

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

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Introduction

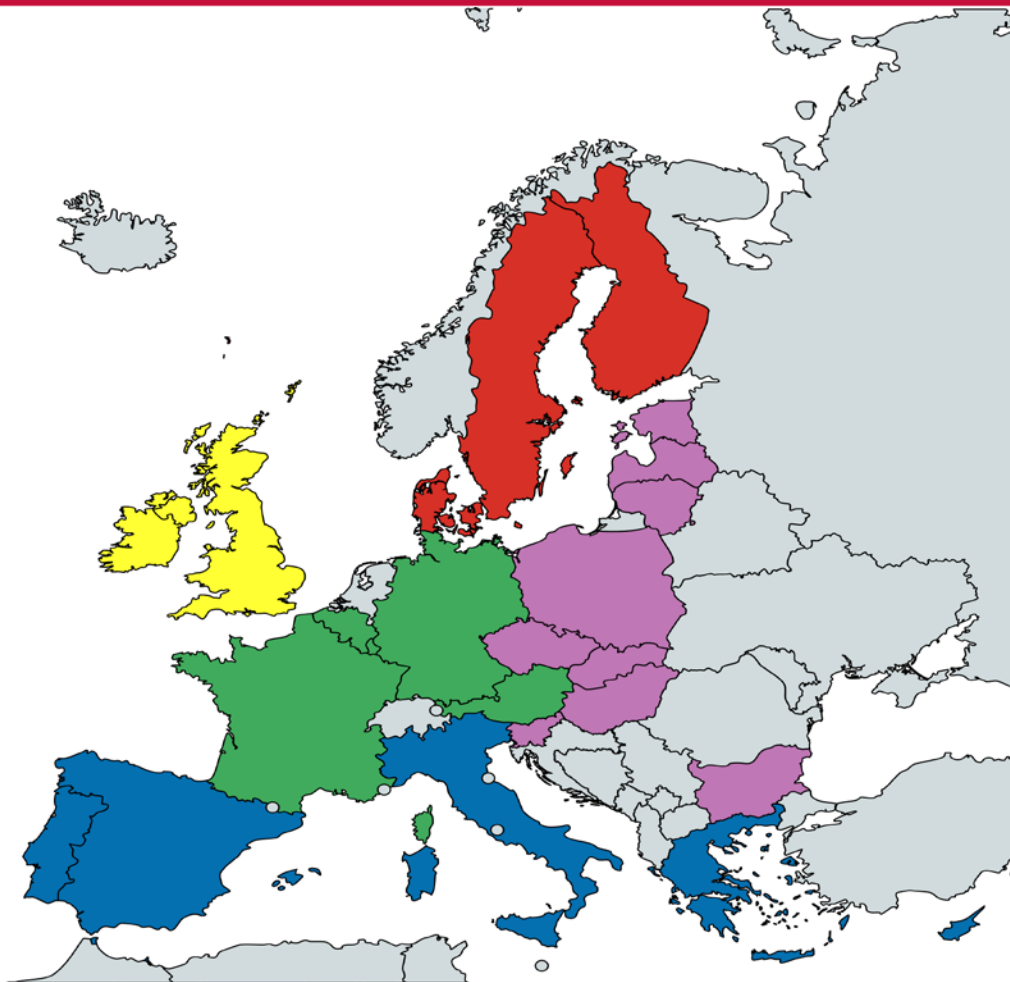
- European countries differ substantially in their cultural and institutional settings:
 - Different degree of economic dependency
 - Different importance of specific type of age reallocations
 - Different gender equality promotion
- Basic institutional differences/similarities can be explained by welfare regimes' typology



