

Corrigendum

Pages 94 and 95:

Figure 3.3. Average tax wedge on labour

Figure 3.4. Marginal tax wedge on labour

Note 1 for Figures 3.3 and 3.4 should read as follows (corrected text in red):

1. Measured as the difference between the change in total labour compensation paid by employers and the change in the net take-home pay of employees, as a result of an extra unit of national currency of labour income. The difference is expressed as a percentage of the change in total labour compensation. **For India, the data cover manufacturing companies with 20 or more employees (which represent 5% of all companies in the sector);** liability to health insurance and Employee Provident Fund contributions in India are restricted to employees in firms that have 20 or more employees. In China, a significant portion of workers are not covered by the social security system; hence their tax wedge is significantly lower than the figure reported here, which reflects the situation of workers covered.