Twitter Thread by Noah Smith



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1/OK, data mystery time.

This New York Times feature shows China with a Gini Index of less than 30, which would make it more equal than Canada, France, or the Netherlands. https://t.co/g3Sv6DZTDE

That's weird. Income inequality in China is legendary.

Let's check this number.

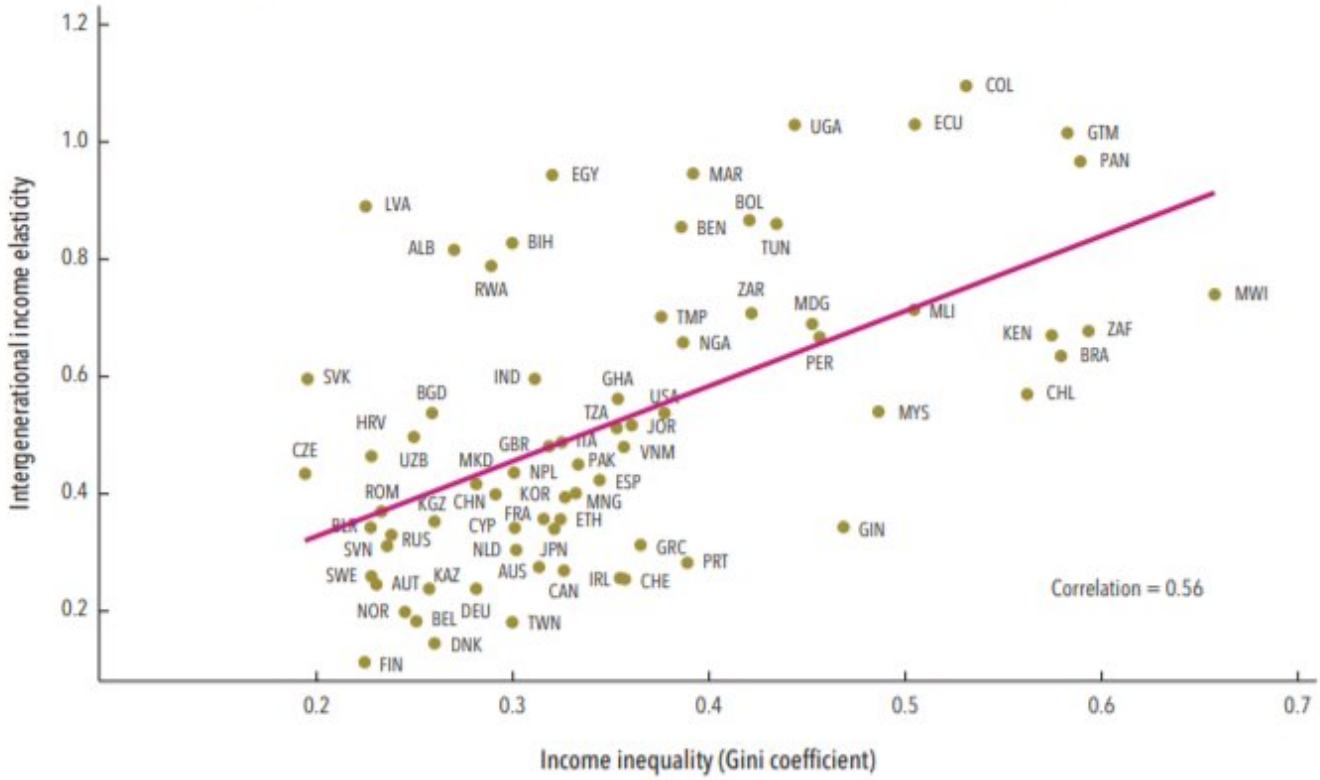
2/The New York Times cites the World Bank's recent report, "Fair Progress? Economic Mobility across Generations Around the World".

The report is available here: https://t.co/mrvWz1IzIe

3/The World Bank report has a graph in which it appears to show the same value for China's Gini - under 0.3.

The graph cites the World Development Indicators as its source for the income inequality data.

FIGURE O.11 Higher relative IGM in income is associated with lower income inequality



Source: Equalchances 2018, compiled from multiple studies; GDIM 2018 (World Bank); World Development Indicators for income inequality.
Note: Higher intergenerational income elasticity indicates lower relative intergenerational mobility (IGM).

4/The World Development Indicators are available at the World Bank's website.

Here's the Gini index: https://t.co/MvylQzpX6A

It looks as if the latest estimate for China's Gini is 42.2.

That estimate is from 2012.

5/A Gini of 42.2 would put China in the same neighborhood as the U.S., whose Gini was estimated at 41 in 2013.

I can't find the <30 number anywhere. The only other estimate in the tables for China is from 2008, when it was estimated at 42.8.