Welfare regimes in EU countries

Welfare regimes

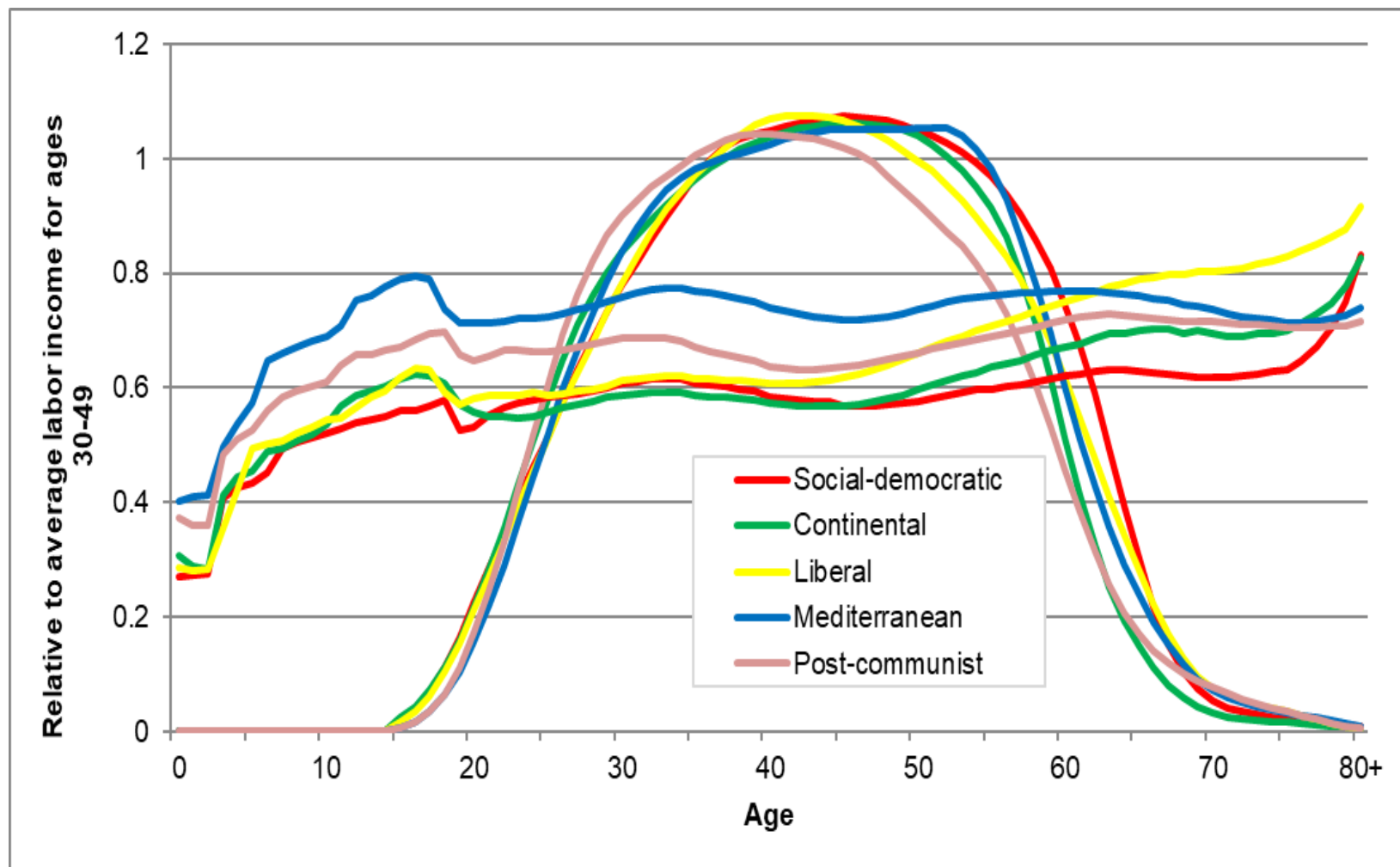
- Social-democratic
- Continental
- Liberal
- Mediterranean
- Post-communist



