

# NTA - Indonesia

Aggregate Level, 2010

# A Framework of NTA Flow Account

NTA Flow Account, stylized, value of aggregate annual flows

	Children	Working age	Elderly	Total economy	Rest of the world	Total
<b>Panel A. Economic life cycle</b>						
<b>Life cycle deficit</b>	20	-15	10	15		
Consumption	20	70	10	100	2	102
Labour income	0	85	0	85	1	86
<b>Age reallocations</b>	20	-15	10	15		
<b>Panel B. Public age reallocations</b>						
<b>Public age reallocations</b>	5	-8	5	2		
Public transfers	5	-11	5	-1	1	0
Public transfer inflows	5	0	5	10	2	12
LESS: Public transfer outflows	0	11	0	11	1	12
Public asset-based reallocations	0	3	0	3	0	3
Public asset income	0	-4	0	-4	0	-4
LESS: Public saving	0	-7	0	-7	0	-7
<b>Panel C. Private age reallocations</b>						
<b>Private age reallocations</b>	15	-7	5	13		
Private transfers	15	-22	2	-5	5	0
Private transfer inflows	15	10	3	28	6	34
LESS: Private transfer outflows	0	32	1	33	1	34
Private asset-based reallocations	0	15	3	18	-1	17
Private asset income	0	21	1	22	2	24
LESS: Private saving	0	6	-2	4	3	7

# Aggregate

## **1. What is the source of aggregate data?**

- System of National Account: Indonesian Account, GDP, Input-Output Table, Social Accounting Matrix

## **2. Why do use aggregate data?**

-Macro control for many NTA components -> NTA aggregate estimates match the SNA

-To sum up the micro survey data (Susenas) into national level and be consistent with Indonesian Account.

# Indonesian Account (1)

	Private Sector		GG		Total Economy		ROW		Total	
	Res	Uses	Res	Uses	Res	Uses	Res	Uses	Res	Uses
<b>Allocation of Primary Income Account</b>										
Operating Surplus, Net	2,682		-		2,682				2,682	
Mixed Income, Net	1,410				1,410				1,410	
Compensation of employees	2,170				2,170				2,170	
Taxes on production and imports			238		238				238	
Taxes on products			180		180				180	
Other taxes on production			58		58				58	
Less: Subsidies			-		-				-	
Subsidies on products			-		-				-	
Other subsidies on production			-		-				-	
Property Income	497	816	279	3	776	819	43	-	819	819
Balance of primary income/ national income net		5,943		514		6,457				6,500

# Indonesian Account (2)

	Private Sector		GG		Total Economy		ROW		Total	
	Res	Uses	Res	Uses	Res	Uses	Res	Uses	Res	Uses
<b>Secondary Distribution of Income Account</b>										
Balance of primary income/ national income net	5,943		514		6,457				6,500	
Current transfers	557	994	637	196	1,194	1,190	37		1,197	1,197
Current taxes on income, wealth, etc.		378	378		378	378			378	378
Social contributions	30	83	53		83	83			83	83
Social benefits other than transfers in kind	15	15	-		15	15			15	15
Other current transfers	512	518	206	196	718	714	37		721	721
Net disposable income		5,506		955		6,461				6,500
<b>Use of Disposable Income Account</b>										
Net disposable income	5,506		955		6,461				6,500	
Final consumption expenditure		3,859		618		4,477				4,477
Saving, net		1,647		337		1,984				1,984

# NTA Aggregate Controls 2010 based on SNA 2008 (1)

Table 4.11 Aggregate lifecycle flows, UNSNA 2008

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<b>Lifecycle Deficit</b>	1,127.3
<b>Consumption</b>	4,296.7
Public Consumption	618.2
Private Consumption	3,678.5
<b>Labor Income</b>	3,169.5
Earnings	2,192.1
Self-employment Labor Income	977.3

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# NTA Aggregate Controls 2010 based on SNA 2008 (2)

Table 4.20 Aggregate public age reallocations, UNSNA 2008

<b>Public Age Reallocations</b>	<b>-59.6</b>
<b>Public transfers</b>	<b>1.2</b>
Public transfer inflows	757.4
Public transfer inflows, in-kind	618.2
Public transfer inflows, cash	139.2
Public transfer outflows	756.2
Taxes and other revenues	817.0
Transfer deficit(+)/surplus(-)	-60.8
Net public transfers from ROW	1.2
<b>Public asset-based reallocations</b>	<b>-60.8</b>
Public asset income	276.0
Public saving	336.8

# NTA Aggregate Controls 2010 based on SNA 2008 (3)

Table 4.21 Aggregate private age reallocations, UNSNA 2008

Age Reallocations	1127.3
<b>Private Age Reallocations</b>	<b>1186.9</b>
<b>Private transfers</b>	<b>2.8</b>
Private transfer inflows, interHH & intraHH	na
Private transfer outflows, interHH & intraHH	na
Net Private transfers from ROW	2.8
<b>Private asset-based reallocations</b>	<b>1184.0</b>
Private asset income	2831.0
Private capital income	3150.0
Private capital income, corporations and NPISHS	2185.4
Private capital income, owner occupied housing	526.0
Private capital income from mixed income	438.6
Private property income	-319.0
Private property income inflows	497.0
Private property income outflows	816.0
Private saving	1647.0

na. Values cannot be obtained from SNA.



# NTA Aggregate Control, Updated SAM 2008

	<b>Private</b>	<b>Gov</b>	<b>ROW</b>	<b>Sum</b>
<b>Private</b>	574	623	209	1,406
<b>Gov</b>	1,399	392	-	1,791
<b>ROW</b>	150	52	-	202
<b>Sum</b>	2,123	1,066	209	3,399

# Issues

- **Full Sequence of Accounts (FSA) based on SNA 2008 will just be finished end of 2015, some number might not be consistent**
- **Elaborate other Consumption (by COICOP) for strategic and policy purposes**

