Republic of Korea

Sources:

Korea, NBS
World Bank, World Development Indicators 2000
Cheong 2005
2006-12: OECD Database on Household Income Distribution and Poverty

Surveys:  Estimates by Martellaro 1953, 1961, 1964  It is reported that the Gini coefficients were determined by categorizing national income distribution according to quintiles. This is partly done by the author but it is not mentioned how.

The Chung-Ang University Income and Expenditure Survey 1966
Used by Jain (1975). No documentation is available.


Two separate surveys were conducted in the urban and rural areas. There were upper income ceilings for the urban sample households until 1981. To partially correct for the omission of the highest
income class, income data from tax sources were used to supplement the potential deficiency of the city household survey. During the 1970’s, the sample size of the City Household Survey increased from about 1700 in 1976 to 3000 in 1977.

Households omitted from the two surveys are non-city non-farm households, fishery households, and the farm households cultivating less than 1 danbo (a unit of measurement of farm land in Korea that corresponds to about 9.9 ares or 0.245 acre). The omitted households comprised 18.9% of the population based on the 1980 Population and Agricultural Censuses. The City Household Survey did not survey the incomes, only the expenditures of the self-employed and proprietor households, thus requiring an expenditure-to-income conversion. The conversion assumed that the consumption function of these households is identical to that of wage and salary earner households. The income of excluded non-city non-farm households was also estimated. There was no attempt to estimate the income of fishery households and farm households with very small land holdings.


The survey was conducted by the Korean Ministry of Labor Affaires. In the first stage, companies with 10 employees or more in all industries and regions were selected. Government offices, army and police, and educational institutions were excluded from the sample. In the second stage, 100% of the workers from companies with less than 100 employees were selected along with 70% from companies with 100-299 employees, 50% from companies with 300-499 employees and 20% from companies with 500 and more employees. The income concept is gross earnings. The estimates of Lee (1991) are taken from different secondary sources using the same survey.
Korean Household Panel Study 1993-1998

This panel study was carried out by the Daewoo Economic Research Institute for the period between 1993 and 1998. The survey was discontinued in 1999. Unlike the official surveys, it has national coverage and does not exclude any occupational groups. The sample covered initially 4547 households in 1993. The number of households in the sample survey declined year by year to 3625 in 1994, 3108 in 1995, 2833 in 1996, 2724 in 1997, and 2468 in 1998. While each wave of the KHPS covered a sample period of twelve months, the months actually covered in a wave changed both in the 1994 and 1995 waves. Specifically, the 1993 wave covered a period from January to December 1993; the 1994 wave covered a period from April 1993 to March 1994 and all the subsequent waves respectively covered a period from August of the previous year to July of the survey year. Thus, the sample year 1998 corresponded to the period of August 1997 to July 1998, which almost coincided with the period of the economic crisis in Korea. The sudden rise in the Gini coefficient is probably related to the economic crises.

Both gross and disposable incomes are reported from this survey. Items covered are wages and salaries including bonuses, income from business activities and professional occupations, (imputed) income from farming and fishery, income from side jobs and businesses, dividends, interest and capital gains, pension, public subsidy and private gifts. Only direct income tax payments are deducted from the disposable incomes, indirect taxes and social security contributions are not included.