

Economic Dependency Ratios in a Comparative European Setting: National Transfer Accounts and the AGENTA Project

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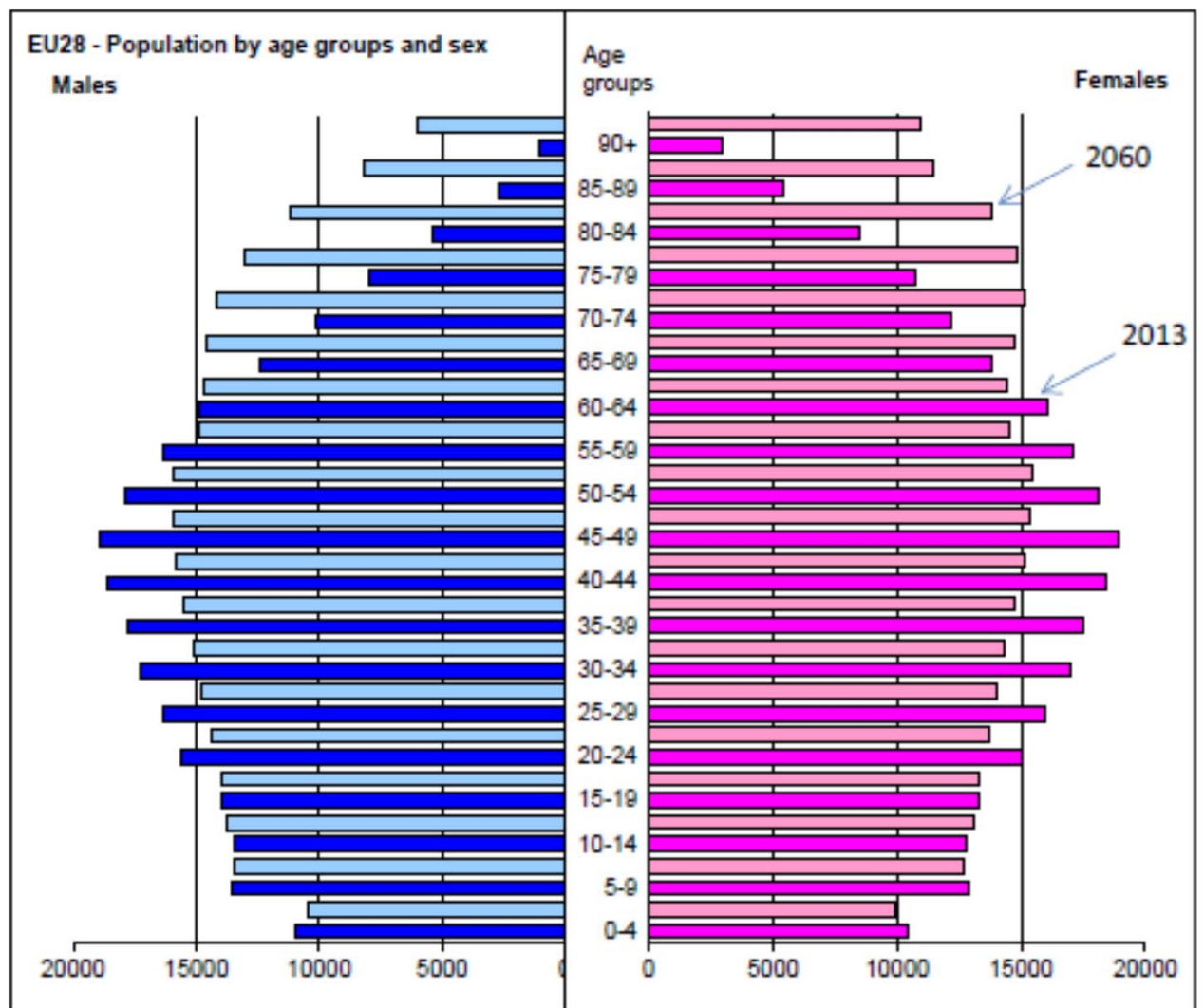
Alexia Fürnkranz-Prskawetz

Institute of Mathematical Methods in Economics, Vienna University of Technology
Vienna Institute of Demography, Austrian Academy of Sciences
Wittgenstein Centre for Demography and Global Human Capital

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Ageing Europe – An Application of
National Transfer Accounts for Explaining
and Projecting Trends in Public Finances

