted. For each country, the earliest year considered serves as the base year with a value equal to 100. When examining these developments, it is important to remember that we are considering *disposable* income. These are thus the trends after taking into account the two main redistribution mechanisms, state transfers and taxation.

Figure 2 neatly illustrates the very distinctive trends that can be observed across the considered countries. In Poland, for instance, all parts of the income distribution appear to have benefitted from the impressive real growth over the past 20 years to roughly the same

**Fig. 2. Real growth trends in Australia, Austria, Colombia, Paraguay, Poland, and Vietnam**



Source: Luxembourg Income Study (LIS) Database.

degree. Even when growth slowed during the years after the financial crisis, the data suggests that the entire population was impacted to a similar extent. While growth in Australia was not as exceptionally high as in the Polish case and has noticeably levelled off over the last five years, the overall trend in Australia also reveals real growth patterns quite equally spread across the income distribution. However, the financial crisis seems to have had a stronger adverse effect on lower-income Australians compared to the rest of the population. The same can be concluded for Austria, where we can additionally notice a divergence in income growth rates between the median and percentile 90 around the middle of the observed period. Consistent with the generally stable Gini Index shown in Figure 1, however, all parts of the population seem to have benefitted rather equally from the much more moderate growth in Austria when the last two decades are evaluated as a whole.

Turning to middle-income countries, we can observe patterns of unambiguously pro-poor growth in both Colombia and Paraguay. Here, income growth has been markedly stronger for households who are at a lower part of the distribution, as compared to those at the middle and top. Overall growth was very rapid over the last 20 years in both countries, mirroring a 'catch up' effect. Arguably, the most striking characteristic of the trends in Colombia and Paraguay, however, is the dramatic decline of incomes in the year 2020, most likely due to the global COVID-19 pandemic. In Paraguay, the repercussions appear roughly evenly spread across the population. Trends in Colombia need to be interpreted with care. Income growth at the low end of the distribution seems to have already plummeted around the time of the financial crisis, but 2007 is the first year of a new survey series in Colombia (see Munzi and Neugschwender, 2021b). From 2008 onwards the lower part of the income distribution has seen massive income growth. However, a second significant drop over the last two years appears to have (undone) the pro-growth dynamic of years past almost entirely. In 2020, real incomes at all three considered points in the distribution have reconverged to around 30-40% above their 2001 levels. It is difficult to assess how much of this development can be attributed to the ongoing pandemic, as the negative trend was already initiated in 2019. The effects of the pandemic are, of course, far-reaching and complex and will necessitate much more time and in-depth analysis to assess properly.

Finally, taking a look at the data from Vietnam, a different pattern emerges. Despite less striking divergences between different parts of the population, we can clearly discern more robust growth at the top of the distribution than at the bottom, with both being outpaced by the median by the end of the observed period.

### Conclusion

This brief showcased the breadth of newly available LIS data by presenting selected evidence on the inequality trends in six middle- or high-income countries. Some broad conclusions can be drawn from this analysis.

First, taxation plays a large inequality reducing role in the high-income economies we have considered. Yet, over the last 20 years this role has not increased, and a slight but significant uptick in gross income inequality has thus resulted in a slow upwards trajectory for disposable income inequality as well. In other words, no real pro-poor growth tendencies have emerged in these countries over the last two decades. This is consistent with the analysis of Munzi and Neugschwender (2021a). In their analysis of four developed countries, only the UK showed patterns of pro-poor growth.

General trends are harder to establish for the middle-income countries we have considered. It seems clear, however, that a number of emerging economies have managed to use their dynamic growth as a force to reduce existing income inequalities. At the same time, these developments appear highly fragile, especially in times of crisis. As such, the fallout of the COVID-19 pandemic may undo a significant portion of the inequality reduction progress of the last two decades. Much more research will be needed as the data becomes available, and this will certainly be an important topic in the study of global inequalities over the coming years and decades.

*1 Felix Estgen holds BSc degree in Philosophy, Politics and Economics from Vrije Universiteit Amsterdam. This article was accomplished during his internship at LIS (September-October 2021).*

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**So close, yet so far: gender gaps in earnings in Austria, Germany and Switzerland**

Gintare Mazeikaite , (LIS)

Merve Uzunalioglu , (Luxemburg Institute of Socio-economic Research (LISER), UCL)

Gender differences in earnings remain at the core of inequality debate in Europe and elsewhere, and little has changed despite the vast evidence on the disadvantage women have in the labour market compared to men. There are many reasons why earnings gaps arise and persist. One of them is the so called “ideal worker” culture, where non-work related responsibilities are frowned upon and considered a threat to productivity (Haas and Hwang, 2018), leading to women’s underrepresentation in leadership positions. A related problem is the gender segregation across employment sectors, which leaves women concentrated in lower paid roles, particularly after childbirth. In fact, the literature acknowledges this phenomenon as ‘motherhood penalty’ (Budig and England, 2001) and also reveals that there is a ‘fatherhood premium’ (Killewald, 2013). Women are also considerably more likely to spend time on unpaid care, such as taking care of small children (Sullivan, 2013), and they are more likely than men to shift to working part-time to reconcile work and family lives. This usually harms women in both short- and long-term, because part-time jobs are more abundant among lower-paid occupations with fewer chances of career advancement.

In this article, we highlight annual trends in gender employment and earnings gaps in the period early 2000s until 2019 in the three German-speaking European countries – Austria, Germany and Switzerland – that were recently added to the LIS database. With respect to the way couples (especially couples with children) share paid work, all three countries can be characterised as having the modernised breadwinner model, whereby one earner (usually a man) works full-time and the spouse (usually a woman) works part-time.

Such model is present in other continental European countries, including the Netherlands and Luxembourg (OECD, 2017).

Figure 1 shows labour market arrangements between heterosexual couples with children in some of the European LIS countries. In all the examined countries, three families out of five have a male spouse working full-time and a female spouse either working part-time (from 28 percent in Germany and Switzerland to 36 percent in Switzerland) or not working at all (from 16 percent in Switzerland to 28 percent in Austria). This is a stark contrast to many of the Central and Eastern European countries, where the large majority of families have both spouses working full-time.

Over the last five decades, there has been an upward trend in women’s labour force participation across European countries (Eurostat, 2020). Changes in labour force composition along with the expansion of work-life reconciliation policies and family benefits enabled more women to join the labour market and to remain there during motherhood. In response to the changing needs of dual-earner dual-worker families, an expansion of centre-based childcare provision, tax deductions, cash support and parental leave policies have become more popular. The goals as well as the modes of delivery of these services and policies vary from one country to another, from prioritising children’s well-being to increasing maternal employment and achieving gender equality in the labour market. The existence of these policies confirms that children’s well-being is no longer a private matter (O’Brien, 2009).

When we look at Austria, Germany and Switzerland, we also observe a similar trend in the development of female labour force

**Figure 1. Labour market participation arrangements among couples with children (2016 or closest year available)**



Note: Includes household heads and spouses with children where the female spouse is between 25 and 54 years of age.

Source: Luxembourg Income Study (LIS) Database.