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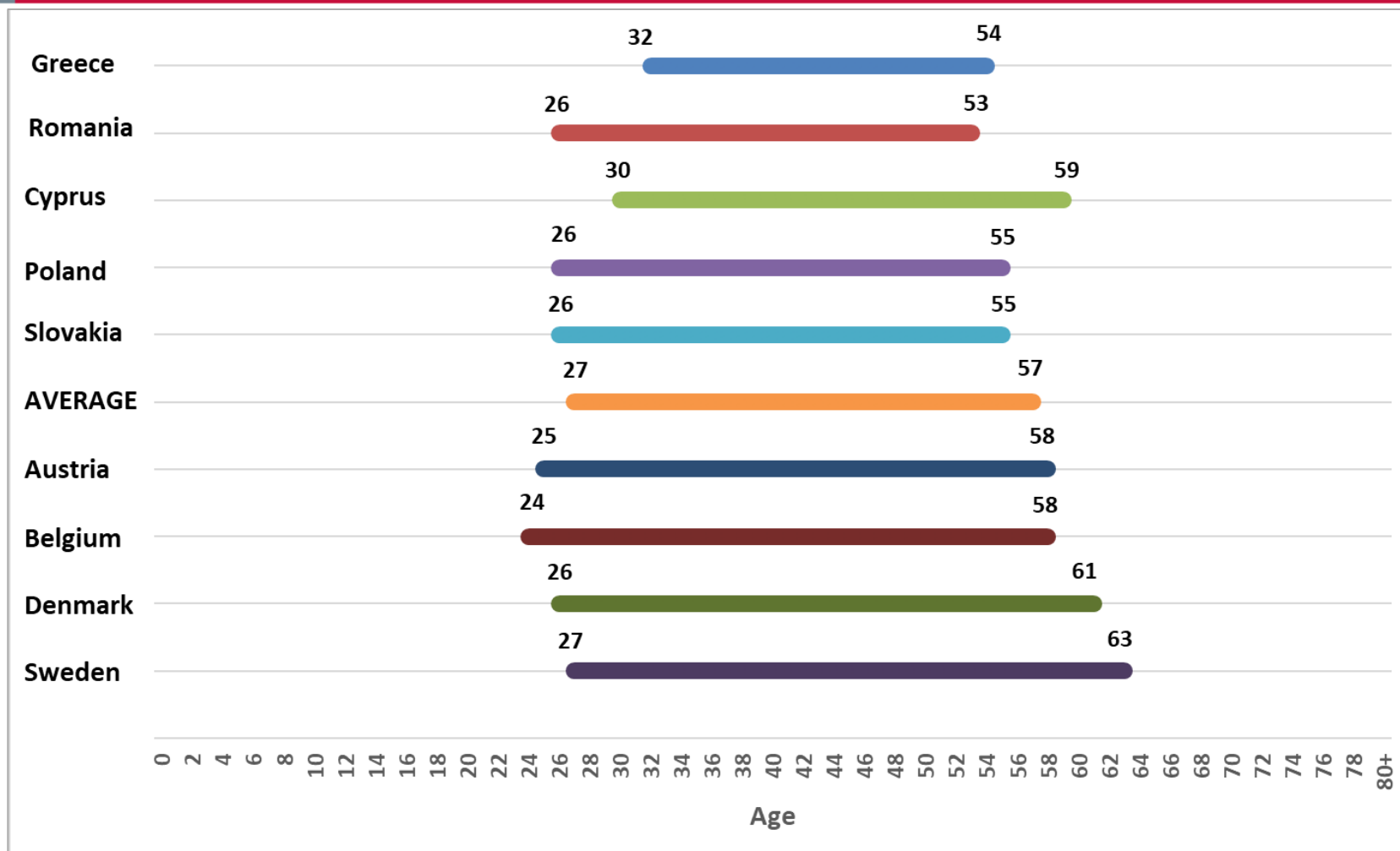
Sources: Esping-Andersen, 1990; Leibfried, 1992; Fenger, 2007; Ferragina & Seeleib, 2011.

