

Table 7 Income Redistribution Effect (Gini Coefficients)

	Initial Income		Income after redistribution		Income after redistribution through taxation		Income after redistribution through the social security systems	
	Gini coefficient	Gini coefficient	Improved by (percentage)	Gini coefficient	Improved by (percentage)	Gini coefficient	Improved by (percentage)	
1981	0.3491	0.3143	10.0%	0.3301	5.4%	0.3317	5.0%	
1984	0.3975	0.3426	13.8%	0.3824	3.8%	0.3584	9.8%	
1987	0.4049	0.3382	16.5%	0.3879	4.2%	0.3564	12.0%	
1990	0.4334	0.3643	15.9%	0.4207	2.9%	0.3791	12.5%	
1993	0.4394	0.3645	17.0%	0.4255	3.2%	0.3812	13.2%	
1996	0.4412	0.3606	18.3%	0.4338	1.7%	0.3721	15.7%	

Source: "Survey on the Redistribution of Income (Fiscal 1996)" by the Research Section, Policy Planning and Evaluation Division, Minister's Secretariat, Ministry of Health and Welfare

- Notes:
1. Initial income = Compensation of employees + business income + agricultural income + property income + home work income + miscellaneous income + benefits privately received (remittances, corporate pensions, retiring benefits, and life insurance money)
 2. Income after redistribution = Initial income - taxes - social insurance premiums + social security benefits + medical expenses
 3. Income after redistribution through taxation = Initial income - taxes
 4. Income after redistribution through the social security systems = Initial income - social insurance premiums + social security benefits + medical expenses
 5. Improved by (percentage) = (Gini coefficient of the initial income - Gini coefficient of the income after redistribution) / Gini coefficient of the initial income x 100
 6. Taxes: among direct taxes, income tax, individual inhabitant tax, property tax (excluding tax on real estates used for business), and tax on automobiles and light cars (excluding those used for business)
 7. Social insurance premiums: premiums paid under the employees' insurance, national health insurance and national pension systems (contributory plan).
 8. Social security benefits: benefits such as pensions paid in cash under the social security systems
 9. Medical expenses: cash value calculated for medical benefits paid in kind