# Life Cycle Deficit : Preliminary Estimates

Indonesia

# Socio-Economic Condition

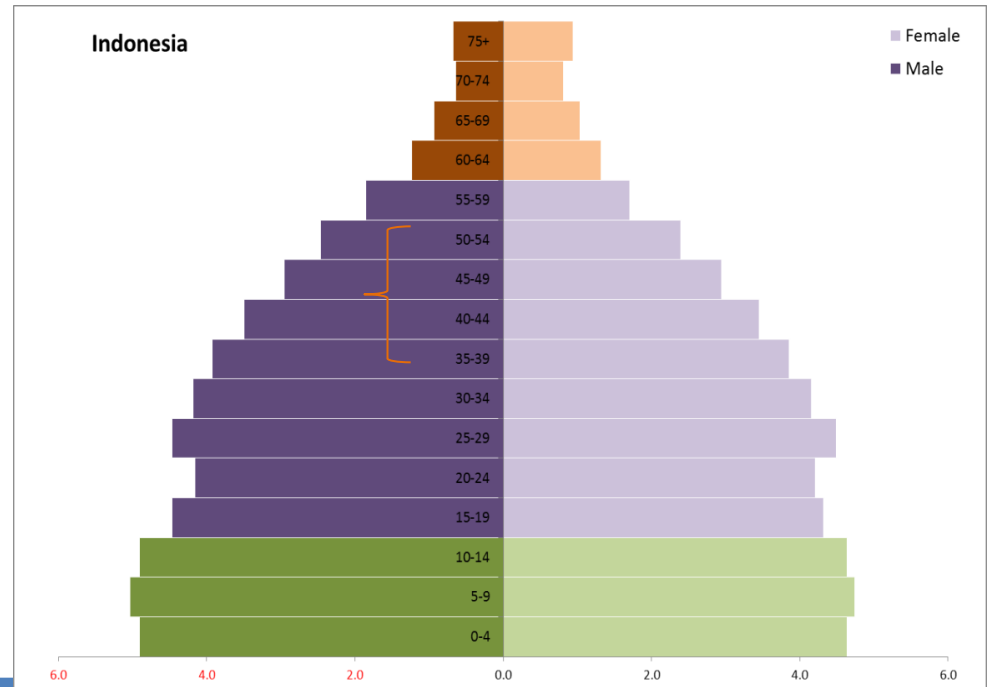
1. Total population about 237.6 million (2010 Census)
2. GDP growth is high of about 6-6.5% annually
3. Unemployment rate on August 2014 about 5.94 %
4. Aging Population (aged 60 years and over) about 18 million (7.6%), and more than half of them still working
5. About 60 % of workers are engaged in informal works and mostly are not covered by social protection programs
6. Most of unpaid family workers are women about 13 million (73 %)
7. Poverty rate declines, but in 2013 still 11.3% (about 28 million ) of population living below the poverty line

# Demographic Issues

## Post-2015 Five Demographic Issues in Indonesia:

- continuing large number of population with a bulk of productive age people
- emerging ageing population
- urbanization
- complex population mobility and internal migration
- High number of maternal deaths

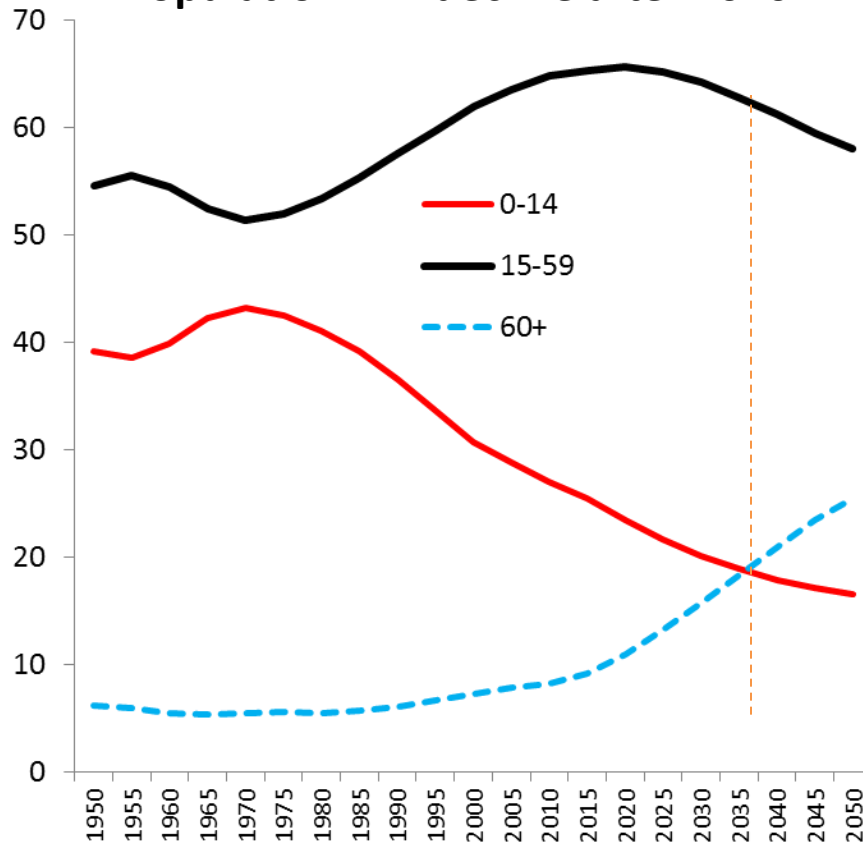
## Indonesia in 2010



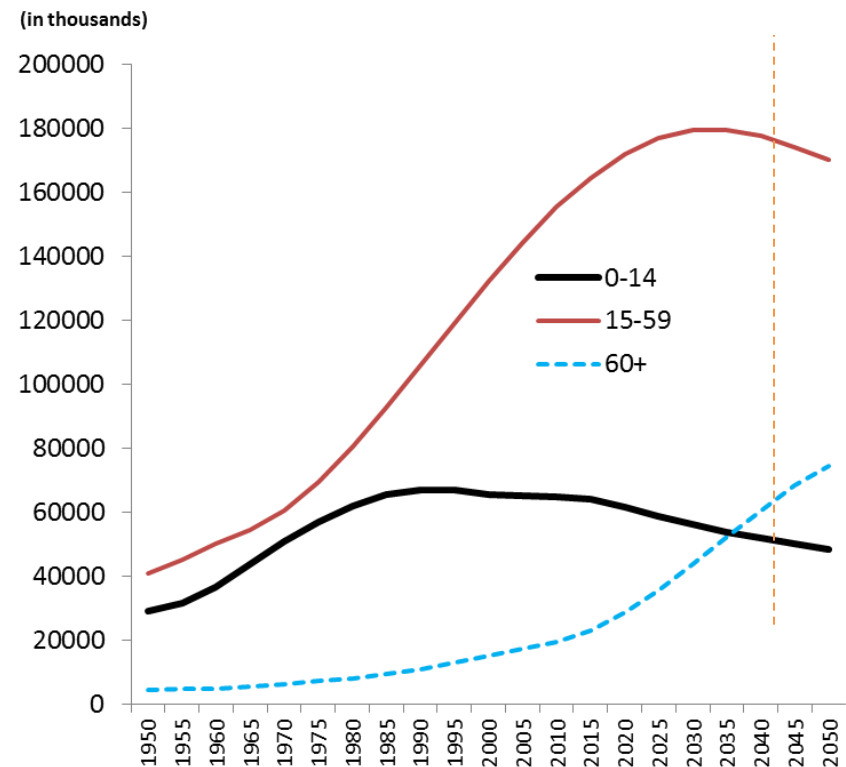
**Today Indonesia's population is in its favorable pace for economic development**

