Abstract: The modern welfare states provide social protection services not only directly from the public sector but also from the private sector, e.g., by mandating employment-based provisions and giving tax breaks for voluntary transactions for social purposes. This paper incorporates such private social expenditures and estimates the redistributive impacts of social protection systems in OECD countries, using a dynamic panel model. It is found that the redistributive impact decreases as the system relies more on the private sector, some countries have no statistically significant redistributive impacts, and the OECD countries have strengthened redistribution thought social policy on average after 2000. It is also discussed how the estimation results depend on the choice of the income inequality index to regress.