Consumption and labour income, EU countries, 2010



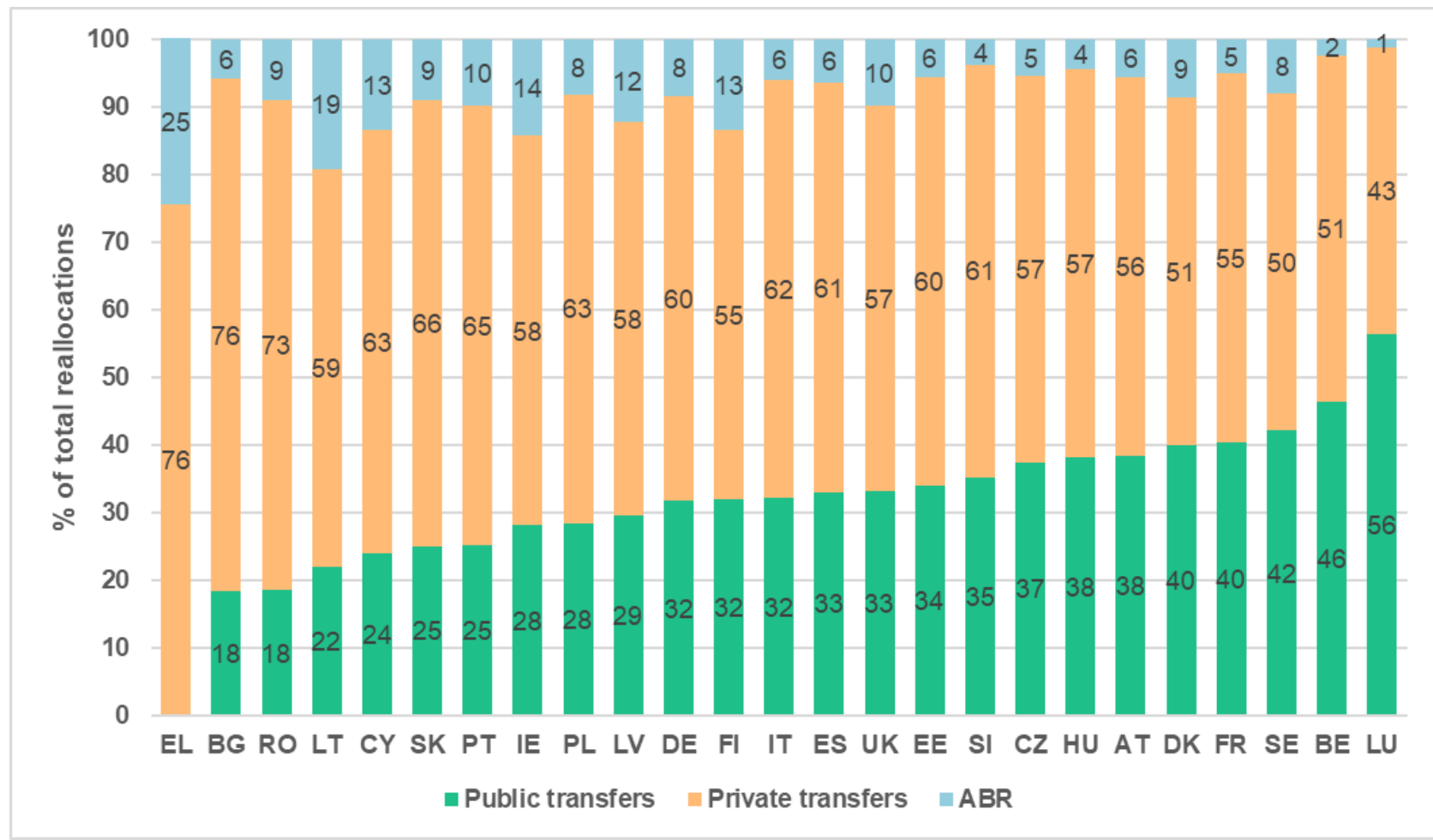
Sources: *Istenič et al., 2017; own calculations.*

Age span in which people are net supporters (labour income exceeds consumption)