Europe is Ageing



2013 → 2060

< 15: ~ 15%

15-64: 66% → 57%

65+: 18% → 28%

80+: 5% → 12%

Source: The 2015 Ageing Report, graph I.1.2

Demographic Dependency \neq Economic Dependency

< 20 + 65+

20–64

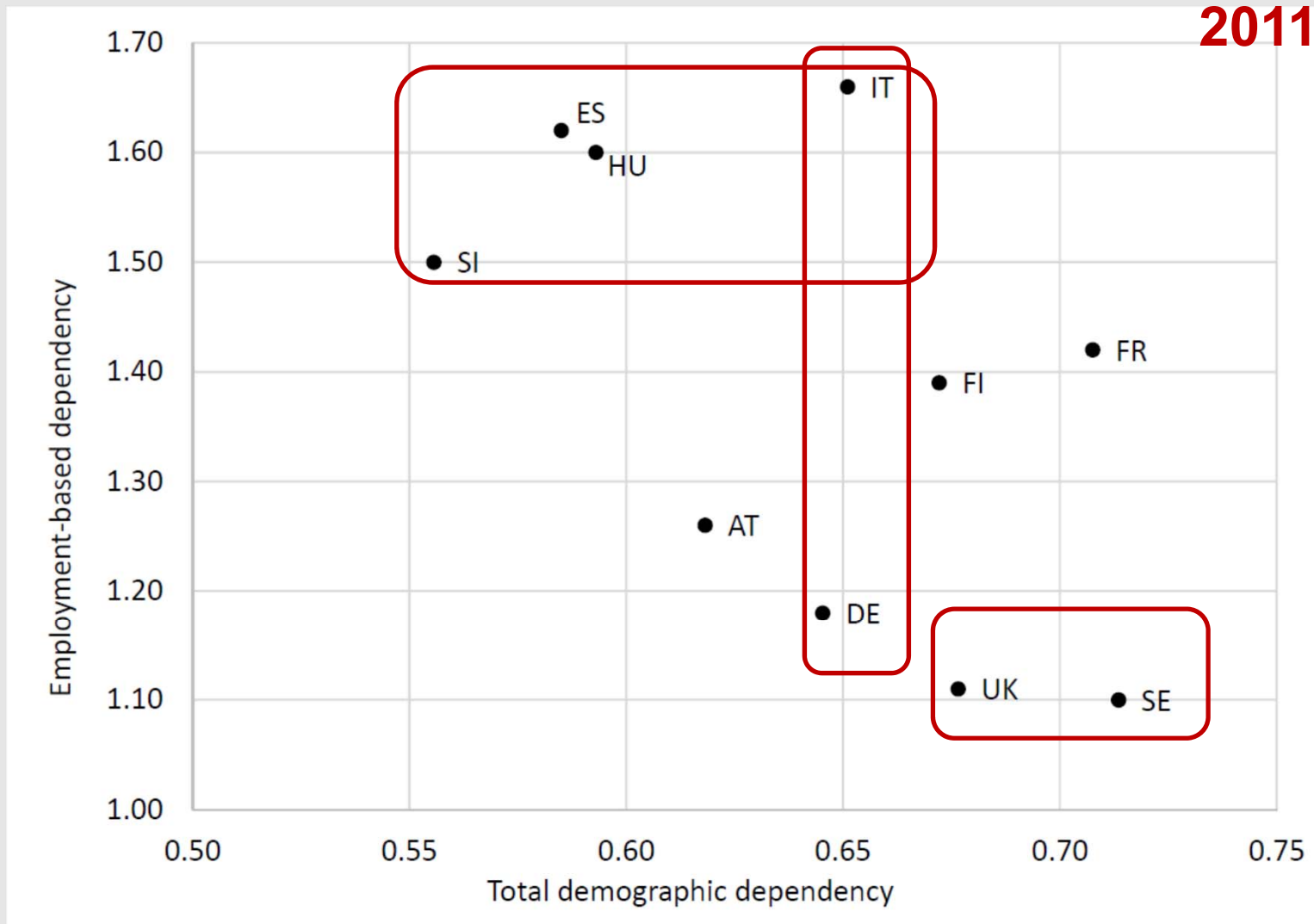
\neq

Non-working
workers

Non-working: (children + unemployed + housewives) – (men + retirees + other inactive)

