

Income inequality

Measures of income inequality are based on data on household disposable income. Disposable income is gross household income following deduction of direct taxes and payment of social security contributions. Household income is adjusted to take account of household size by assuming a common equivalence scale of 0.5.

The main indicator of income distribution used is the Gini coefficient. Values of the Gini coefficient range between 0 in the case of "perfect equality" and 1 in the case of "perfect inequality".