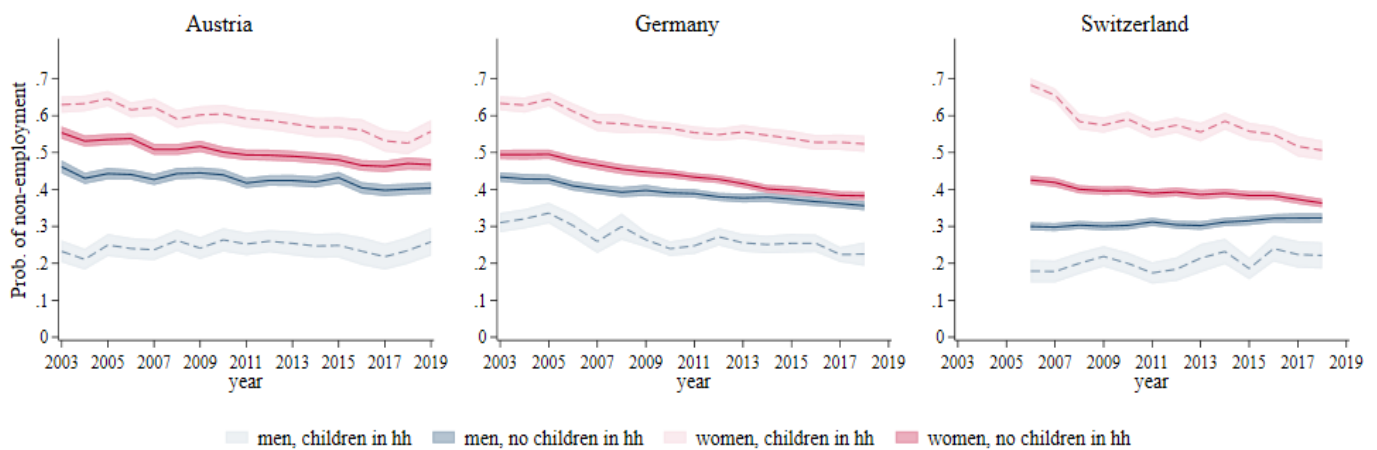
participation over the last decades (Figures 2 & 3). The figures indicate that the employment behaviours of men and women are converging towards each other when there are no children in the household. However, having a child in the household is related to larger gender gap between mothers and fathers. Figure 3 clearly depicts the high proportions of part-time employment among mothers, whereas no such sign becomes apparent among fathers. Indeed, even in the absence of children, women are more likely to work part-time, but the gender gap is not as high as it is between women and men with children. In addition to this, we see a steady increase in part-time employment in Austria, in particular among women with children, while it has been more stable in Germany and steadily decreasing in Switzerland.

The gender gap narrative continues when we compare the earnings of men and women with and without children (Figure 4). The presence of children widens the earnings gap between men and women whereas the gap is smaller in the absence of children, albeit it exists. Figure 4 supports the fatherhood premium and motherhood penalty phenomena with men with children appearing among the highest

earners in all three countries and women with children being the lowest-earners in the same group. Despite the overall similarity in the results, the three case countries perform differently from each other. While in Germany the earnings gap remains steady in the covered 15 years' period, the gap enlarges in Austria. The earnings gap between fathers and mothers in Switzerland is the largest, yet there seems to be a slow progress to reduce it in the recent years.

The differences in earnings gap, despite the cultural resemblances between Austria, Germany and Switzerland, resonate with these countries' approach in work-life reconciliation policies. Historically, Austria and Germany had similar approaches in family policies, which largely embodied male breadwinner model (Leitner, 2011). The more progressive policies were introduced when social democrat governments were in power, and when they were ruled by conservative governments the following reforms were in the direction of mothers' being the primary caregivers and taking long breaks from paid employment (Leitner, 2011). This is in line with the broader comparative welfare state literature where there seems to be a consensus that Social Democracy and a strong women's movement,

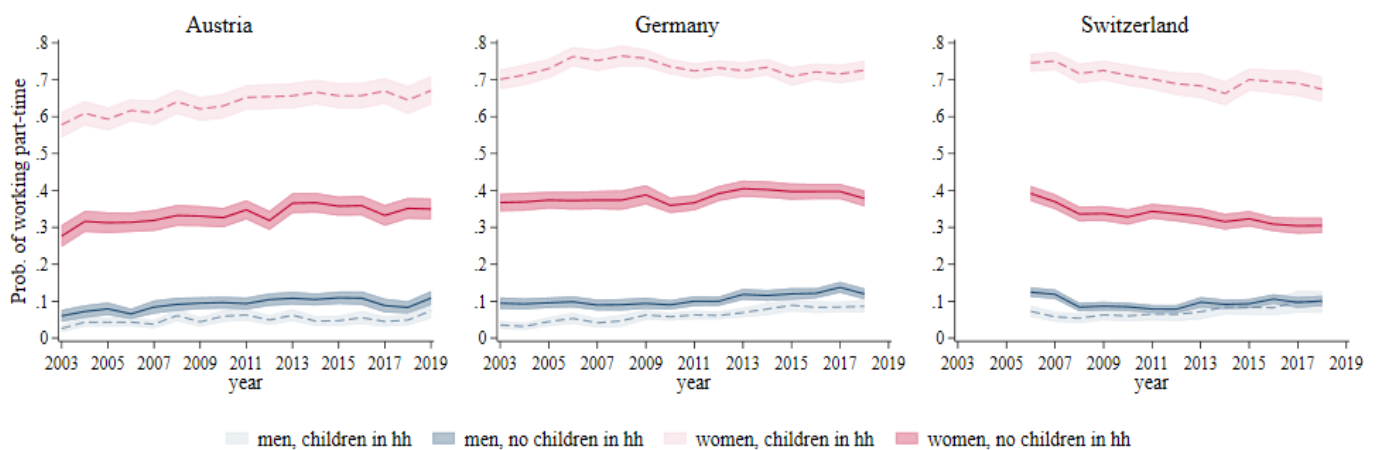
Figure 2. Probability of non-employment by sex and family composition



Note: Includes all men and women ages 25-54.

Source: Luxembourg Income Study (LIS) Database.