Working: full-time, part-time, compulsory military or civil service

Employment-Based Dependency



Source: EU-Silc 2011, EUROSTAT

Economic Dependency from a Lifecycle Perspective: NTA Dependency Ratio

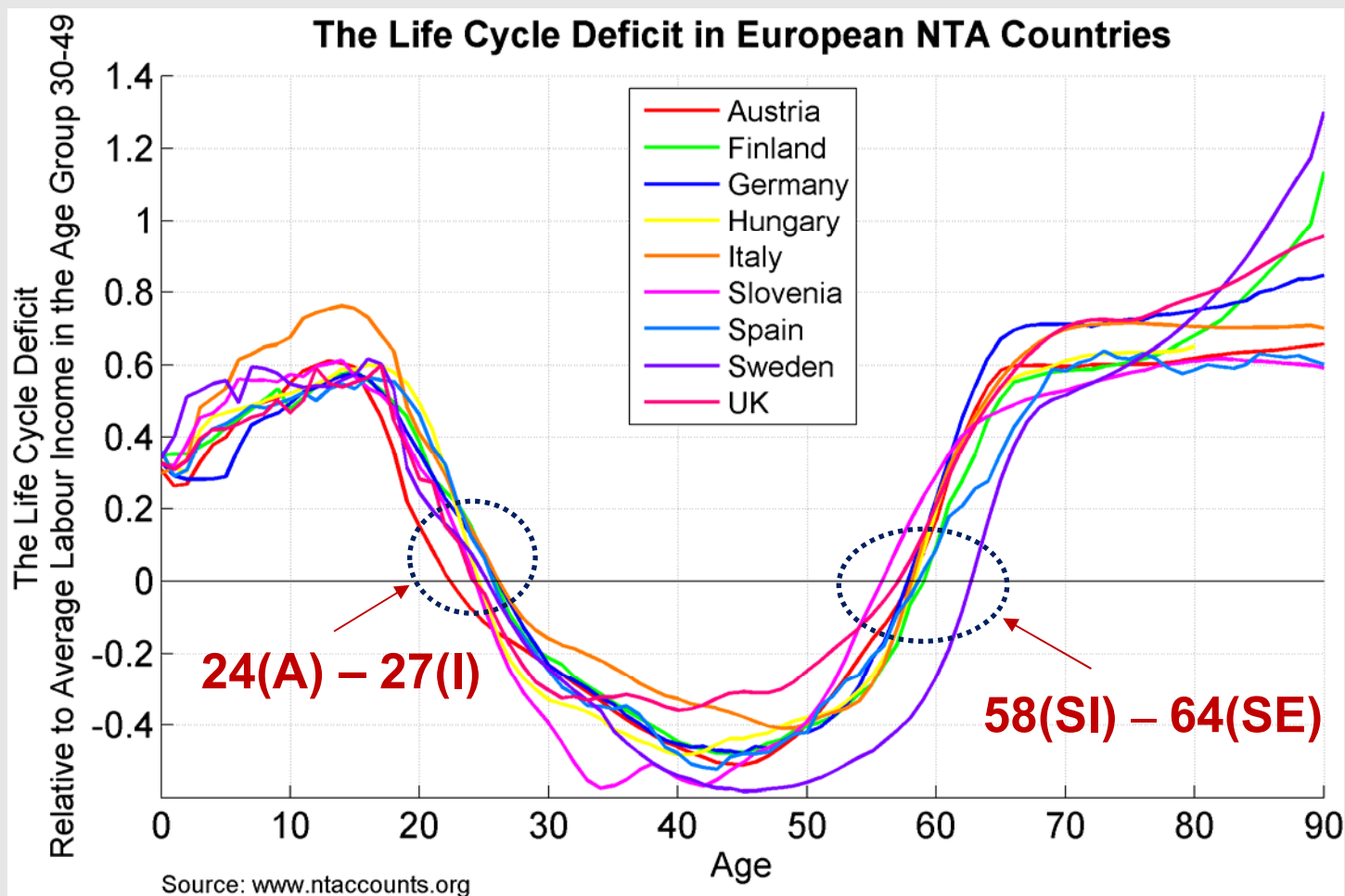
Need to consider also

- **degree of dependency** within dependent population
- **degree of economic ability** of those who support others



