The Atlas of Inequality Aversion (Version 2)

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Data for 57 countries 1963-2024

Assembled by

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Description:

This is an updated version of the dataset, *The Atlas of Inequality Aversion* (initially released in 2022), now based on new LIS datasets and 2021 PPPs. The 2022 version included 664 country–year observations; the 2025 version has been substantially extended and now covers 1,031 country–year observations for 56 countries over time, and includes all LIS data updates between June 15, 2022 and December 15, 2025. Due to LIS data updates, the estimates may slightly differ between the initial 2022 version and the current 2025 version.

As in the initial release, this complementary dataset provides estimates of the inequality-aversion parameter ε of the constant relative inequality aversion utility function (Atkinson, 1970). The single parameter ε expresses a society's aversion to income inequality. It is derived from the condition for the existence of a social welfare function fitted to a parametric income distribution (GB2(a, b, p, q)). Building on these analytical tools, the dataset also reports the Atkinson index and the equally distributed equivalent income (Atkinson, 1970) for all covered country–year cases. We refer to it as the *Atlas of Inequality Aversion*. It is the first database of its kind, allowing researchers in welfare economics and other social science disciplines to obtain empirically grounded inequality aversion parameters for use across a variety of applications. A better understanding of a population's tolerance for inequality can also inform and guide economic policy design and evaluation.

The data provided here extend the estimates based on the LIS database presented by Stanisław Maciej Kot (Gdańsk University of Technology) and Piotr R. Paradowski (LIS and Gdańsk University of Technology) in LIS Working Paper No. 826 and published in *Equilibrium. Quarterly Journal of Economics and Economic Policy* (June 2022). The published article is available at: https://journals.economic-research.pl/eq/article/view/1972

We ask users of this database to cite it as:

- Kot, S.M. and P.R. Paradowski (2025). *The Atlas of Inequality Aversion, Version 2*. https://www.lisdatacenter.org/resources/other-databases/.

and

- Kot, S. M., & Paradowski, P. R. (2022). The atlas of inequality aversion: theory and empirical evidence on 55 countries from the Luxembourg Income Study database. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, 17(2), 261–316. https://doi.org/10.24136/eq.2022.010.

Codebook:

Variable	Obs	Unique	Mean	Min	Max	Label
database	1031	2	.	.	.	database used for estimation (LIS or ERF-LIS)
did	1031	1031	645.0824	1	1293	LIS dataset number
dname	1031	1031	.	.	.	country-year name
cname	1031	57	.	.	.	country name
year	1031	62	2005.908	1963	2024	income reference year
wave	1031	14	7.14258	0	13	data wave
eps	1031	1026	1.881614	.98574	6.22322	estimated inequality aversion ε
d_eps	1031	951	.0340882	.00242	.93033	the standard deviation of the estimator ε
lb	1031	1030	1.814803	.97517	4.39981	lower boundaries of 95% confidence interval of estimated ε
ub	1031	1027	1.948425	.99631	8.04662	upper boundaries of 95% confidence interval of estimated ε
atkinson	1031	1004	.3166813	.16136	.77235	Atkinson index A(ε,μ), where μ is the mean of GB2 estimates
edei	1031	1028	18638.33	1363.4	44435.7	equally distributed equivalent income
a	1031	1031	3.413957	.4671409	15.75256	estimate of the GB2(a) distribution parameter
se_a	1031	1031	.2130025	.0239129	1.313884	st. error of a
b	1031	1031	31702.49	2359.591	5069694	estimate of the GB2(b) distribution parameter
se_b	1031	1031	23036.57	36.9181	2.27e+07	st. error of b
p	1031	1031	1.075463	.1251369	18.13024	estimate of the GB2(p) distribution parameter
se_p	1031	1031	.1510794	.0036627	22.53877	st. error of p
q	1031	1031	2.615274	.1934984	1209.733	estimate of the GB2(q) distribution parameter
se_q	1031	1031	6.199654	.0061564	6132.638	st. error of q
Gini_S	1031	1031	.3374898	.1893501	.6533471	Gini empirical
mean	1031	1031	26186.27	2824.57	61654.66	mean empirical
mean_gb2	1031	1031	26108.09	2841.527	61569.89	mean GB2
iGini	1031	1030	.3385886	.1876168	.7557134	Gini GB2 (computation uses numerical integration over the range [0,1])
se_iGini	1031	1031	.0031345	.0004855	.0247536	st. error Gini GB2
N_GB2	1031	1009	29468.42	1649	299567	number of obs used in GB2 estimation
N	1031	1020	85544.22	4699	902601	the sum of household members
n	1031	1030	48100.06	2725.37	500418	equivalized number of households
date	1031	3	24083.02	24083	24085	date of last update

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  1.  incomes are expressed in International PPP adjusted and constant 2021 prices from World Bank Development Indicator, except for
      Taiwan. For Taiwan, where WDI PPPs are not available, a LIS-style PPP converter was constructed using data from Penn World
      Table 11.0 and the national CPI from Taiwan's Directorate-General of Budget, Accounting and Statistics (DGBAS).
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