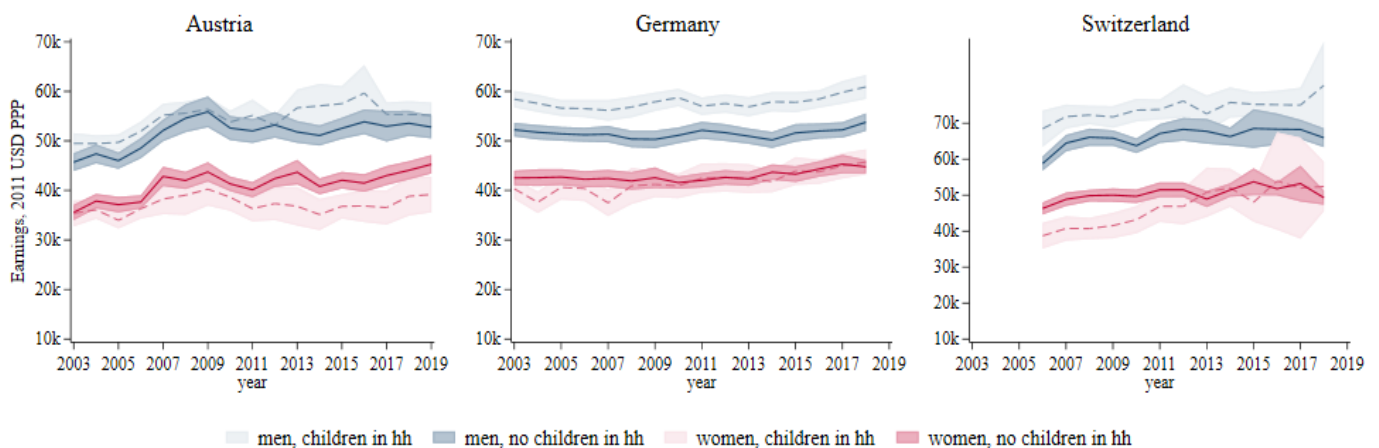
Figure 3. Probability of working part-time by sex and family composition



Note: Includes all men and women ages 25-54.

Source: Luxembourg Income Study (LIS) Database.

Figure 4. Earnings by sex and family composition (full-year full-time)



Note: Includes all men and women ages 25-54 who worked full-year full-time in the reference year.

Source: Luxembourg Income Study (LIS) Database.

represented in parliament, with the aim of achieving greater gender equality is linked (Hernes 1987; Bergqvist et al. 1999; Borchorst & Siim 2008; Huber & Stephens 2000; Iversen & Stephens 2008).

Austria was a forerunner in introducing childcare policies, yet Germany's later reforms were more substantive. In particular, the 2007 parental leave reform in Germany was considered as a paradigm shift with its agenda in encouraging fathers' active engagement in undertaking childcare responsibilities (Geisler and Kreyenfeld, 2018). On the contrary, there is no statutory parental leave policy available in Switzerland, and fathers' paternity leave is limited to two weeks (Valarino and Nedi, 2021), which coincides with already existing large gender gap when there is a child present in the household. Even though Austria has a longer history with family policies, the gender gap is persisting. In a recent study looking at the causal relationships between several family policy reforms enacted in Austria since 1950s and gender equality, the authors concluded that these policies barely had any impact on closing the gender gap (Kleven et al., 2021). In another study, which recently has been presented at LIS-LISER workshop by Hyojin Seo (KU Leuven) found that women in Austria are 2.6 times more likely to be 'outsiders' compared to 29 other European countries. This means that they have significantly higher risks of in part-time, insecure, low-paid employment with poor prospects. The other problematic group are those who are described as 'dead-end insiders', who are in the labour market but stuck in low income jobs with low prospects. Women in Austria are leading this category as well, followed by women in Germany. In other words, women's engagement in secure jobs do not guarantee a prosperous career or enable them to keep up with their male counterparts' earning level.

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Harmonisation of Annual Micro Data for Colombia: Gross vs. Net and the Twilight of Inequality

Teresa Munzi , (LIS)

Jörg Neuschwender , (LIS)

Being aware of the previous challenges during earlier harmonisation procedures of Colombian data, we confidently started the annualisation in early summer this year. In order to create an annual series of income data for the LIS Database, we acquired the monthly samples of the *Continuous Household Survey (ECH)* from July 2001 to June 2006, and the monthly samples of the *Great Integrated Household Survey (GEIH)* from January 2007 until December 2020.<sup>1</sup> The data are rich in terms of dwelling characteristics and household composition, as well as, at the individual level, general characteristics, health social security, education and especially labour market information, including detailed data on earnings and other incomes. We were happy to note that the switch from the ECH to the GEIH has had little impact in terms of contents of the questionnaire: most of the information is collected in a similar fashion, with some differences in the way earnings questions were asked, as well as a lower level of detail for non-labour incomes in the ECH with respect to the GEIH. However, we had to learn quickly that creating a consistent annual series from the two series is a challenging endeavour. In this article, we concentrate on describing the mixed collection of gross vs. net income information. We explain how we first went to gross income and then simulated income taxes and social contributions to arrive at net income. We then realised that the two surveys yield rather different inequality levels. Thus, we further analyse mean and median income trends, and the income mix of the Colombian society by ventiles in order to i) get a better sense of limitations in comparability of the two series and ii) better understand the comparatively high inequality in Colombia.

Let us proceed with describing the main restriction in creating comparable data files according to the LIS framework for income. In both surveys, wages and wage-like income from self-employment professions are collected before deduction of taxes and contributions withheld at source – possibly because of the strong labour market

connotation of the survey and hence the interest for gross earnings. On the other hand, pension incomes (which are presumably the only other regular income on which withholding deductions may apply) are asked net, hence after such deductions, which are also not available separately. This creates a mix of net and gross income amounts when trying to aggregate the different subcomponents of income into a measure of total household income, whereby neither *total gross household income*, nor *disposable household income* are easily obtainable.

Since disposable household income is the core LIS measure of well-being, we had to resort to apply a procedure for the estimation of income taxes and social contributions based on the declared income amounts. With a progressive income tax system of graduated marginal tax rates applicable to the totality of taxable income (which includes earnings, pensions and capital income), the first step was to compute a measure of total household gross income from all taxable sources, which implied grossing up the reported net pension amounts.<sup>2</sup> In a second step, income taxes and contributions (for health, pensions and solidarity fund) payable on the total gross taxable income were estimated.<sup>3</sup> As a result, both gross and net total household income measures were created complying with the LIS framework.<sup>4</sup>

Having applied the procedures for *grossing up* and estimating taxes and contribution (thus *netting down* afterwards), we now proceed to analyse the data, with a view to the overall comparability of the series. A very first look at the resulting data shows that, at the median, the absolute values of the main income aggregates exhibit a smooth (mostly increasing) trend over the whole period (see Fig. 1.1). On the other hand, the mean values (see Fig. 1.2) show a clear jump in between the two series, where the absolute numbers for the years 2001 to 2006 (corresponding to the ECH) are at a clearly lower level

Fig. 1.1 Median equivalised income (ppp-adjusted)