# Demographic Window of Opportunity (DWO): results of fast and then slow decline in fertility rates

The **Percentage** of Working-age Population will decline after 2020



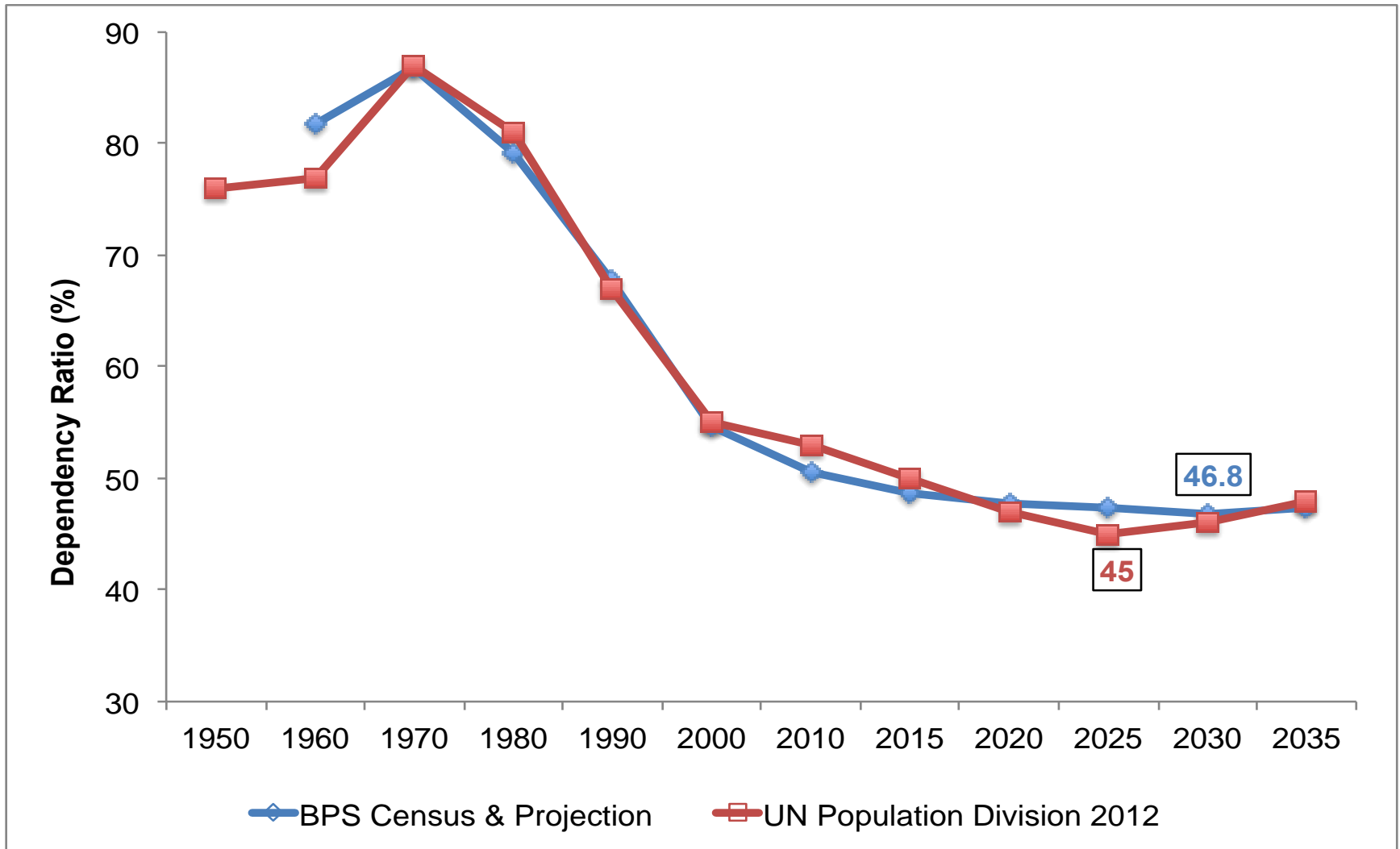
The **Number** of Working Age Population will decline after 2030



## EMERGING AGEING POPULATION

After 2015, the number and percentage of population aged 60 and above will accelerate

# Indonesia's Changing Dependency Ratio, 1950 to 2035



Source: Statistics Indonesia (1971-2010); Bappenas, Statistics Indonesia, and UNFPA (2013); UN Pop. Div. (2012).



***“It has always been understood by proponents of the Demographic Dividend concept that certain other conditions need to be satisfied if favorable dependency ratios are to translate into economic benefits”***

*Among other things:*

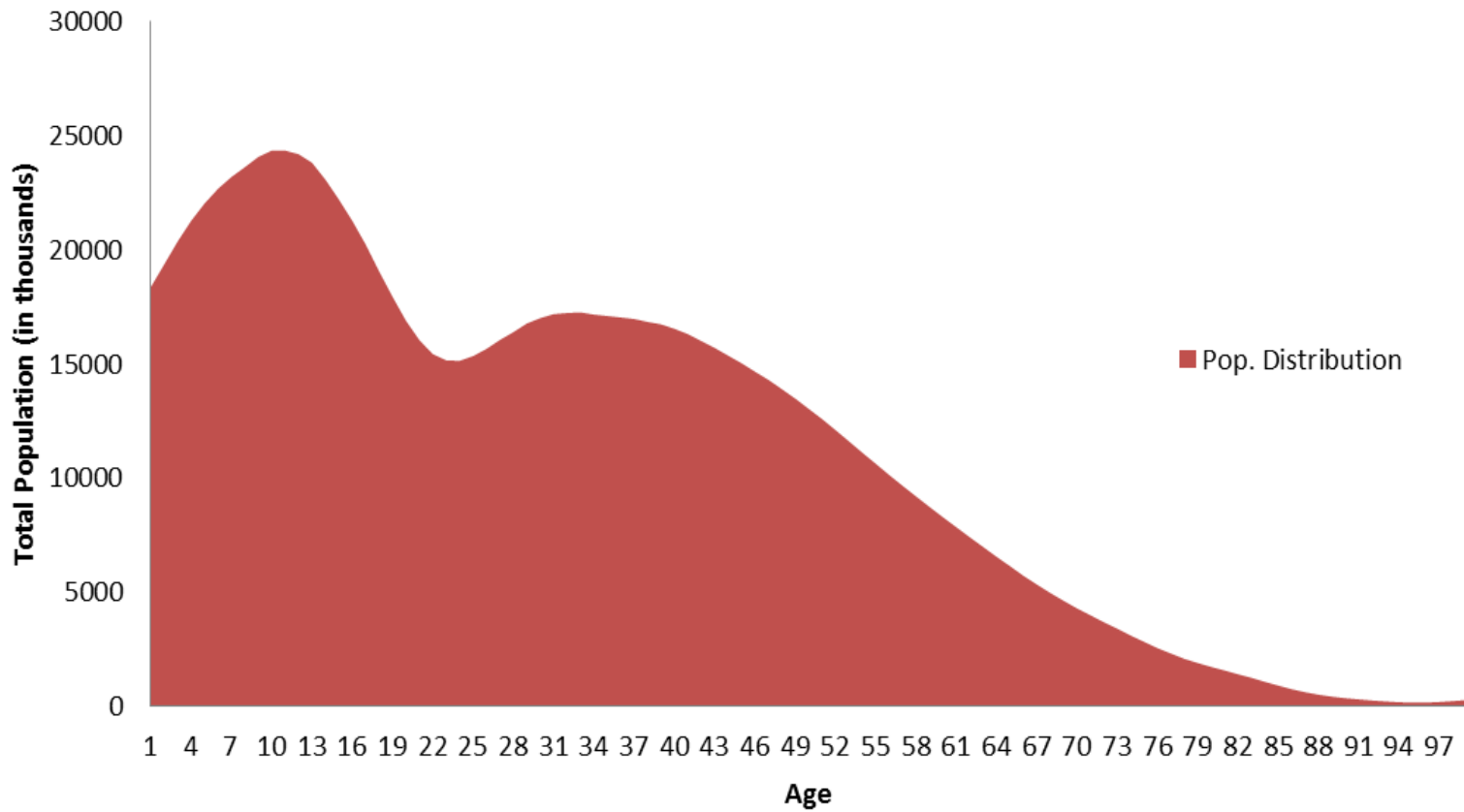
- ❖ Adequate numbers of those in the working ages need to be productively employed;
- ❖ Labour markets need to be sufficiently flexible to absorb more workers;
- ❖ In an age of increasing globalization, workers need to be internationally competitive; and
- ❖ There needs to be adequate investment.

