Economic dependency and organization of the transfer system in 25 EU countries

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Introduction

- European countries differ substantially in their cultural and institutional settings:
  - Different degree of economic dependency
  - Different importance of specific type of age reallocations
  - Different gender equality promotion

- Basic institutional differences/similarities can be explained by welfare regimes’ typology
Welfare regimes in EU countries

Consumption and labour income, EU countries, 2010

Sources: Istenič et al., 2017; own calculations.
Age span in which people are net supporters (labour income exceeds consumption)

<table>
<thead>
<tr>
<th>Country</th>
<th>Age Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>32-54</td>
</tr>
<tr>
<td>Romania</td>
<td>26-53</td>
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<tr>
<td>Cyprus</td>
<td>26-59</td>
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<tr>
<td>Poland</td>
<td>26-55</td>
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<tr>
<td>Slovakia</td>
<td>26-57</td>
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<tr>
<td>AVERAGE</td>
<td>25-58</td>
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<tr>
<td>Austria</td>
<td>24-58</td>
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<tr>
<td>Belgium</td>
<td>26-61</td>
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<tr>
<td>Denmark</td>
<td>27-63</td>
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<tr>
<td>Sweden</td>
<td></td>
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</tbody>
</table>

Sources: Istenič et al., 2017; own calculations.
LCD financing of the young, EU countries, 2010

Sources: Istenič et al., 2017; own calculations.
LCD financing of the elderly, EU countries, 2010

Sources: Istenič et al., 2017; own calculations.
Consumption and labour income for males and females, EU countries, 2010

Sources: Istenič et al., 2017, Sambt et al., 2017.
Life cycle surplus for males and females, EU countries, 2010

Sources: Istenič et al., 2017; Sambt et al., 2017.
Methodological framework

- Cluster analysis based on five NTA indicators:
  - Age at which LCS becomes positive
  - Age at which LCS is still positive
  - Dependency financing of the young
    \[ \frac{\sum_{x=0}^{L} TG_x}{\sum_{x=0}^{L} TG_x + \sum_{x=0}^{L} TF_x} \]
  - Dependency financing of the elderly
    \[ \frac{\sum_{x=80+} TG_x}{\sum_{x=0}^{80+} TG_x + \sum_{x=0}^{80+} ABR_x} \]
  - The share of LCS provided by women
Results: cluster analysis

Sources: Istenič et al., 2017; own calculations.
Conclusions

• Importance of different dimensions taken into account: different age groups, gender dimension, etc.

• A clear North-South division
• Similarities between Continental and Mediterranean countries
• Two groups of Post-communist countries
• Exceptions: Ireland and France
THANK YOU