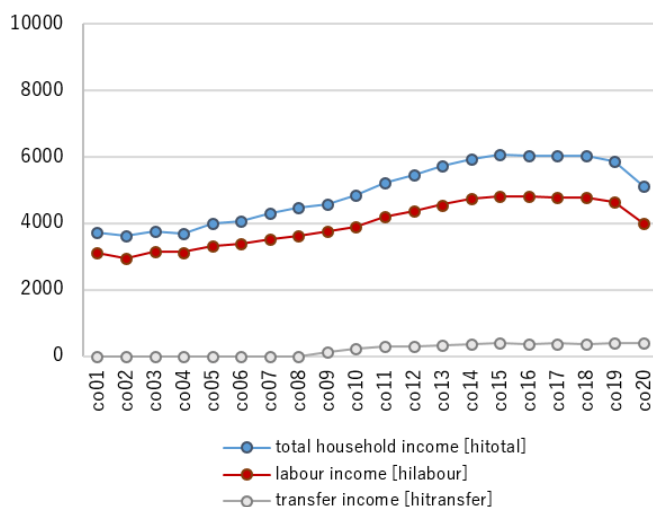
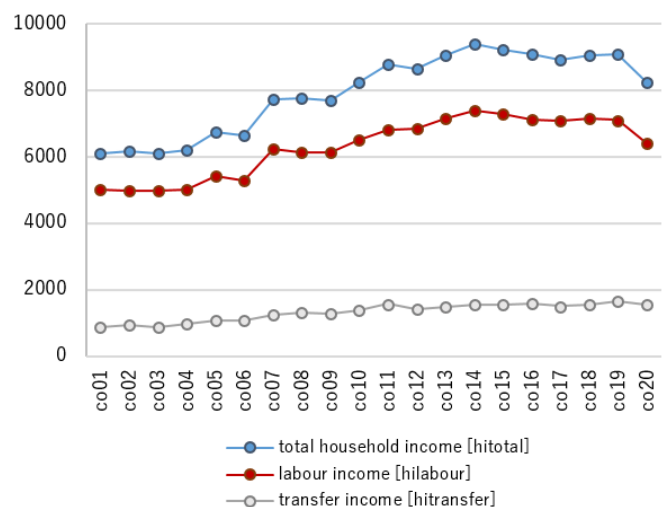


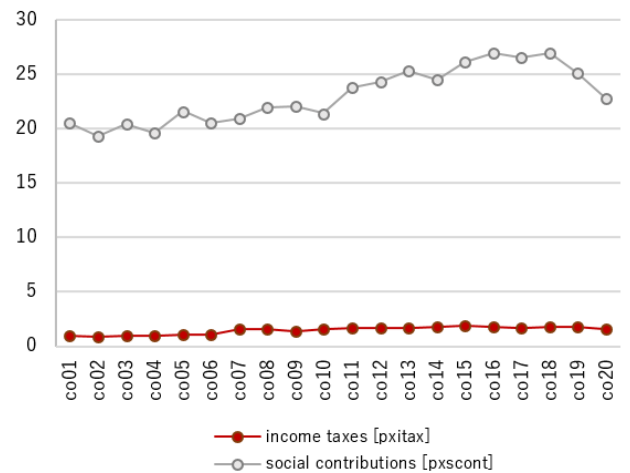
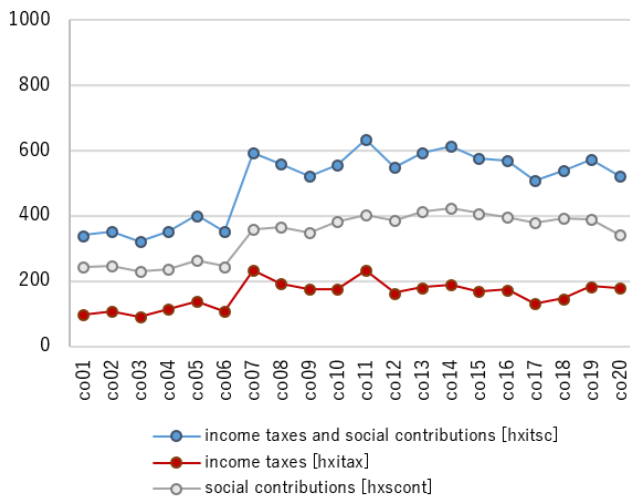
Fig. 1.2 Mean equivalised income



Note: Incomes have been equivalised by using the square root scale.  
Source: Luxembourg Income Study (LIS) Database.



**Fig. 1.3 Mean equivalised taxes & contributions (ppp-adjusted)** **Fig. 1.4 Population coverage with income taxes and social contributions**



Note: Taxes and contributions have been equivalised by using the square root scale.

Source: Luxembourg Income Study (LIS) Database.

than those for the period corresponding to the GEIH (2007-2020). This jump in the mean, which is not reflected in the median, indicates that the upper half of the distribution of the GEIH series is denoted by comparatively higher values than those of the ECH, hence pointing that the GEIH has a stronger coverage of the top part of the distribution.

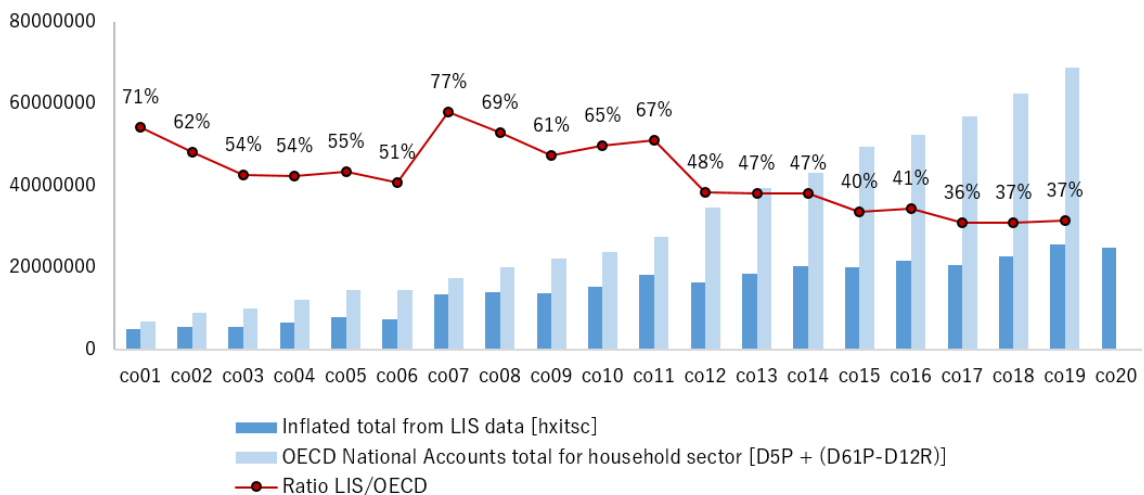
This difference between the two series becomes clearer when looking at the tax simulation results (see Fig. 1.3), where the jump between 2006 and 2007 is even more evident. This can easily be explained by

the fact that, given the very large exemptions and deductions existing in Colombia, social contributions, and especially income taxes, are collected almost exclusively on incomes belonging to the top of the distribution (after modelling tax brackets and exemptions, only about 1 to 2% of the population is taxed in the micro data, as can be seen from Fig. 1.4). Since the top of the distribution is less well covered in the ECH, the difference in the amounts of taxes and contributions between the two series is very marked. The reliability of the simulation of taxes and contributions is analysed in the Box 1 below.

**Box 1 – National Accounts comparison of taxes and contributions**

In order to assess the reliability of the simulation of taxes and contributions, we compared the total amount of taxes and contributions as resulting from the simulation and inflated to the total population, to the corresponding aggregates from the National Accounts (as derived from the OECD tables on detailed National Accounts for the household sector). The break in series between the two surveys is clearly visible: the coverage ratio of the simulated taxes and contributions (see Fig. 2, red line) clearly goes up in the GEIH, reflecting the stronger coverage of the top part of the distribution. Nevertheless, starting from 2012 it experiences a constant decline; the drop seems due to a substantial increase in the National Accounts numbers (whereby the NA aggregate substantially increases between 2011 and 2015, whereas the inflated microdata continue to show a slowly increasing trend over that same period period).