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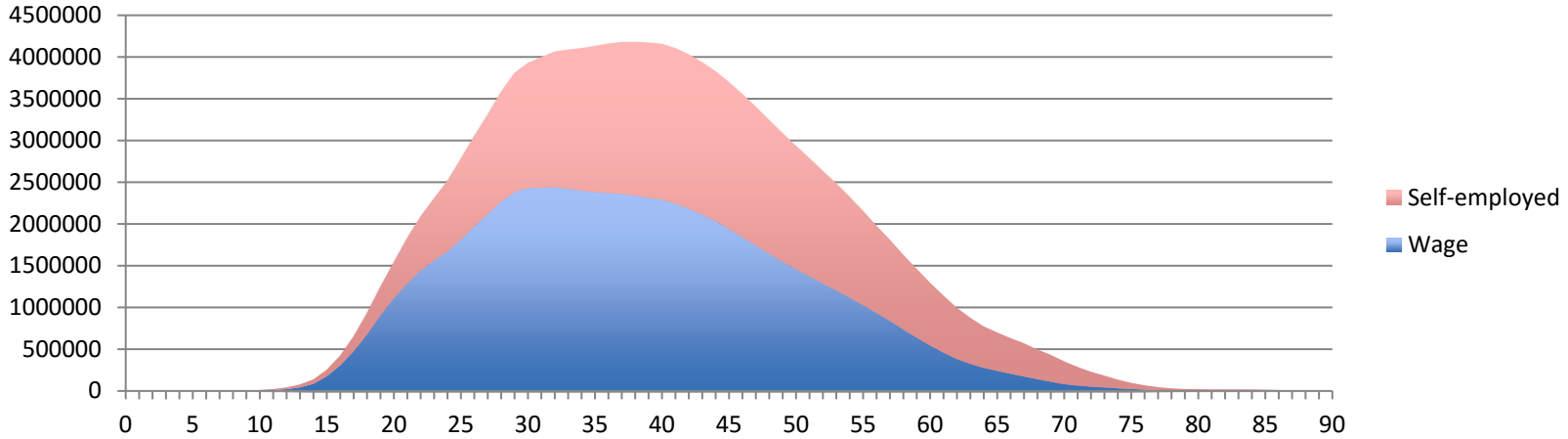
**Nevertheless** there are some exciting innovations in the most recent research looking at the impact of changing population age structure on economic and social development:

- National Transfer Accounts and economic support ratios; and
- Household savings and a second demographic dividend?

