Hungary

Sources:
Jain 1975
Cromwell 1977, Table 1
Lydall 1979
Atkinson and Micklewright 1992, Tables HE1, HI1, HI2 and HI4 in the Statistical Appendix
Cornia 1994
Smeeding and Gottschalk 1995 (based on LIS-data)
Vecernik 1995, Table 1 p.25
Rutkowski, 1996, Table 4 p. 27 and the country tables in the Annex
Milanovic 1998, country tables in the Appendices 2 and 4
World Bank Poverty During the Transition website 9/2000, Milanovic
World Bank Poverty Monitoring Database 2002
Transmonee 2004
Deininger & Squire, World Bank 2004
Luxembourg Income Study (for more information about the surveys used, please look at http://www.lisproject.org/techdoc/hu/huindex.htm)

The documentation relies heavily on Atkinson and Micklewright (1992).

Surveys:
Hungarian Income Survey 1962, 1972, 1977, 1982, 1987
The survey covered 0.5 – 1.0% of the target population. The first survey was carried out in 1963 on 1962 incomes and was then carried out in March every five years (on incomes from the previous year). The survey used a multi-stage random sampling process on a territorial bases and a fresh sample of addresses was drawn each time. Random sampling took place from a master-sample of census enumeration districts drawn every ten years. Information was collected through personal interview based on a detailed questionnaire with separate questions concerning different forms of income. Information on earnings and income derived from membership in co-operative was requested from employers who were obliged to comply with the request. If the person had several jobs during the year each employer was requested to give the information. If the employer failed to do this (5-7%), the earnings figures reported by the respondents were taken. Results refer to households, defined as a set of persons in the same dwelling who partly or entirely share living expenses. The response rates were 90.6 in 1982 and 83.1 in 1987. The income survey data were re-weighted by region in order to compensate for the regional pattern of response. The statistical office compared aggregate reported agricultural production in the income survey with macro estimates and typically found that the former was lower. When this occurred, reported agricultural production was inflated so that the totals corresponded. The same treatment was given in 1987 to self-employment income.

The income concept is annual net household income, distinguishing a large number of sources. Income from agricultural production was estimated by the statistical office on the basis of the information given on production of a wide range of produce. Output

which was sold was valued at producers prices, output which was consumed within the household at consumers prices. Both were included in the definition of income. Appropriate annual values of reported pensions and family benefits were calculated by the statistical office given knowledge of retirement and birth dates and any upratings during the year. Efforts were made to collect information on tips, gratuities and income from unlicensed economic activity. The value of "social income in-kind", such as education, health and sport, was estimated by the KSH for each household on the basis of macro estimates of the value of such incomes, the socio-demographic characteristics of the household, and information given by respondents to the Income Survey about usage of state services. The imputed value was NOT included in the definition of income.

The authors had to interpolate in order to arrive at values for the Gini coefficient and the median. To do this the authors used the program INEQ written by F.A. Cowell. The means and deciles were published by the data provider.

Census of employers 1970, 1972, 1974, 1976, 1978, 1980, 1982, 1984, 1986, 1988, 1990, 1992, 1993

Regular enquiries on the distribution of gross earnings in Hungary were carried out through 100 % censuses of enterprises, which collected information on earnings in September (June 1955 and 1956). Enterprises were obliged to supply information of persons in discrete earnings bands. The data published for years prior to 1970 are limited to the state sector. Data available from 1970 covers the more extensive "socialised sector", this being defined as the state sector plus co-operatives. From January 1982 private ventures were permitted, from this time those ventures were included in the earnings enquiry under the heading of the socialised sector. In January 1988, 86.8% of all employed persons were in state organizations, 11.6 in co-operatives and 1.6 in private ventures. The armed forces, self-employed, people working in specified areas close to the border and organizations employing less than 50 workers were excluded (3.3%). Also part-time workers and employees working less than full month were mostly excluded.

The income concept is gross earnings for the month in question included overtime, one-twelfth of any annual bonus, one sixth of half-yearly bonuses and one-ninth of all additional earnings received between January and September. Allowances for meals and transport were excluded. The precise definition of earnings has been changing over the years (allowances paid for price increases sometimes excluded, sometimes not). A progressive income tax was introduced in January 1988 which was accompanied by a grossing-up of wages. This means that the distributions for 1988 should not be compared directly with those for earlier years. The reference month is September (June in 1955 and 1956).

Atkinson and Micklewright (1992) had to interpolate in order to arrive at values for the means, medians and Gini coefficients. To do this the authors used the program INEQ written by F.A. Cowell. To Rutkowski (1996), 13 earnings classes were available in 1993. It is not clear how the estimation was done.

The SOCO Survey (income referring to 1989)

The survey was conducted in 1995 on about 1000 households of five countries. The survey was a part of the project "Social Cost of Economic Transformation in Central Europe", launched by The Institute for Human Studies, Vienna. Gross earnings were used.

Household Budget Survey 1987, 1989, 1991, 1993, 1997, 1998

Documentation is scarce. The aggregation in Deininger & Squire (2004) is a bit messy and it is unclear whether the income and consumption aggregates provided by the data provider or those calculated by D&S have been used. Judging from the programs, both the income and the expenditure concepts are rather comprehensive.

In the Poverty during the Transition website, tables from the Statistical Yearbook are used.

Data from Transmonee

Earnings: Only companies with more than 50 employees are covered and only full-time workers. The month of September is the reference month and 1/12 on non-regular wage components are also included.

Income: Apparently the Household Budget Survey is used. In 1989 and 1991 there were no weights so children 0-14 were in practice not represented by the data. The income details are good: Wages and salaries, self-employment income, sick payments, pensions, family/child allowances, maternity and other child related allowances, unemployment benefits, other social benefits (including social assistance), property income and other income (including private transfers) are included.