age-specific **difference of average consumption and income** based on NTA

Life Cycle Deficit: Comparative European Setting

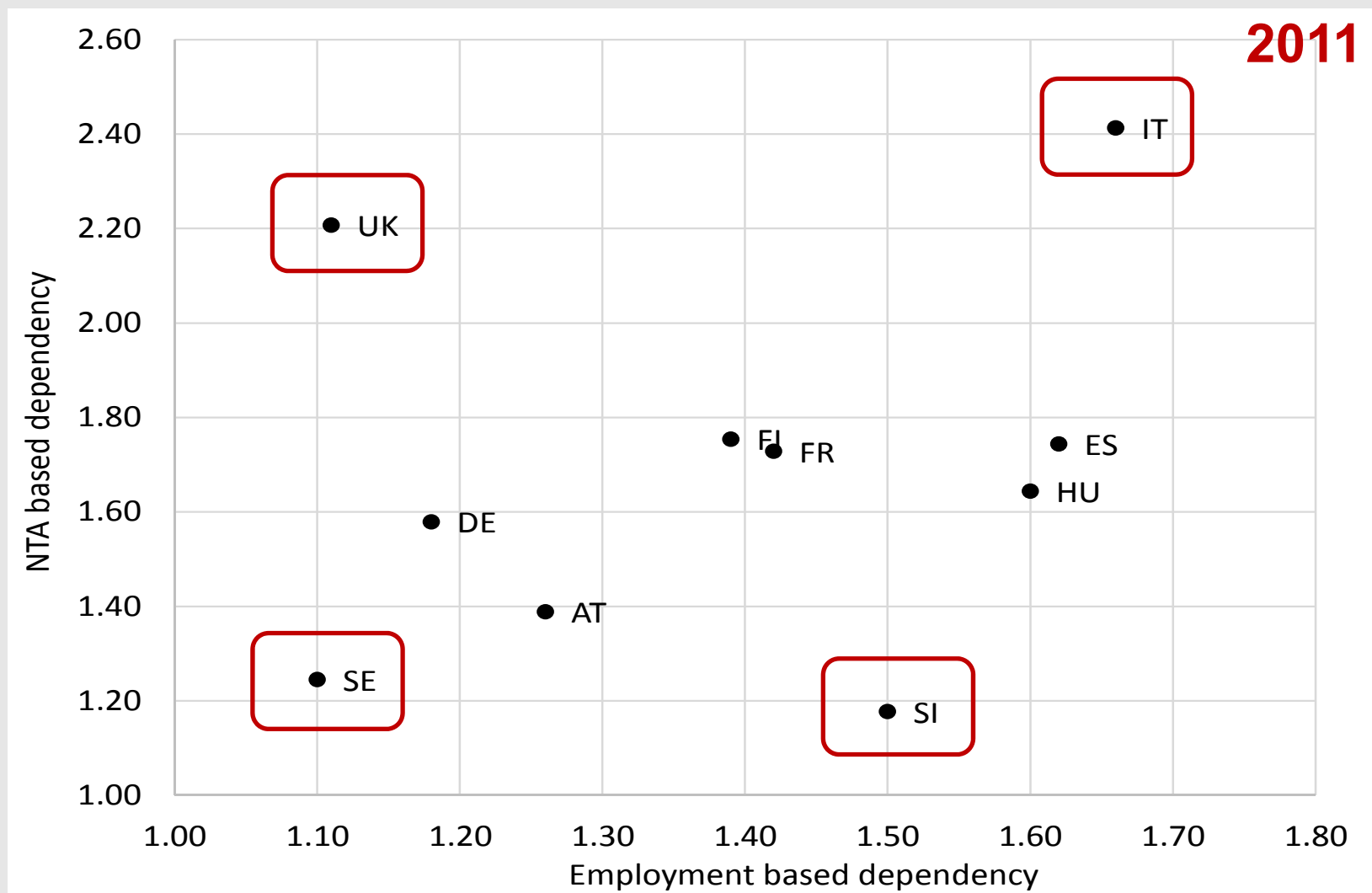