**Fig. 2 National Accounts comparison**



Note: More detailed coverage rates for all income subcomponents (not shown here) show that coverage rates range from about 60% for wages to 50% for social benefits, to about 40% for other incomes: the comparison to National Accounts points to a substantial underestimation of the households incomes, possibly deriving from the large informal sector existing in the country.




This finding is even stronger in the middle of the distribution and for the early part of the series, where most shares in the third to tenth ventiles amount to around 90 per cent. On the other hand, pension and capital income, when it is reported, is clearly only received by the households at the top of the income distribution – and increasingly so over time. While this is to be expected for capital income, the unequal distribution of pensions hints to the large informality of the Colombian labour market (where only three out of ten men and two out of ten women above retirement age receive retirement pensions). Other social public benefits (the survey is unfortunately not too specific about reciprocity of certain benefits) gradually become more important at the bottom of the distribution (this becomes extreme in the year 2020 due to the impact of the COVID19 pandemic). We would have liked to have more information on individual social assistance programs, particularly social pensions, in order to generate a better split in pensions versus other social transfers. Summing up, a clear trend can be observed. Labour earnings are increasingly offset by social assistance and private transfers at the bottom of the distribution and by pension and capital income at the top of the distribution. Further research is needed to better understand how these two consistent patterns affect the overall shape of the inequality, particularly the recent upwards trend in Gini from 2018 onwards.

In conclusion, in this article we described the particular challenges that arose during harmonisation of the annual Colombian micro data series. The data for Colombia have been taken from two different surveys, the *Continuous Household Survey (ECH)* for 2001 until 2006, and the *Great Integrated Household Survey (GEIH)* from 2007 onwards. While allowing for an in depth analysis of inequality at any point in time across the Colombian society, it became evident that there is a break between the two surveys – inequality levels cannot be interpreted as a consistent over-time trend. While looking at mean and median trends, we noted a clear shift in increased representation of better off population groups from 2007 onwards. In addition, after estimation of taxes and contributions, we need to acknowledge that since 2012 the overall magnitude of taxes and social contributions shows a rather flat trend as opposed to the increasing National Accounts numbers. This may suggest that the top end of the income distribution seems less covered in the micro data towards the latter part of the series. A note of caution should also be raised here concerning the comparability of the data for the year 2007, the first year of the new survey GEIH. Labour income amounts are substantially higher than the previous and following year, especially in the top ventile, reflected not only in the upper panel of Fig. 3, but also in the highest number in the National Accounts comparison and in the exceptionally high Gini Index for this year.

- 1 *Carrying out cross-sectional household surveys, has a long tradition at the National Administrative Department of Statistics (DANE) of Colombia. Since the late 1960s, the institute is regularly surveying its population with labour market, living conditions, income and expenditures questionnaires. By the early 2000s, three major household surveys were collecting information on living conditions: the Continuous Household Survey (ECH), the first continuous survey representative at the national level starting from July 2001, the National Survey of Income and Expenditure (ENIG) and the Survey of Living Conditions (ECV). In 2006, those three surveys were integrated in the Great Integrated Household Survey (GEIH), also collected in a continuous mode, with the monthly microdata being available from 2007.*
- 2 *Under the assumption that pensions received are subject to withholding deductions, pension amounts were grossed up to include both the 12% health contribution, and the withholding income tax, taking into account fiscal rules concerning income brackets and the corresponding tax rates, as well as the exemptions, deductions and maximum payments for contributions. See Tax Statute (Estatuto Tributario) and Ministry of Health and Social Protection (Ministerio de Salud y Protección Social).*
- 3 *More precisely, following the social security financing rules, a 4% health contribution was calculated for all taxable wage earnings, and a 12% health contribution was calculated on taxable self-employment earnings<sup>1</sup> and on taxable pensions, again. The procedure for the estimation of the pension contribution paid on earnings differed between the ECH and the GEIH. In the latter, the information on whether individuals were paying pension contributions on their labour earnings has been used to only apply the formula solely on the earnings of those who reported having paid such contributions (in the amount of 4% for wage earnings and 16% for self-employment earnings); on the other hand, in the absence of the information on the payment of pension contributions, for the ECH series it was assumed that such contributions were paid only on wage income (this followed from the recognition that in the GEIH most self-employed persons reported not paying social security contributions). Income taxes paid on total taxable income were estimated based on the tax rates of the corresponding income brackets for each fiscal year. Overall, we are rather confident of the methodology applied thanks to the detailed level of documentation available from official sources.*
- 4 *Another peculiarity potentially impacting comparability arose from the high percentage of item unit non-response in the raw income data (giving rise to percentages of households with missing total income well above 10 per cent and in some years close to 30 per cent). For this reason, we resorted to impute the missing income value. Hot-deck imputation techniques were thus applied to fully impute the missing cases for each individual income item.*

**2nd (LIS)<sup>2</sup>ER workshop "Policies to Fight Inequality:  
The Case of Work-life Reconciliation and Family Policies"**

Marie Valentova , (Luxemburg Institute of Socio-economic Research (LISER), University of Luxembourg)

Merve Uzunalioglu , (Luxemburg Institute of Socio-economic Research (LISER), UCL)

Family policies are crucial in easing the often-competing responsibilities between work and family when young children are present. Work-life reconciliation policies aim to contribute to the achievement of gender equality by promoting the participation of women in the labour market, equal division of caring responsibilities between men and women and the closing of the gender gap in earnings, income and pensions benefits. In the light of the ongoing demographic changes, mainly the ageing population, and increasing pressure of the public expenditure, the needs for informal care and for a more efficient balancing between work and family obligations are on the rise.

Against this background, LIS Cross-national Data Center in Luxembourg and the Luxembourg Institute of Socio-Economic Research (LISER) convened the second international workshop of the (LIS)<sup>2</sup>ER initiative. The workshop was entitled "Policies to Fight Inequality: The Case of Work-life Reconciliation and Family Policies", and took place on November 25<sup>th</sup> – 26<sup>th</sup> 2021 in Belval, Luxembourg.

Acknowledging the diversity of work-life balance policies and research studying the how, why, and what of these entitlements, this workshop focused on two interrelated family policies: provision of care for young children and parental leave, and aimed to discuss inequalities as causes and consequences at three levels: inequalities in access due to eligibility rules, inequalities in use due to (un)affordability of the right, and unintended consequences of the given right.

The workshop offered a space to discuss novel insights on inequalities related to work-life reconciliation policies. Scholars had the opportunity to unite and exchange ideas. As the work-life reconciliation and family policies are themes which lie at the intersection of different scientific domains such as the labour market, unpaid labour, families, households, life-course and child development, the workshop was truly in a multidisciplinary nature. During the two days, an array of studies crossing borders between economics, sociology, demography and policy evaluation and analyses and covering different geographical regions were presented by senior as well as junior scholars. In this context, LIS data turned out as a pivotal mutual source for comparative research.