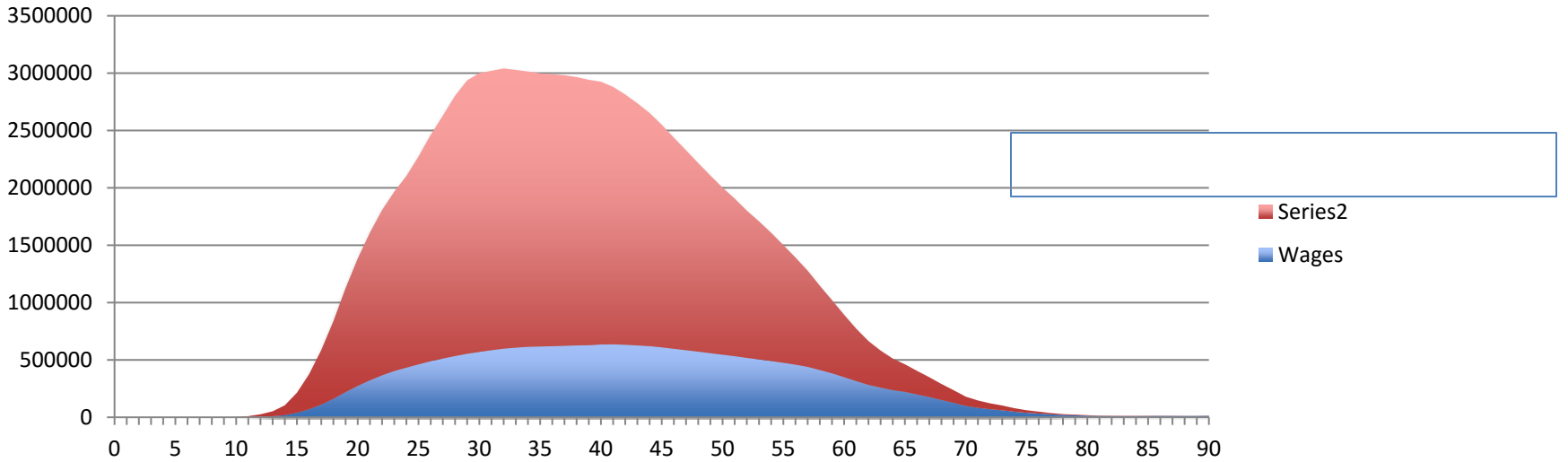
## POPULATION DISTRIBUTION BY AGE



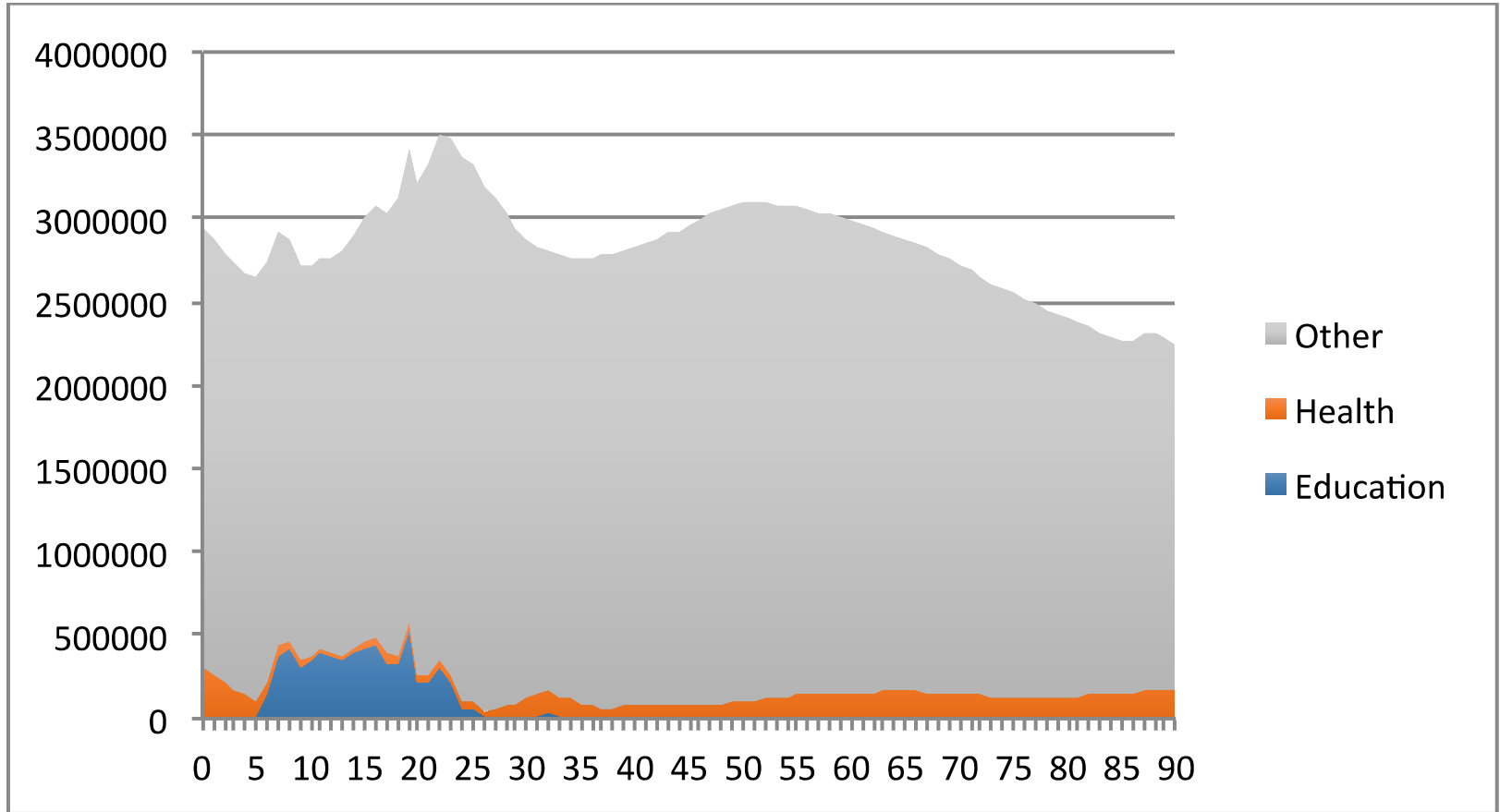
### LABOR and SELF EMPLOYED INCOME BY AGE (aggregate)



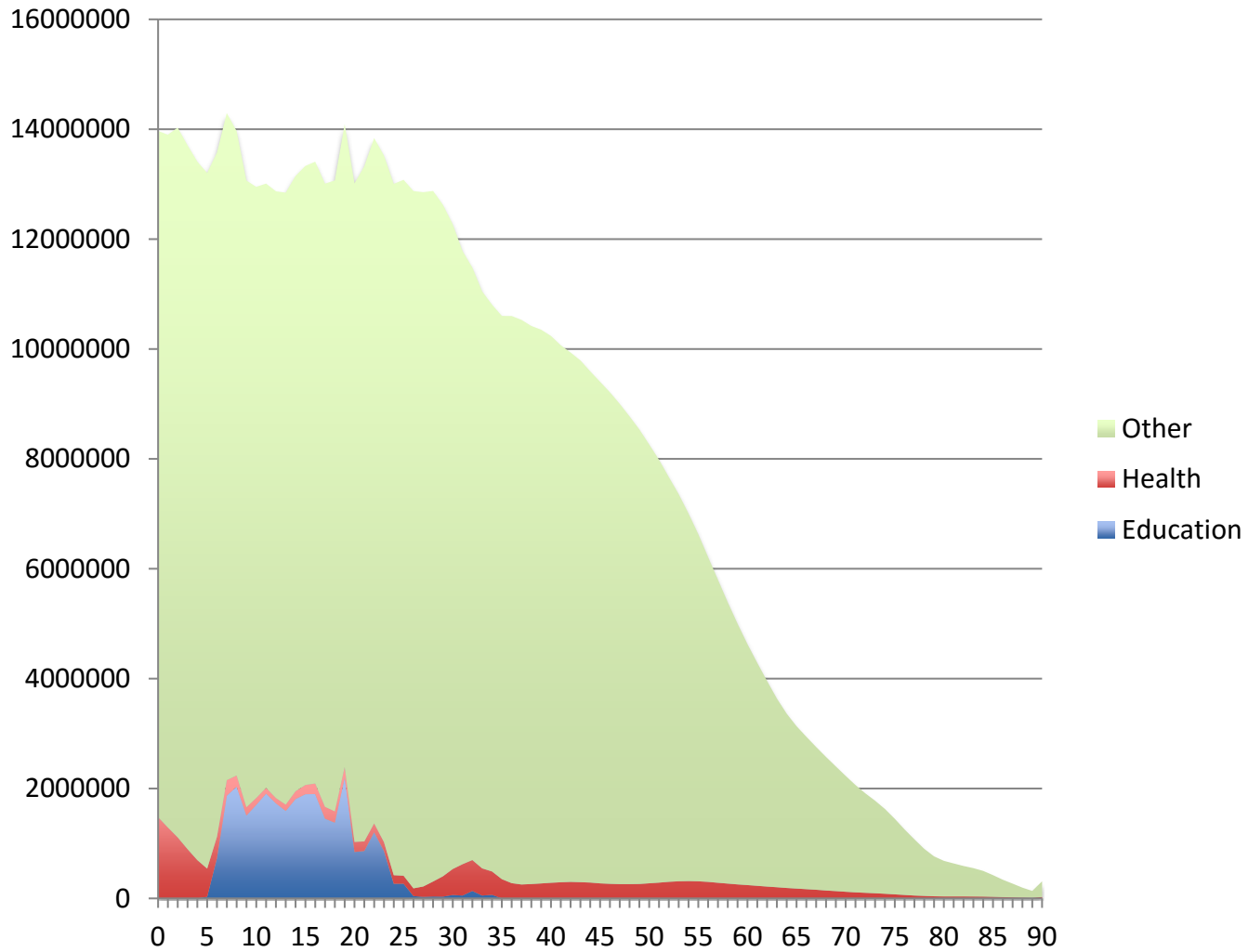
### LABOR and SELF EMPLOYED INCOME per Capita BY AGE