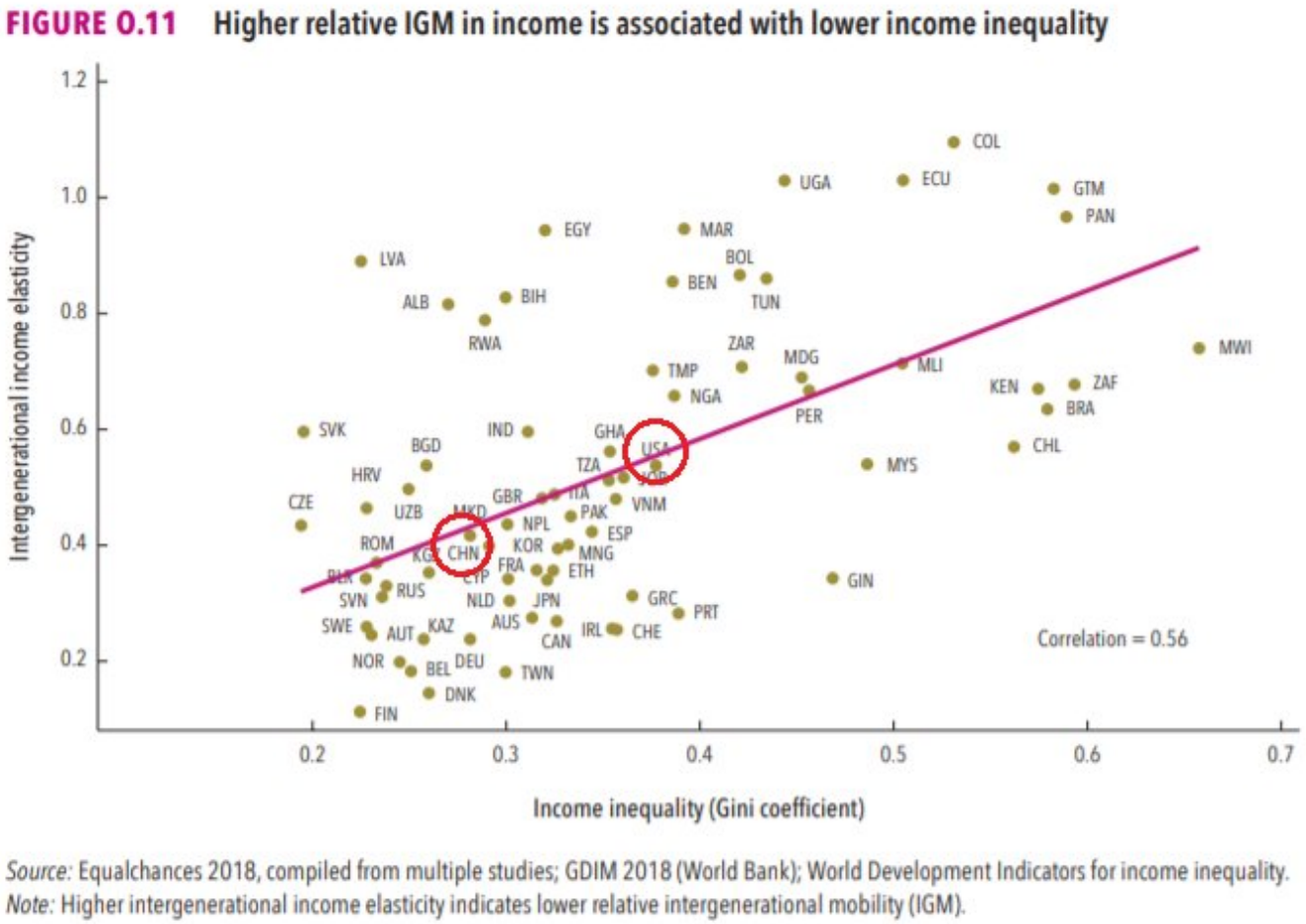
6/FRED, which gets its Gini estimates from the World Bank, shows the same numbers: https://t.co/1y911qazo9

Everyone except the "Fair Progress?" report, and the New York Times feature, seems to agree that the World Bank's most recent estimate of China's Gini is 42.2.

7/It appears that China's own estimate of its Gini was 46.5 in 2016: https://t.co/dG58kH3LiS

8/So where the heck is the "Fair Progress?" report getting its super-low China Gini number? It seems like it's NOT from the World Bank's World Development Indicators, which is what the report cites.

9/I notice that in the "Fair Progress?" report cited by the NYT, the U.S. Gini is also a bit fishy. It's less than 40, when the World Development Indicators say it's a bit over 40.



Source: Equalchances 2018, compiled from multiple studies; GDIM 2018 (World Bank); World Development Indicators for income inequality.
Note: Higher intergenerational income elasticity indicates lower relative intergenerational mobility (IGM).

10/The only other source the "Fair Progress?" report cites is the World Bank's Global Database on Intergenerational Mobility: https://t.co/95RnPYxMsB

But the GDIM doesn't have income GINIs. So that can't be where these weird numbers were from (unless the data was mislabeled).

11/Anyway I've been searching high and low for where the "Fair Progress?" report and the NYT got these weird Gini numbers, and I just can't find it. If anyone else can help me find where this comes from, I'd appreciate it.