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

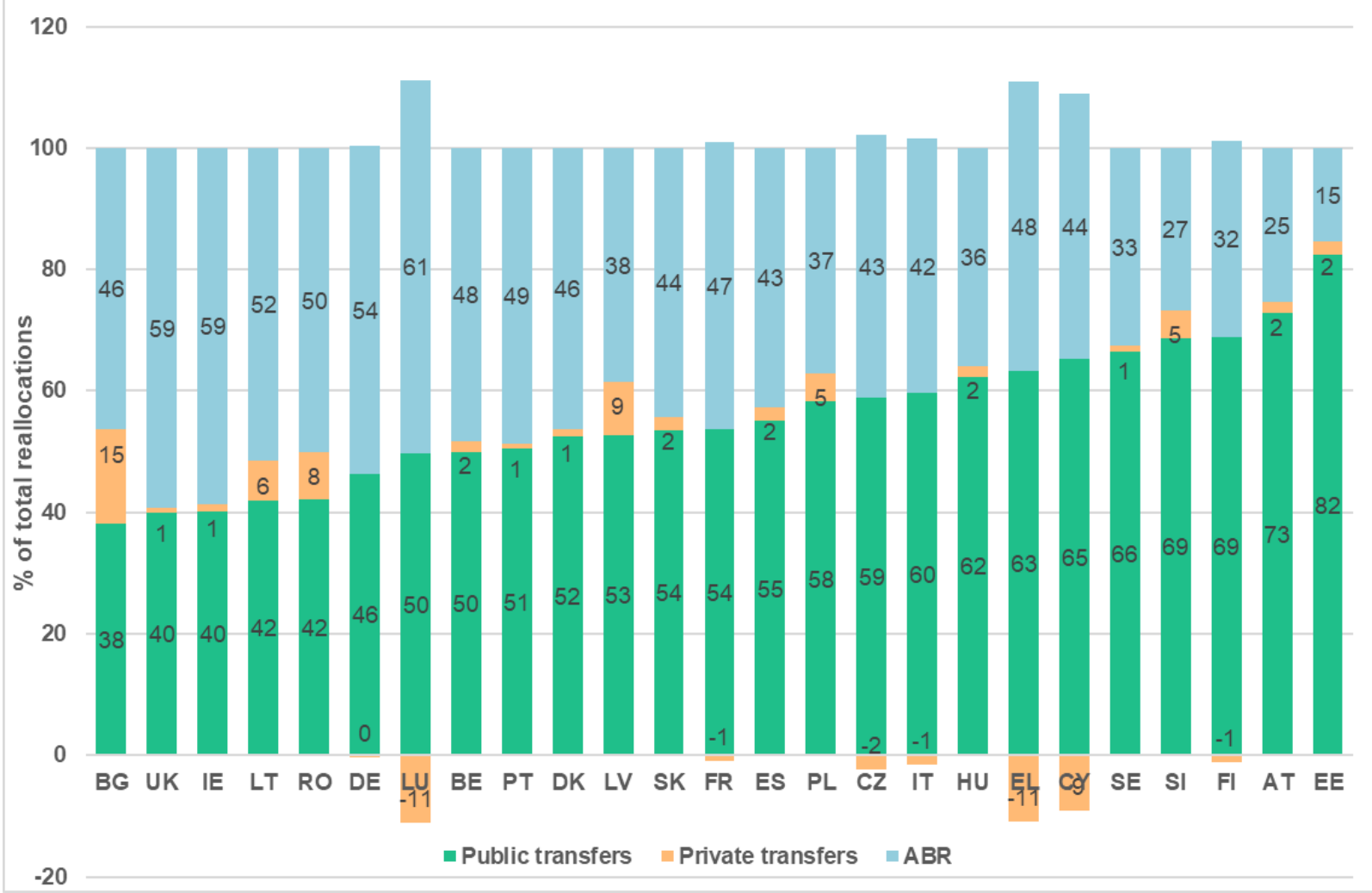
LCD financing of the young, EU countries, 2010