NTA-Based Dependency

life cycle deficit of young and elderly

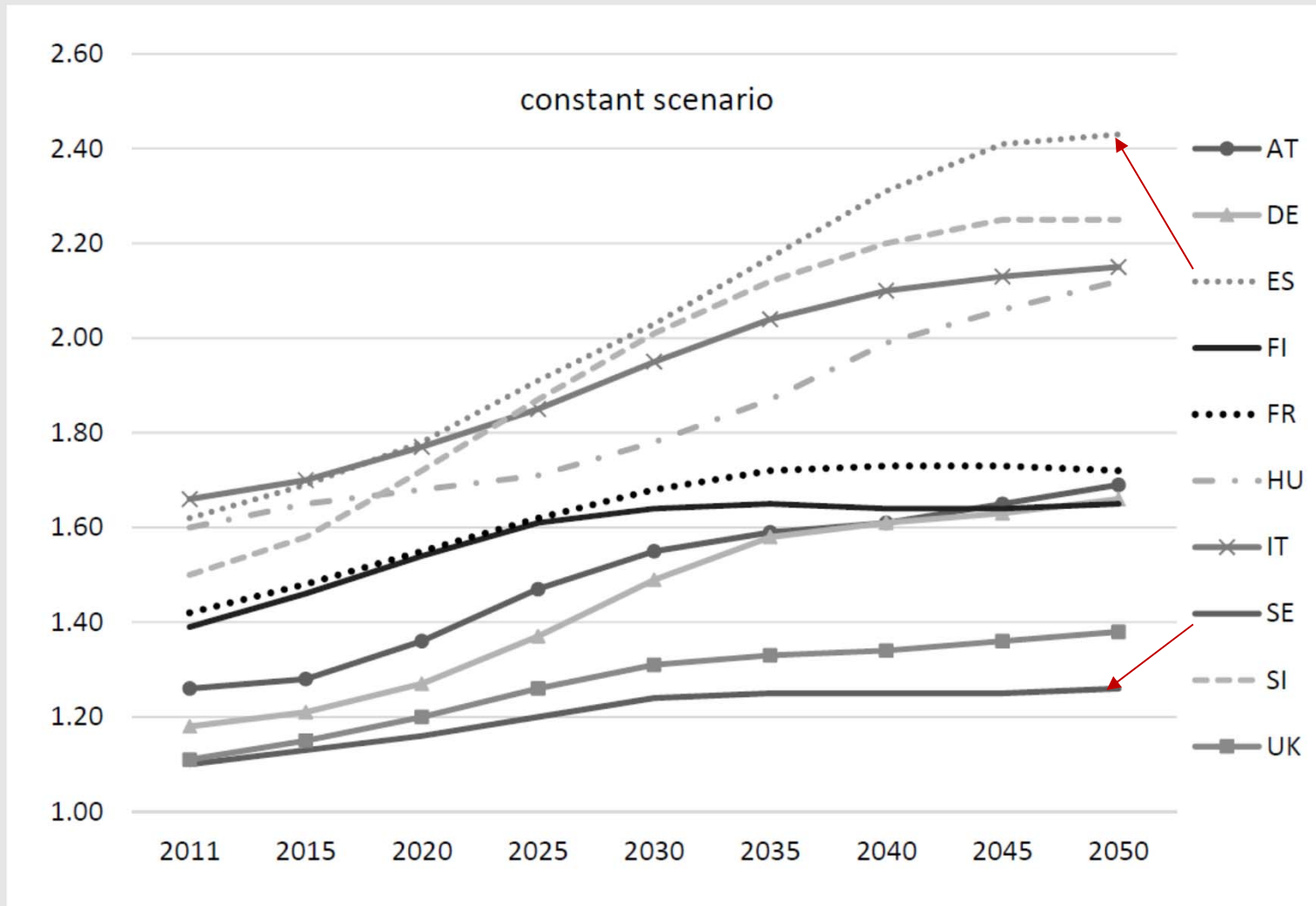
life cycle surplus of adults

NTA-Based Dependency