The workshop was opened by the director of LISER Aline Muller, director of LIS Peter Lanjouw and Philippe Van Kerm (UNI LUX, LISER). The academic programme consisted of eight presentations grouped into three thematic sessions. The first session was dedicated to the *inequalities in access to* work-family reconciliation policies, where special attention was paid to the regional level. Mara Yerkes (the Utrecht University) presented the analyses of the care policies in local settings, namely on the municipal regulation and provision of care services in four European countries. Agnes Blome (WZB Berlin) explored the issues of changing attitudes and childcare policy reforms in the Federal States of Germany.

The second thematic session covered the *inequalities in the usage of* work-life reconciliation policies. Merve Uzunalioglu (LISER, UCL) presented a paper exploring usage of parental leave, and, in particular, the duration of fathers' parental leave use in Luxembourg from the perspective of intra-household dynamics. Wim Van Lancker (KU Leuven) focused on the inequality in childcare use and presented a comprehensive summary of the existing evidence and the remaining gaps in the existing knowledge regarding this topic.

The third thematic session dealt with *the unintended consequences of* family policies. Despite the declared intentions of work-family reconciliation policies to narrow the gaps and decrease social inequalities, there is a growing evidence that some policy designs or policy mixes may unintentionally reproduce or mitigate some social inequalities. Four presentations elaborated on this important and often neglected issue. Ann-Zofie Duvander (Stockholm University) explored the consequence of the parental leave usage and its' patterns in a couple in Sweden on parents' labour market participation. Hyojin Seo (KU Leuven) also touched on the issues of unintended labour market consequences of family policies, conducting a cross-country comparative study analysing the impact of family policies on the feminization of labour market outsiders. Pia Schober (University of Tübingen) and Christina Gathmann (LISER) focused on the situation in Germany and described unintended consequences for social inequalities in work-care arrangements, particularly in the provision and prices of childcare.

The keynote lecture was delivered by Rense Nieuwenhuis (Stockholm University). In his speech, Rense Nieuwenhuis presented a research agenda for incorporating family policy (and a perspective on family diversity) into analyses of vertical economic inequality. This agenda is based on the following questions (1.) Who uses family policy?, (2.) to What income effect?, and (3.) with Whom do they live? He also reflected on what is needed to realize this agenda empirically and assessed what role(s) the LIS database can play to achieve this.

Due to the very high policy relevance of the topic of this 2<sup>nd</sup> (LIS)<sup>2</sup>ER workshop and all the invited presentations, the organizers of the workshop decided to augment the possible societal impact of this event by closing it with a policy roundtable. The roundtable was entitled "Looking ahead: How to go forward with work-life reconciliation policy in Luxembourg and Europe?" and was led by Margaret O'Brien (UCL), who moderated the discussion with the invited policy practitioners and policy experts: Kamil Dörfler, European Investment Bank (EIB), Ralph Kass, The Ministry of Equality between Women and Men (MEGA), Lucie Waltzer, The Ministry of Education, Children and Youth (MENJE), Marie Valentova, LISER and Audrey Bousellin, LISER. The discussions were centred around several themes dealing with a disproportionate negative impact on mothers' jobs, livelihoods, and caring responsibilities during the COVID19 pandemic; implementation and challenges of the Work-Life Balance (WLB) Directive of 2019 in Europe and Luxembourg; the complementarity of work, ECEC and other family and the cultural readiness in Luxembourg for a "Nordic turn" to increase compensation levels so fathers can share more leave with mothers.

This workshop was the second international workshop in the realm of the (LIS)<sup>2</sup>ER initiative, an institutional collaboration between two actors in Luxembourg's research landscape facilitated by the Luxembourg Ministry of Higher Education and Research.

Organising Committee Petra Sauer (LIS, LISER) Marie Valentova (LISER) Philippe Van Kerm (LISER, University of Luxembourg) Merve Uzunalioglu (LISER, UCL)



## Data News / Data Release Schedule



LIS is happy to announce the following data updates:

**Australia – AU16/AU18** added to the LIS Database (2 new and 10 revised)

In addition, the two data points were added to the LWS Database (2 new and 3 revised)

**Austria** – Annualisation of the country series from 2003-2019 for the LIS Database (12 new datasets and 5 revised)

**Colombia** – Annualisation of the country series from 2001-2020 for the LIS Database (15 new datasets and 5 revised)

**Paraguay** – Annualisation of the country series from 2002-2020 for the LIS Database, plus **PY97** and **PY99** (16 new datasets and 6 revised)

**Poland** – Annualisation of the country series from 2004-2020 for the LIS Database. (12 new datasets and 5 revised)

**Russia** – **RU19** added to the LIS Database (1 new dataset and 11 revised)

**Vietnam** – **VN05/VN07/VN09** added to the LIS Database (3 new and 2 revised)

**Estonia** – **EE16** was revised in the incomes section.

### Data Releases and Revisions– Luxembourg Income Study (LIS)

#### Australia

LIS is delighted to announce that two more data points have been added to the LIS Databases, namely, **AU16** (Wave X) and **AU18** (Wave XI). The AU16 dataset is based on the Survey of Income and Housing (SIH) and Household Expenditure Survey carried out by the **Australian Bureau of Statistics (ABS)**, while the AU18 dataset is based only on the Survey of Income and Housing (SIH).

The whole Australian series AU81-AU14 has been reviewed for consistency in the education section.

#### Austria

Twelve new datasets have been added from Austria to the LIS Database, namely **AT03, AT05, AT06, AT08, AT09, AT11, AT12, AT14, AT15, AT17, AT18, and AT19**. The datasets are based on the respective waves of the Austrian Survey on Income and Living Conditions (EU-SILC), carried out by **Statistics Austria**.

The previously available datasets **AT04, AT07, AT10, AT13, and AT16** have been re-harmonised, now reflecting the latest harmonisation decisions for the whole annualisation.

#### Colombia

Fifteen new datasets are added to the LIS Database; namely **CO01, CO02, CO03, CO05, CO06, CO08, CO09, CO11, CO12, CO14, CO15, CO17, CO18, CO19, and CO20**. The datasets are from the respective waves of the Household Continuous Survey / Encuesta Continua de Hogares (ECH) for the years 2001 to 2006, and the Great Integrated Household Survey / Gran Encuesta Integrada de Hogares (GEIH) for the years 2007 onwards, both carried out by the **National Administrative Department of Statistics / Departamento Administrativo Nacional de Estadística (DANE)**.

The previously available datasets **CO04, CO07, CO10, CO13, and CO16** have been re-harmonised, now reflecting the latest harmonisation decisions for the whole annualisation. This notably involved the full imputation of the missing incomes for CO04, and, for all four revised datasets, refinements of the methodology to estimate taxes and social contributions.

#### Paraguay

Sixteen new datasets are added to the LIS Database from Paraguay: **PY97, PY99, PY02, PY03, PY05, PY06, PY08, PY09, PY11, PY12, PY14, PY15, PY17, PY18, PY19, and PY20**. These datasets are based on the Continuous Household Survey (EPH) carried out by **Instituto Nacional de Estadística (INE)**.