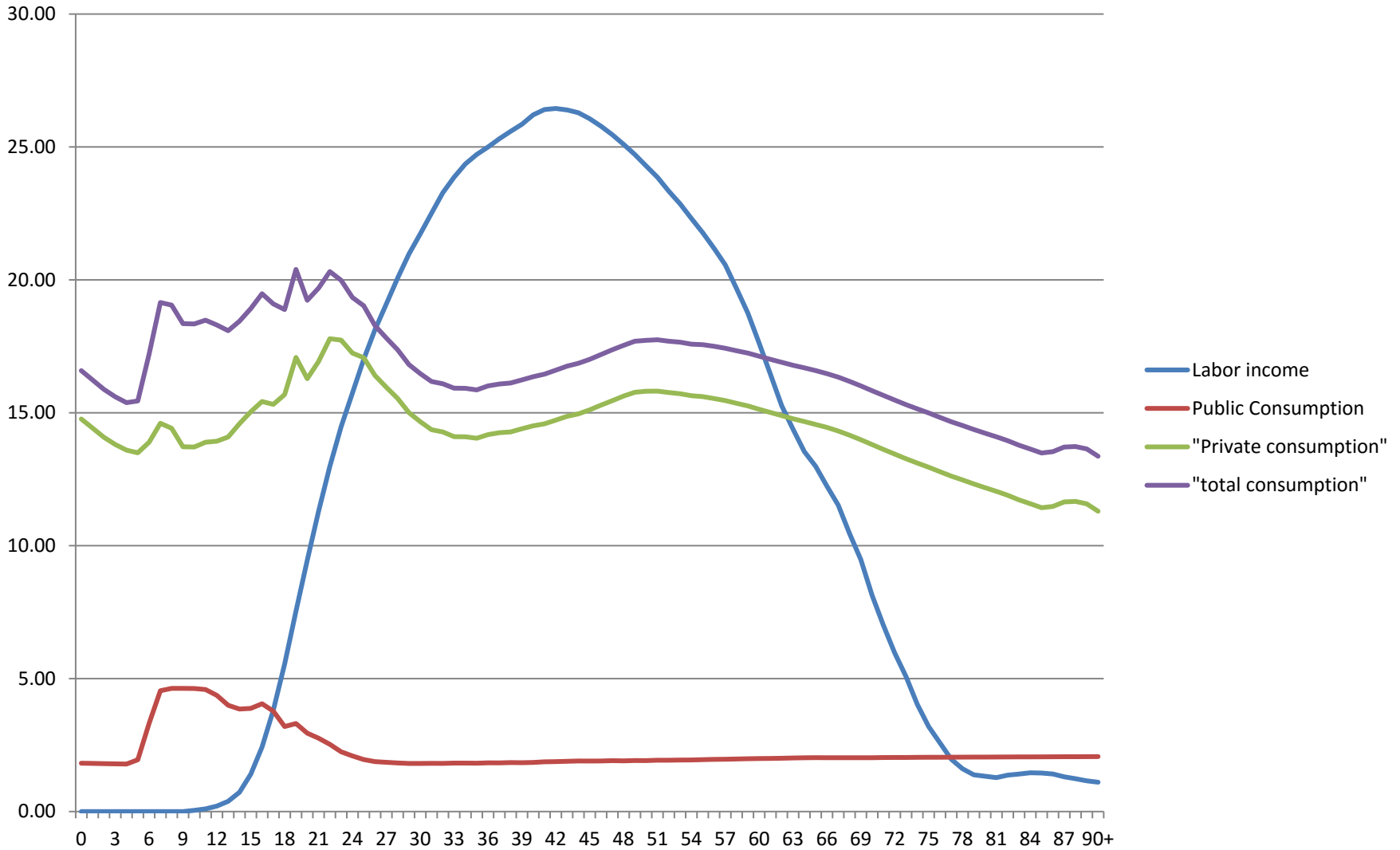
# Private Education, Health & Other Expenditure per capita by Age



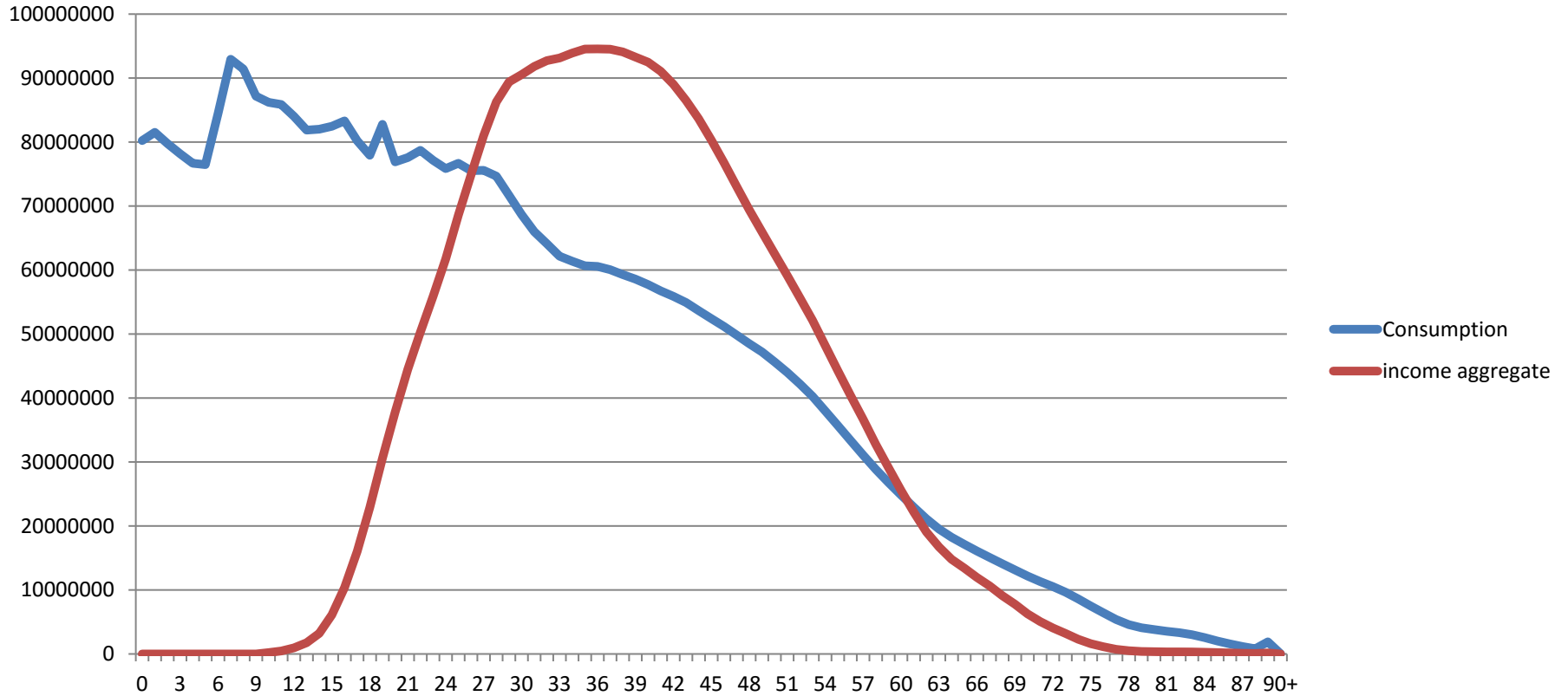
# Private Education, Health & Other Expenditure by Age