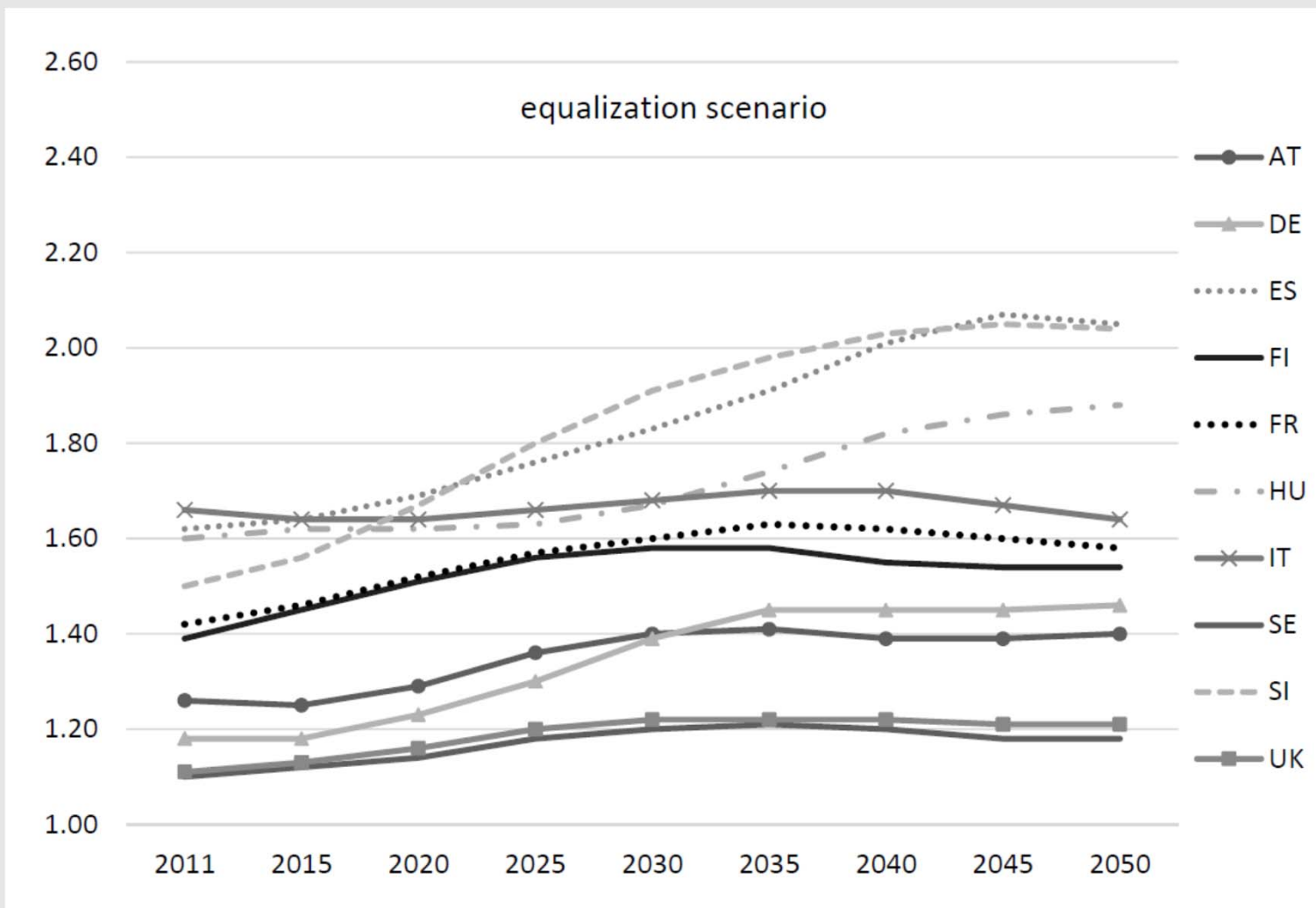


Source: EU-Silc 2011, NTA

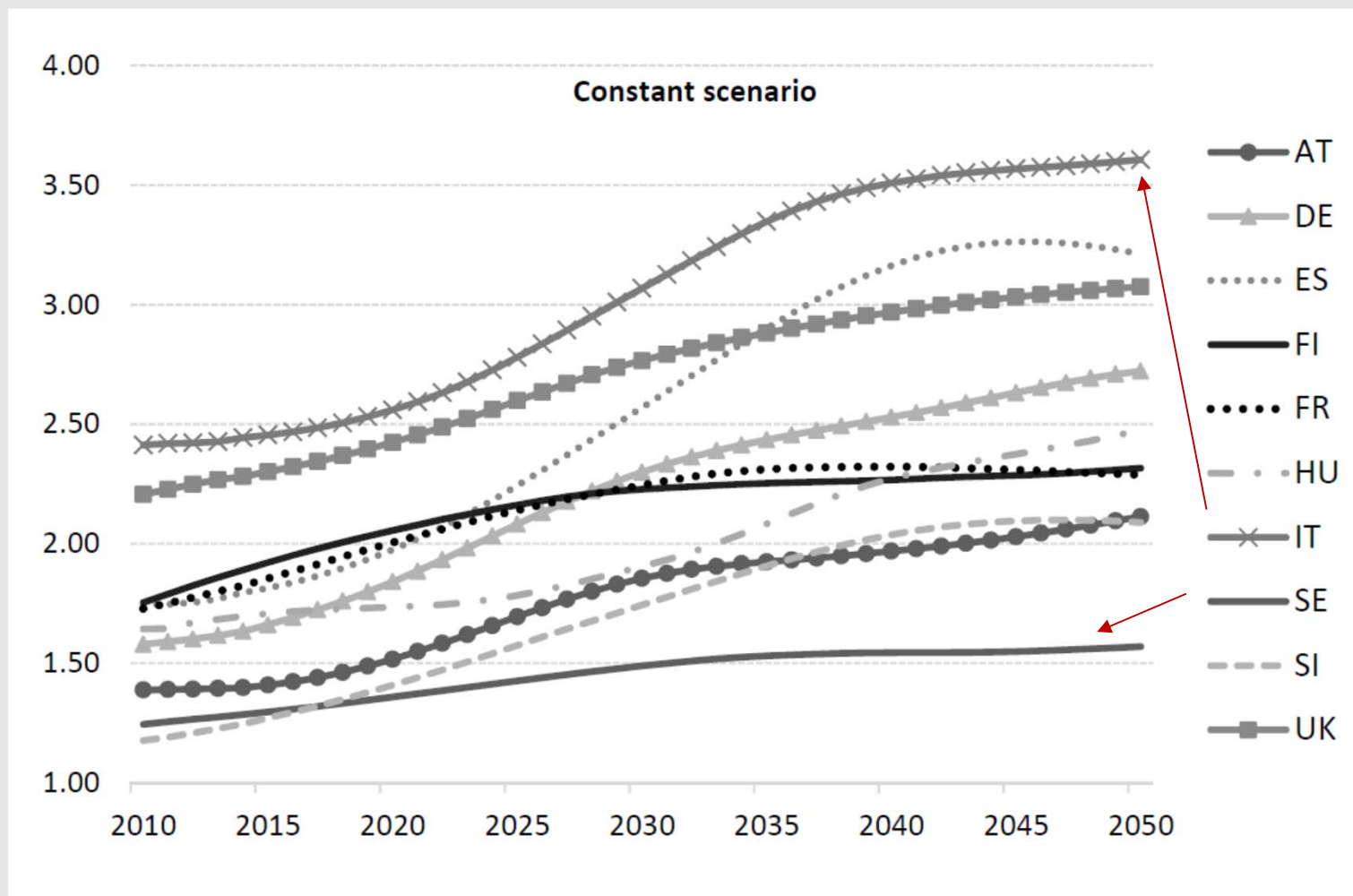
Forecasts of Employment-Based Dependency