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

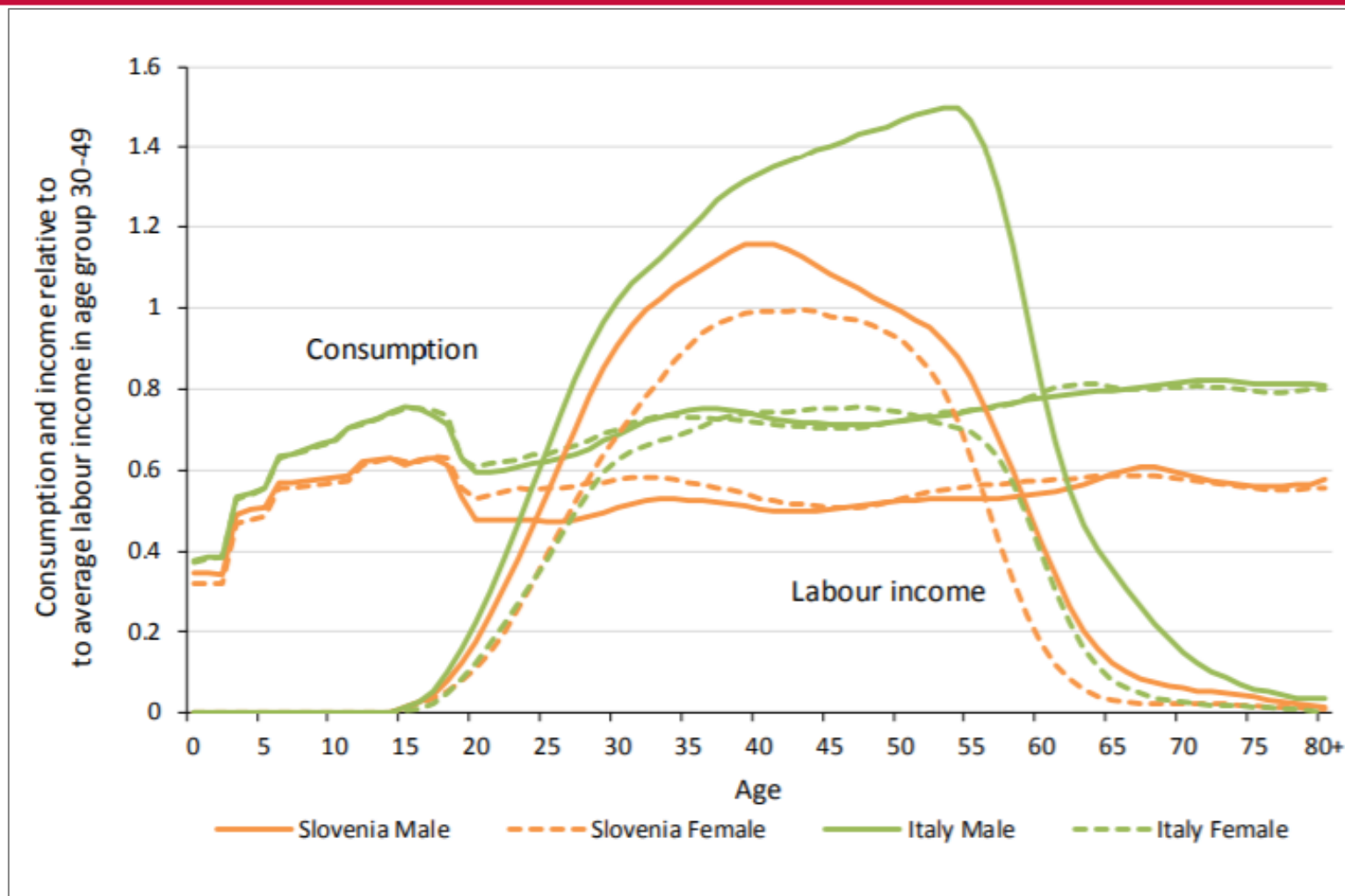


LCD financing of the