

■ ■ ■ «Average Wages» voor België en de OESO en verschillen in lonen en belastingdruk naar sectoren en beroepen

Geert VAN REYBROUCK
Adviseur van Financiën
Studie- en Documentatiedienst
FOD Financiën

ABSTRACT ■ ■ ■

In *Taxing Wages*, an authoritative OECD publication, average and marginal tax wedges on labour income are compared. Tax models for each of the 30 member states are at the core of the *Taxing Wages* methodology, another key element in comparing the tax results are the selected national wage levels. A few years ago, the wage reference was broadened from the gross annual wage of an “Average Production Worker” (APW) to the “Average Wage” (AW) of all manual and non-manual workers in the private sector. A revision of the classification of economic activities however, might force a new re-adjustment of the AW-definition. This offers an opportunity to evaluate the impact of the recent shift from APW to AW on wage levels and reported tax wedges.

We illustrate that in Belgium, like in many other OECD-countries, the broadening provoked an increase of the reference wage level. This increase was not due to the sector broadening but rather to the inclusion of non-manual workers. In fact a limited number of high wage earners exert a strong upward pressure on the average wage. One solution could be to exclude some occupation categories, like managers, from the AW-definition. We argue however that the use of median wages offers a more elegant way to deal with outliers. The impact of both remedies on the tax indicators would be limited. The 2007 tax wedge for single workers without children would lower a few percentage points compared to the rate published in *Taxing Wages*. The marginal tax wedge would remain largely unchanged.

Other aspects that are revised include the shift to part time work, the wage differences by gender and the convergence of wage levels in the eurozone.

Key words: Tax wedge; Wage Level and Structure; Wage Differentials by Gender, Sector and Occupation

JEL Codes: H24; J31

Met dank aan B. Brys, P. Vermeulen en de collega's van de Studiedienst voor hun reacties op eerdere versies.