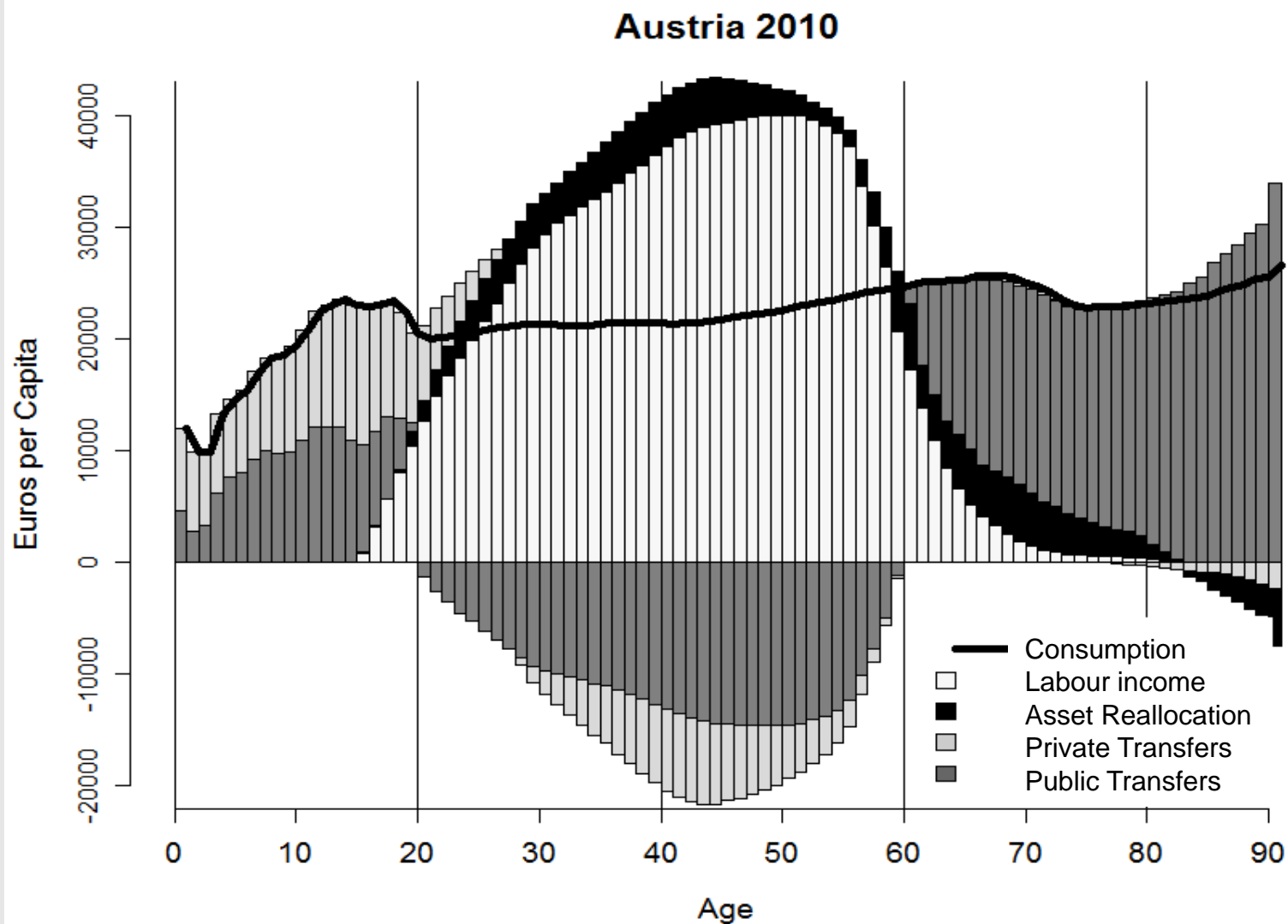
Forecasts of Employment-Based Dependency