elderly, EU countries, 2010



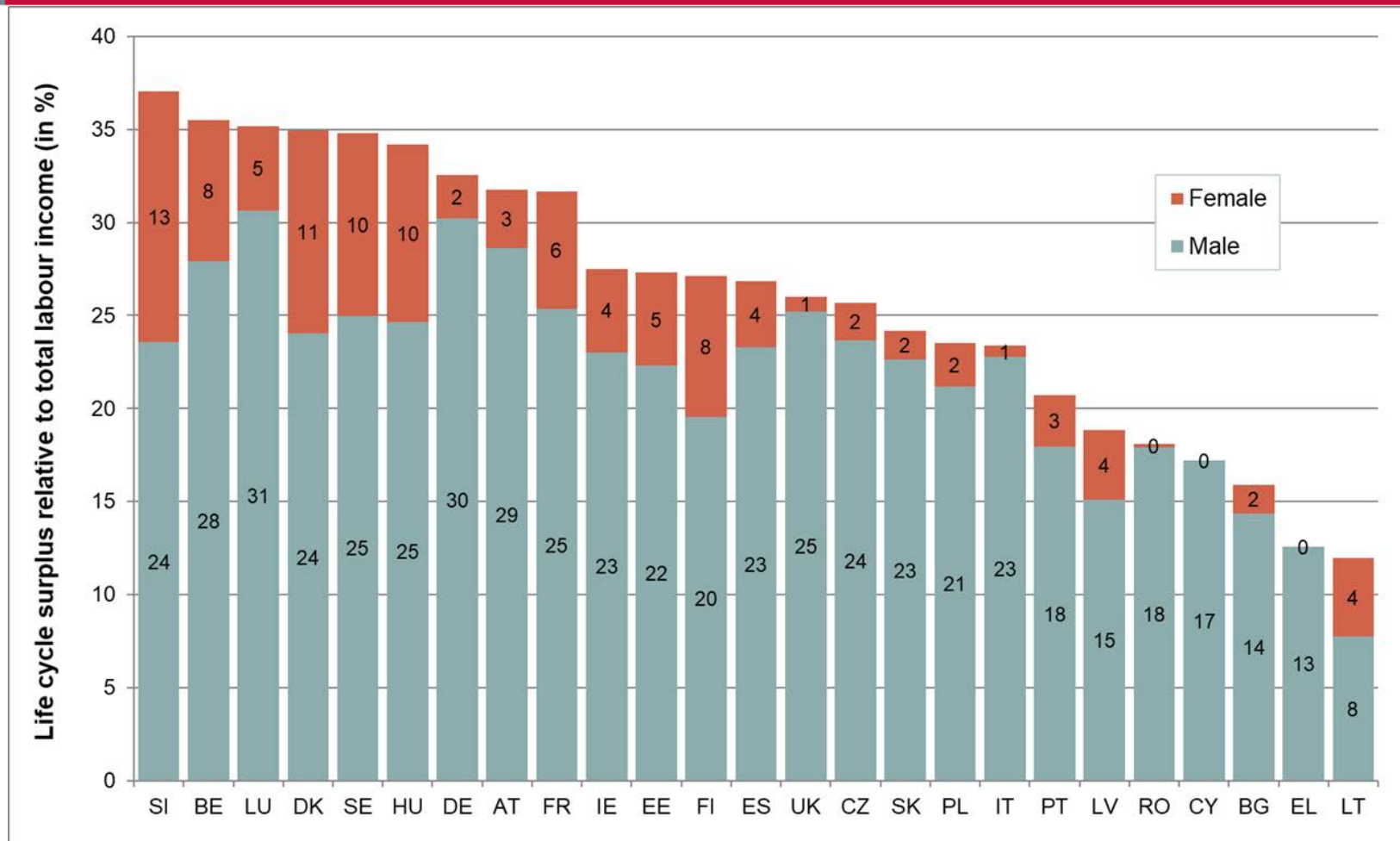
Sources: Istenič et al., 2017; own calculations.