# Labour Income and Consumption per Capita

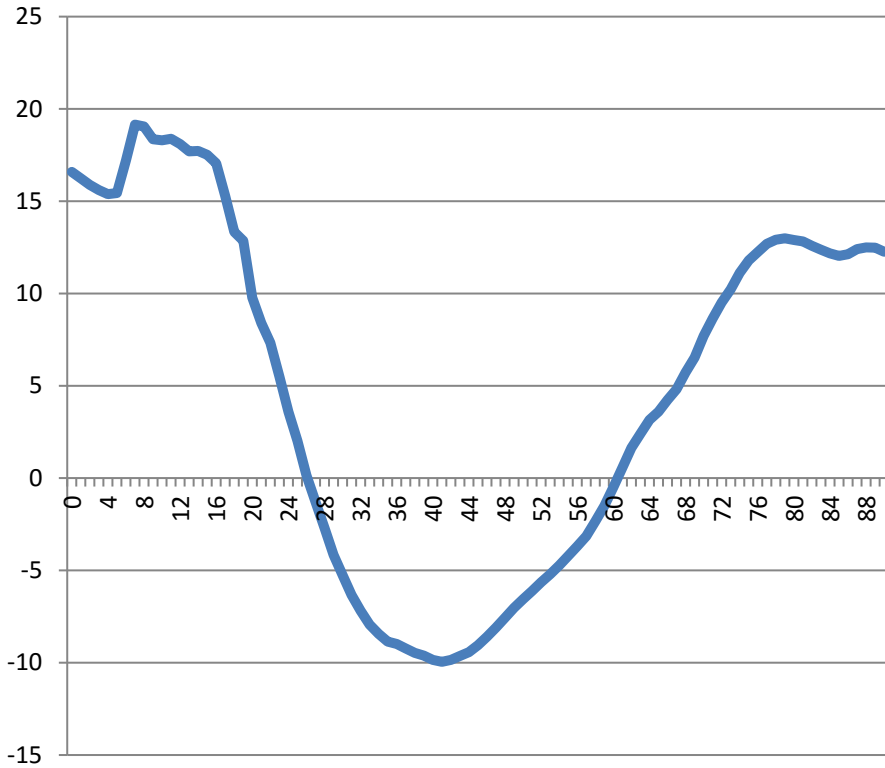


# Aggregate Labour Income and Consumption

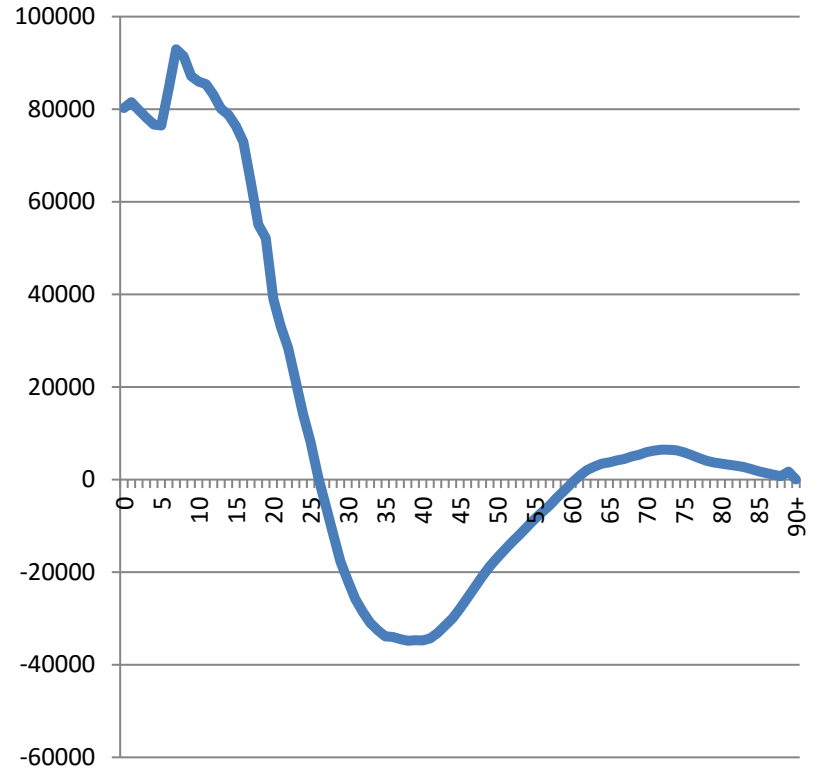


# Life Cycle Deficit

Per capita life deficit