12/As of right now, it's looking like the New York Times used some bad data for an incredibly widely read report, thus convincing a ton of people (incorrectly) that China is a far more economically equal place than the United States.

https://t.co/vmzz57YeFf

> Wow. China has higher income mobility and lower inequality than the United States https://t.co/29BHdzbAll
>
> — Tanay Jaipuria (@tanayj) November 19, 2018

13/But if someone finds a reliable source for these Gini numbers, then please let me know!

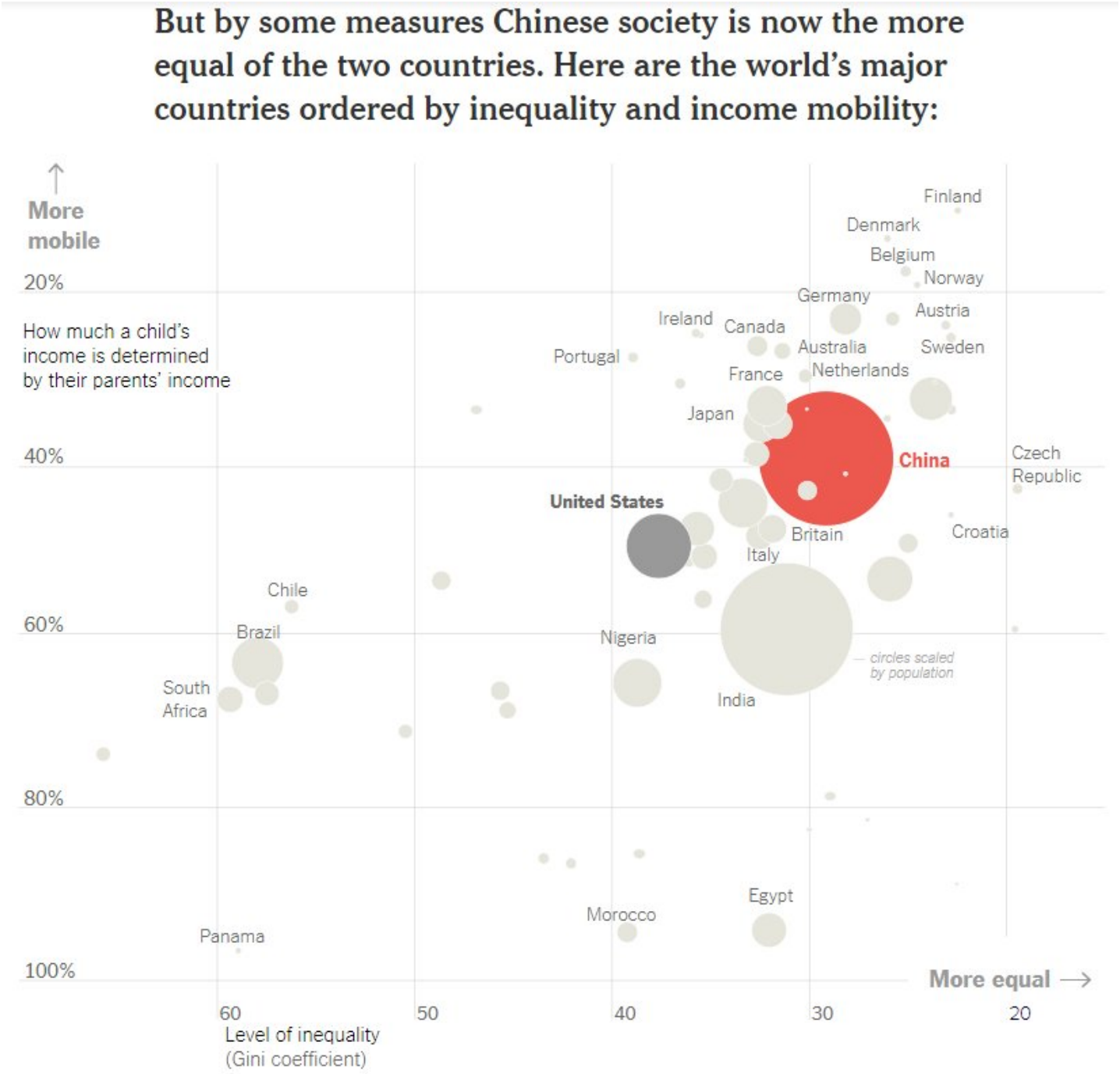
(end...for now)

14/UPDATE: The mystery has been solved! https://t.co/Qw9aB7Qg9D

The Gini number the NYT used was from the 1980s. It was not labeled as such.

> Hi Noah, Thanks for reaching out. The figure you refer to shows a Great Gatsby curve that plots income mobility against inequality for parents generation, i.e. inequality in 80s. Gini for China is around 0.3 at that time, and can be found in PovCalNet & @BrankoMilan All the Ginis
>
> — Roy Van Der Weide (@rroyji) November 19, 2018

15/The people who wrote the New York Times story appeared not to realize this. Here's the caption and graph from their piece:



16/The NYT seems to have just made a mistake, and should change the text and the graph to reflect that these numbers are from the 1980s, not current.

(end)