The previously available datasets **PY00, PY04, PY07, PY10, PY13, and PY16** have been revised for consistency, now reflecting the latest harmonisation decisions for the whole annualisation.

#### Poland

Twelve new datasets are added from Poland to the LIS Database, **PL05, PL06, PL08, PL09, PL11, PL12, PL14, PL15, PL17, PL18, PL19, and PL20**. The datasets are based on the respective waves of the Household Budget Survey carried out by the **Central Statistical Office (GUS)**.

The previously available datasets **PL04, PL07, PL10, PL13, and PL16** have been re-harmonised, now reflecting the latest harmonisation decisions for the whole annualisation. Due to severe underestimation of reported taxes and social contributions, all variables related to tax and contribution payment are no longer provided, nor added to the household level amounts, hence all incomes are now reported net after deduction of income taxes and contributions.

#### Russia

One new dataset from Russia **RU19** (Wave XI) has been added to the LIS Database. The dataset is based on the 2020 Survey of the Population Income and participation in Social programs (PIS) carried out by the **Federal State Statistics Service (Rosstat)**. A minor adjustment has been made in variable *lfs* (main labour force status) in **RU17** and **RU18**.



**Vietnam**

Three new datasets are added to the LIS Database, **VN05, VN07, and VN09**. The datasets are based on the **Vietnamese Household Living Standards Survey (VHLSS)** carried out by the **General Statistics Office (GSO)** of Vietnam. The previously available datasets **VN11** and **VN13** have been re-harmonised, now reflecting the latest harmonisation decisions for the whole annualisation.

*The inclusion of Vietnam is accomplished through the research agreement between the Agence Française de Développement (AFD) and LIS. LIS is grateful for this cooperation that allowed for this valuable addition.*

**Data Revisions –LIS Database**

**Estonia**

A revision of **EE16** has been carried out which affected monetary amounts of child allowances (*pi412*), unemployment benefits (*pi42*) and private transfers (*hiprivate*). The changes have had an effect on some of the LIS Key Figures, most notably the poverty rates of children below 18 years of age.

**Data Releases and Revisions– Luxembourg Wealth Study (LWS)**

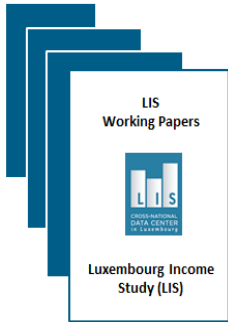
**Australia**

Two more data points have been added to the **LWS** Databases, namely, **AU16** (Wave X) and **AU18** (Wave XI). The AU16 dataset is based on the Survey of Income and Housing (SIH) and Household Expenditure Survey carried out by the **Australian Bureau of Statistics (ABS)**, while the AU18 dataset is based only on the Survey of Income and Housing (SIH).

**LIS/LWS Data Release Schedule**

	Spring 2022	Summer 2022
<b>LIS Database</b>		
Canada	Annual data CA81-CA19	
France	FR96-FR18	
Luxembourg	LU15/16/17/18/19	
Norway	NO19	
Peru		PE97/19
Vietnam	VN92/97/01/03	
Uruguay	Annual data UY05-UY19	
<b>LWS Database</b>		
Chile		CL07/12/14/17
China		CN11/13/15/17
Norway	NO19	

## Working Papers & Publications



### Focus on

**The Historical Racial Regime and Racial Inequality in Poverty in the American South** [🔗](#) **LIS WP No.820** by **Regina S. Baker** [✉](#) (University of Pennsylvania)

Building on literatures on racial regimes and the legacy of slavery, this study conceptualizes and constructs a novel measure of the historical racial regime (HRR), and examines how HRR influences contemporary poverty and racial inequality in the American South. The HRR scale measures different manifestations of the U.S. racial regime across different historical periods (i.e. slavery and Jim Crow) and is based on state-level institutions including slavery, sharecropping, disfranchisement, and segregation. Using Current Population Study data from the Luxembourg Income Study 2010-2018 for 527,829 Southerners and historical state-level data from various sources, evidence is triangulated from bivariate associations, multilevel regressions, and decomposition analyses. Results show that residing in a state with stronger HRR is not significantly associated with greater poverty for all and especially not among White Southerners. Rather, a higher level of HRR worsens Black poverty and especially Black-White inequalities in poverty. Further, HRR explains a significant share of the Black-White poverty gap. These results hold even after adjusting for a wide variety of individual-level variables, many of which plausibly mediate the influence of HRR. Altogether, this study demonstrates the enduring influence of historical state institutions on contemporary poverty and inequality.

### LIS working papers series

#### LIS working papers series - No. 815 [🔗](#)

**The Paradox of Redistribution in Time. Social Spending in 53 Countries, 1967-2018**

by *Xabier Garcia-Fuente*

#### LIS working papers series - No. 816 [🔗](#)

**Can Progressive Taxation Address Gender Inequality in Income? Cross-National Evidence of Gender Differences in Income Tax Payment Patterns and Post-Tax Income**

by *Morgan Richards-Melamdir*

#### LIS working papers series - No. 817 [🔗](#)

**The Single Motherhood Penalty as a Gender Penalty**

by *Sophie Moullin, Susan Harkness*

Forthcoming in the *American Journal of Sociology* (2021).

#### LIS working papers series - No. 818 [🔗](#)

**Analyse des Inégalités de Revenu au Mali**

by *Paul Alkemade, Daniele Checchi, Siaka Cissé, Aminata Coulibaly, Anda David, Amadou Koné, Teresa Munzi, Gaston Sodio, Arouna Sougane*

Forthcoming in *Revue d'économie de développement* (2021). Also published by Agence Française de Développement (AFD) under the Creative Commons licence CC-BY-NC-ND 4.0.

#### LIS working papers series - No. 819 [🔗](#)

**Villes Globales et Inégalités : Mondialisation ou Financiarisation ?**

by *Olivier Godechot, Nicolas Woloszko*

#### LIS working papers series - No. 820 [🔗](#)

**The Historical Racial Regime and Racial Inequality in Poverty in the American South**

by *Regina Baker*

Forthcoming in the *American Journal of Sociology*.

#### LIS working papers series - No. 821 [🔗](#)

**Rewealthization in twenty-first century Western countries: the defining trend of the socioeconomic squeeze of the middle class**

by *Louis Chauvel, Eyal Bar Haim, Anne Hartung, Emily Murphy*

Published in the *Journal of Chinese Sociology* 8, 4 (2021).

<https://doi.org/10.1186/s40711-020-00135-6>

#### LIS working papers series - No. 822 [🔗](#)

**The Structure of Financial Systems and Top Incomes in Advanced Economies: A Comparative Distributional Analysis of the Financial Wage Premium**

by *Anthony Roberts, Roy Kwon*

*Dear Readers:* The LIS and LWS Working Papers have always been published in various social sciences journals. As the end of the year approaches, we would like to inform you that in 2021, 19 LIS/LWS Working Papers have been published or are forthcoming in peer-reviewed journals. The papers appeared in (among others): *American Sociological Review*, *American Journal of Sociology*, *Social Forces*, *Journal of Social Policy*, *Journal of European Social Policy*, *Journal of Royal Statistical Society Series A*, *NBER Macroeconomics Annual*, *the Review of Income and Wealth*, *Journal of Economic Inequality*, *Journal of Comparative Economics*, and *Journal of Economic Behavior & Organization*. Thank you to all researchers who utilized the LIS and LWS Databases for their analyses. In the upcoming year 2022, we are looking forward to see rigorous scientific research and we wish all LIS users to publish well!