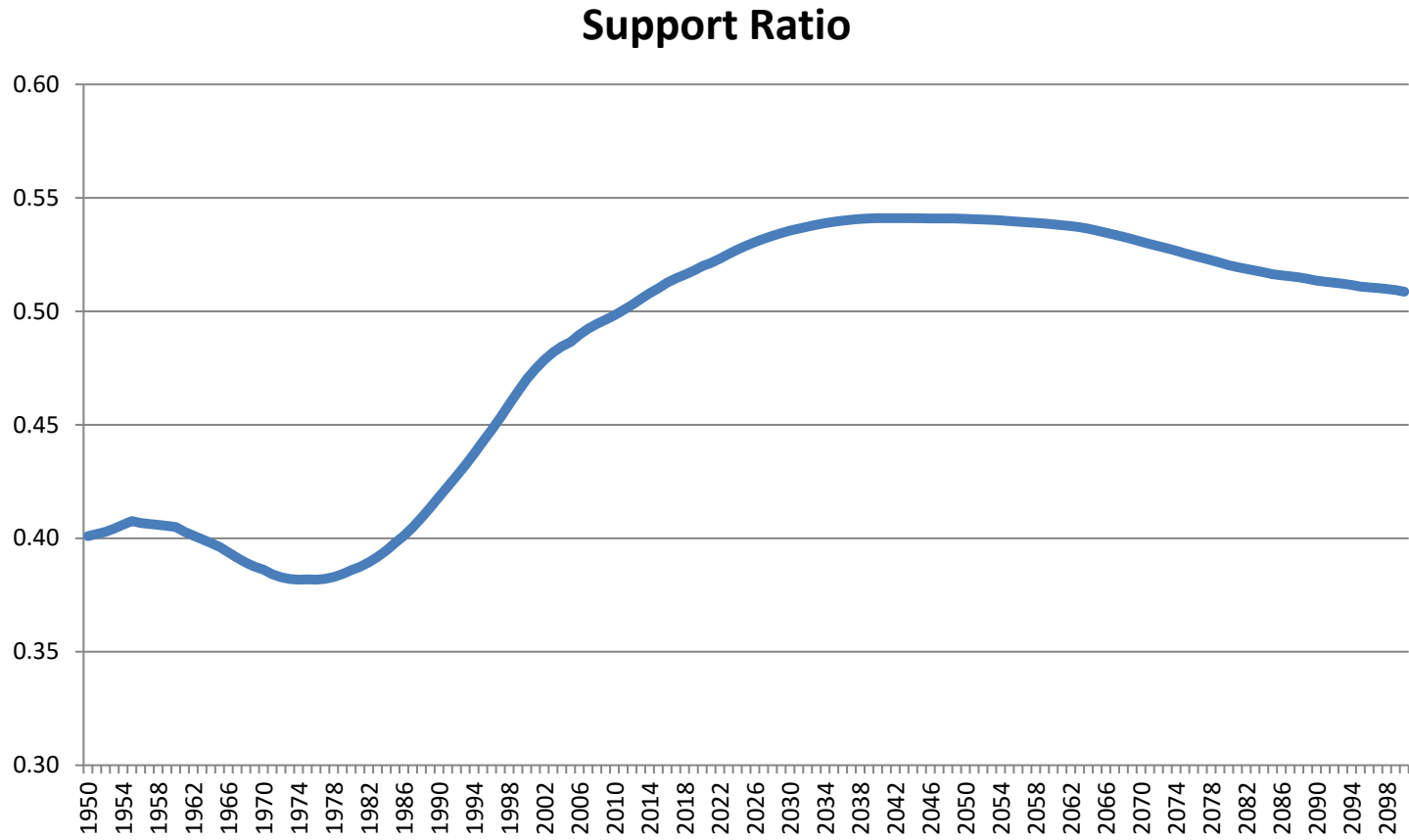


Aggregate life deficit



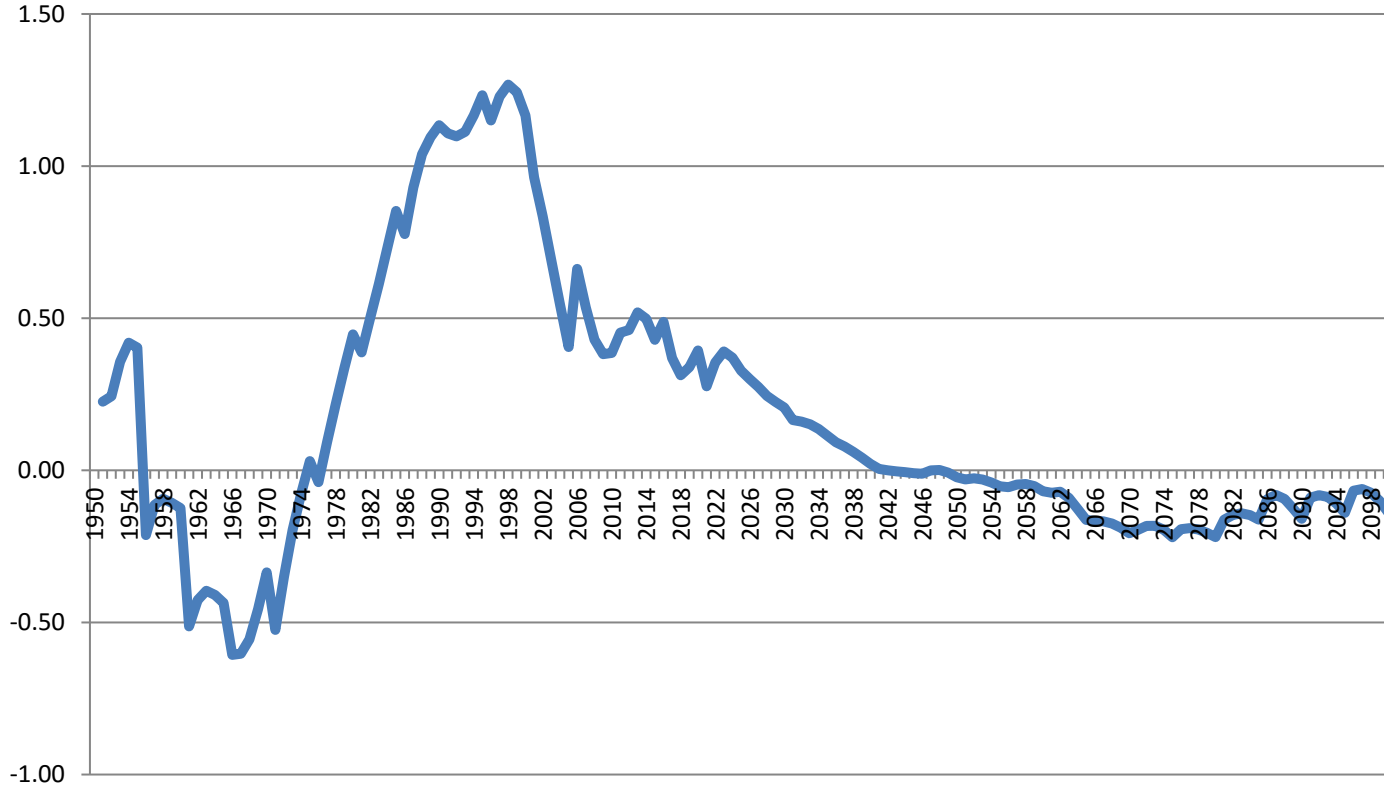


# SUPPORT RATIO



# SUPPORT RATIO

## Support Ratio Growth (%)



Thank you!