Forecasts of NTA-Based Dependency

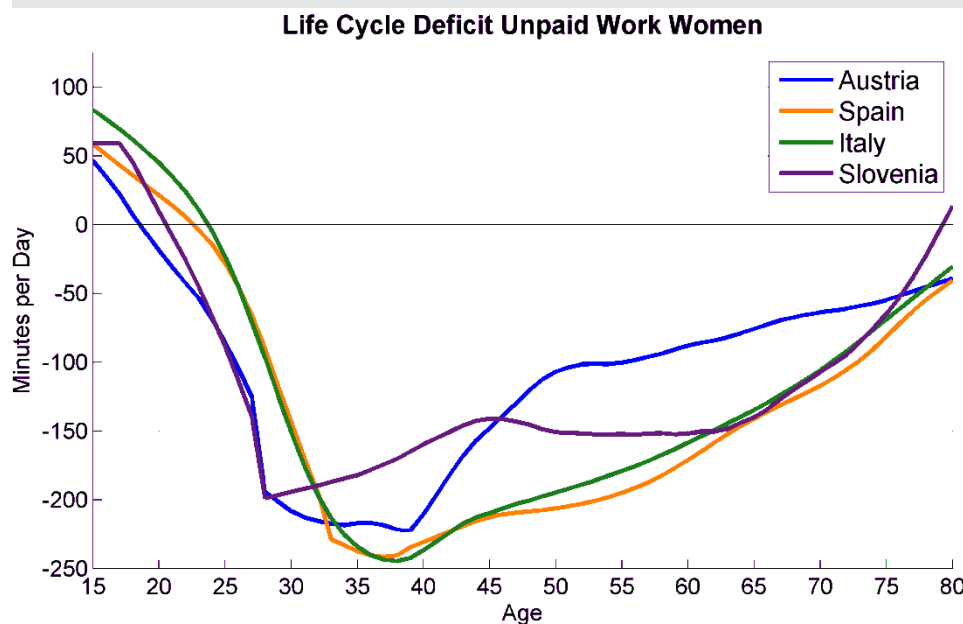


Covering Stages of Dependency

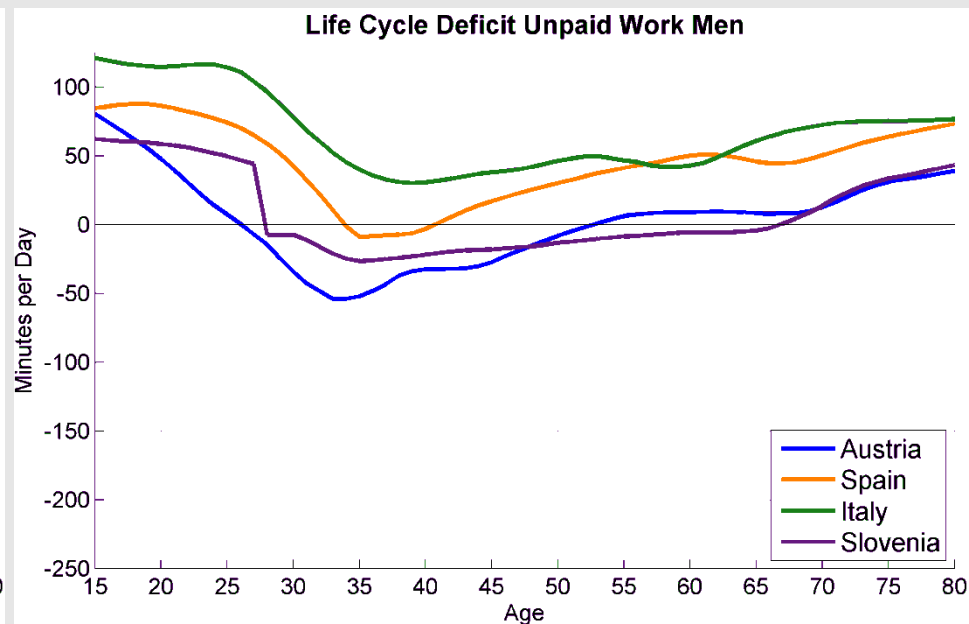


Unpaid Work: The Life Cycle Deficit by Gender

Women produce more non-market goods and services than they consume except during teen ages



Source: MTUS, Statistics Austria - Zeitverwendungserhebung 2008; Author's calculations

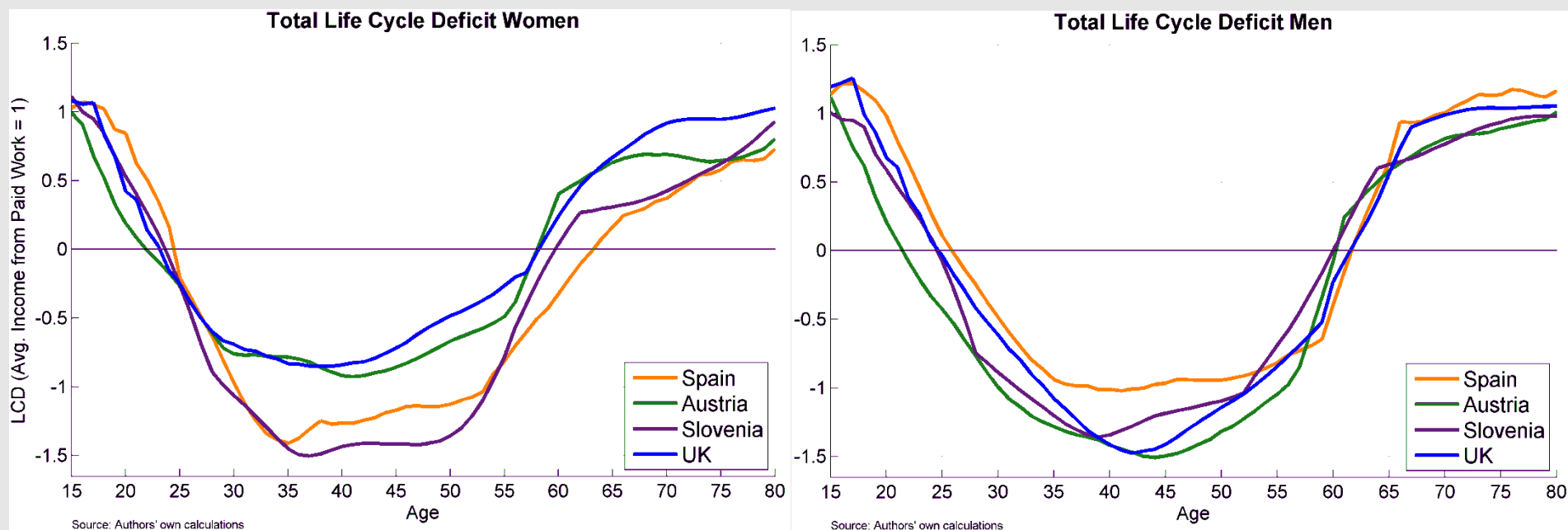


Source: MTUS, Statistics Austria - Zeitverwendungserhebung 2008; Authors' own calculations

The life cycle deficit is very low for **men** and stays positive over the whole age range in the case of **Italy**

Total Life Cycle Deficit by Gender

Gender differences are lower compared to only using NTA



High contribution of women to production in **Slovenia and Spain**

Conclusion/Discussion

- Consequence of population ageing is not just determined by demographic change but to a large extent by **the shape of the economic lifecycle**
- LCD is a **new measure of dependency** that takes into account age-specific levels of production and consumption
- To maintain the fiscal sustainability of the current public transfer system in many European countries requires **changes in the shape of the average economic lifecycle**
- Reforms of the transfer system need to take into account not only public transfers but also **private transfers**, particularly those in form of services to other household members through **unpaid work**

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(FP 7 Collaborative Research Project, no. 613247)

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Ageing Europe – An Application of
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<http://www.agenta-project.eu/en/about-agenta.htm>

Thank You