## News, Events and Updates

### Opening of the UK LIS Satellite Office

After three decades of existence of a LIS Office based in the US (the US LIS Satellite Office currently based at CUNY, in New York), a second LIS Satellite Office was opened this month within the **International Inequalities Institute (III)** at the **London School of Economics (LSE)**. The creation of this new office comes in an effort to build on the complementarity between the two institutions in terms of high-quality data provision and research excellence and to exploit synergies to foster new, innovative research in the field of inequality and social policy. The main aim of the office is to promote the usage of the *LIS databases* in the UK, and to serve as the reference point for the liaison between LIS and the community of LIS data users in the UK. This foresees the organization of common events, the participation in common research initiatives, and especially the facilitation of the access to LIS data through the pilot set-up of a LIS Virtual Desktop that is intended to allow III-affiliated researchers to carry out analysis directly on the *LIS Databases* from a secured room at LSE. The LIS Virtual Desktop is an important channel to increase the usage of the *LIS databases*.

More information about the new UK LIS Satellite Office can be found [here](#).

### “Inequality, from regional to global: insights from LIS and LWS data” – online event

On Monday 6 December 2021 a public online event titled “Inequality, from regional to global: insights from LIS and LWS data” was hosted by the **International Inequalities Institute (III)** at the **London School of Economics (LSE)** to launch the newly opened UK LIS Satellite Office. The event introduced the new Office, how to access the data from LSE premises, and presented overviews of what analysis can be done with LIS and LWS data. The event was chaired by Professor Francisco Ferreira (LSE) and witnessed the valuable contributions from the following speakers: Professor Frank Cowell (LSE), Professor Janet Gornick (CUNY), Professor Peter Lanjouw (VU University and LIS), Professor Branko Milanović (CUNY and LSE), and Dr. Nora Waitkus (LSE).

### Addition to the LIS Online Tutorial Series from the 2021 LIS Summer Workshop

LIS is happy to announce the addition of four new videos to its online tutorial series. These new video tutorials are part of the 2021 LIS Virtual Summer Workshop and presented by professor Louis Chauvel (University of Luxembourg) and Professor Philippe Van Kerm (University of Luxembourg & LISER)

Professor Louis Chauvel presented two different topics:

- **Are there “sacrificed generations” today? Comparing Age-period-cohort models of income and wealth**
- **How extreme are extreme inequalities? Joint income and wealth distributions in comparison**

Professor Philippe Van Kerm discussed the topic of “Distribution regression & Inequality and poverty decomposition methods” in two parts ([part 1](#) and [part 2](#)).

To check the list of the available online tutorials, please see [here](#).

### 2021 (LIS)<sup>2</sup>ER workshop: “Policies to fight inequality: The case of family policy”

On 25-26 November, LIS and LISER convened the second international scientific workshop in the realm of the (LIS)<sup>2</sup>ER initiative.

In this workshop, presentations by eight invited scholars addressed “**The Case of Work-life Reconciliation and Family Policies**”, a theme which lies at the intersection of the labour market, families and households and early years of child development. The keynote lecture was delivered by Associate Professor Rense Nieuwenhuis (SOFI, Stockholm University).

Eighty-six participants attended the workshop virtually from twenty-five different countries from all over the world. More information about the workshop agenda can be found in the [summary](#) in this issue; the presentations available for download [here](#).

### New Top and Bottom Coding Methodology applied to LIS Inequality and Poverty Key Figures

Following the new top and bottom coding procedures used for the computation of **Data Access Research Tool (DART)** indicators, LIS has adopted this new practice of setting extreme income values for a bottom and top code for its **Inequality and Poverty Key Figures**. This new procedure first defines the interquartile range (IQR) of the logarithm of the income and detects values which could possibly be assessed as outliers (3 times below or above the IQR). The new measure keeps inequality measures much closer to the non-top and bottom coded measures as compared to the previous approach but serves to smoothen inequality trends to a reasonable amount by consistently reducing the influence of extreme values for within- and between-country comparisons. Please note, that we also updated our **programs** section on the website, where we provide the syntax with the new methodology to replicate the numbers in LISSY.

For more information about the new top and bottom coding methodology and a comparison to the previous applied methodology, please read this [article](#) by Jörg Neugschwender (LIS Data Quality Coordinator and Research Associate).

### LIS team participation in conferences

Teresa Munzi presented “The challenges of harmonising data from middle income countries” at the Workshop *Dealing with data deserts* linked to the 2021 Scientific Conference of the European Development Research Network (EUDN) – 20 October 2021.

Piotr Paradowski and Jörg Neugschwender gave a presentation on “**Assets and income integration for poverty measurement**” at the 2021 UNECE Online Meeting on Measuring Poverty and Inequality - 2 December 2021.

### Testimony from LIS' First Intern

“After finishing my BSc in Philosophy, Politics and Economics (PPE) at the Vrije Universiteit in Amsterdam, I was eager to gain some first-hand experience in the world of economic research. Due to the exceptionally accommodating and flexible team at LIS, I was able to be LIS' first-ever intern.



During my time at LIS (September - October 2021), I gained fascinating insights into the necessary trade-offs that go into the methodological decisions at LIS. I was also directly involved in the preliminary data quality control, documentation, and harmonisation process for survey microdata from Bangladesh and significantly improved my capabilities in working with statistical software as a result. Finally, I got to work with the newest LIS data to analyse some inequality trends from the last 20 years. You can read my article on “Inequality Reduction over the last two Decades: Observations from the Newest LIS Data” in this edition of Inequality Matters.

I am extremely grateful for my two months at LIS and am sure the things I learned there will continue to be of great use for me in the future. Most of all, however, I will remember the helpfulness of everybody I got to meet and work with every day.”

**Felix Estgen**

**BSc in Philosophy, Politics and Economics,  
Vrije Universiteit Amsterdam**

### The Stone Center at the GC-CUNY welcomes a new collaborating institution

On 17 November 2021, it was announced that a seventh inequality research center – five in the US, one in France, and one in the UK – would be funded by James and Cathleen Stone. The newest center is located at the University of Michigan and will be directed by Stone Center Affiliated Scholar Fabian Pfeffer. This gift expands and renames an existing center – the Center for Inequality Dynamics (CID) – which is already directed by Pfeffer, a sociologist and co-PI of the Panel Study of Income Dynamics (PSID). The center will continue to focus on the study of “changes and stability in social inequality across time, generations, and socio-political contexts.” Fabian Pfeffer is co-author, with Nora Waitkus, of a recent LWS paper on wealth inequality. That paper – LWS Working Paper 33 – won the 2021 Aldi Harenaars Award, and was published in the American Sociological Review.