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

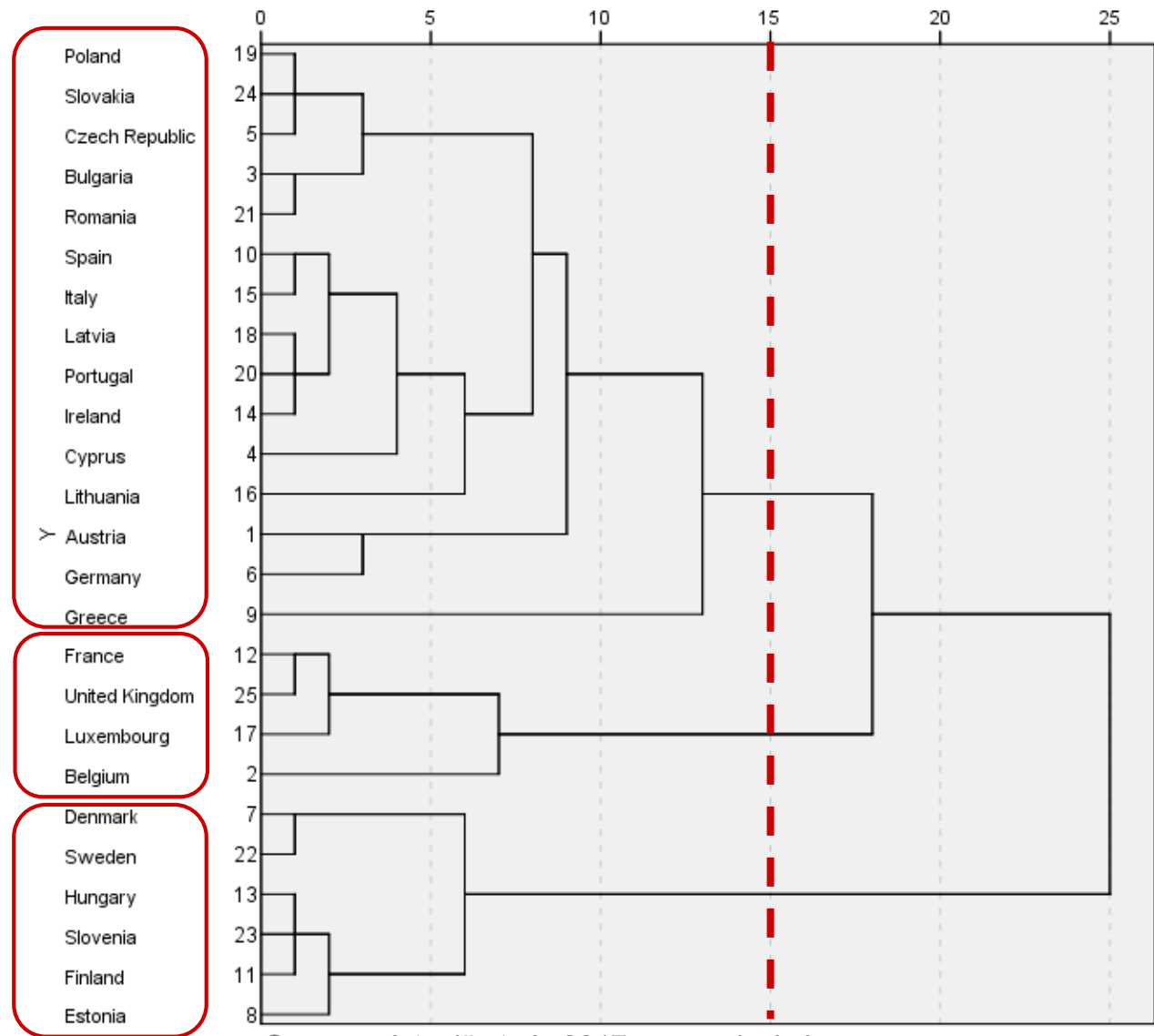
- Age at which LCS is still positive

- Dependency financing of the young =
$$\frac{\sum_{x=0}^{x=L} TG_x}{\sum_{x=0}^{x=L} TG_x + \sum_{x=0}^{x=L} TF_x}$$

- Dependency financing of the elderly =
$$\frac{\sum_{x=0}^{x=80+} TG_x}{\sum_{x=0}^{x=80+} TG_x + \sum_{x=0}^{x=80+} ABR_x}$$

- 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

