

# Giving and receiving transfers in the 20<sup>th</sup> and 21<sup>st</sup> century in Slovenia

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# MOTIVATION

- Economic development, changing demography and changes in the socio-economic system affect different generations differently
- How much do different generations give and how much do they receive over their lifetime?
- Intergenerational equity is an important aspect of any attempt to restore long-term sustainability of the public system (and also taking into account the arrangement in the public sector)

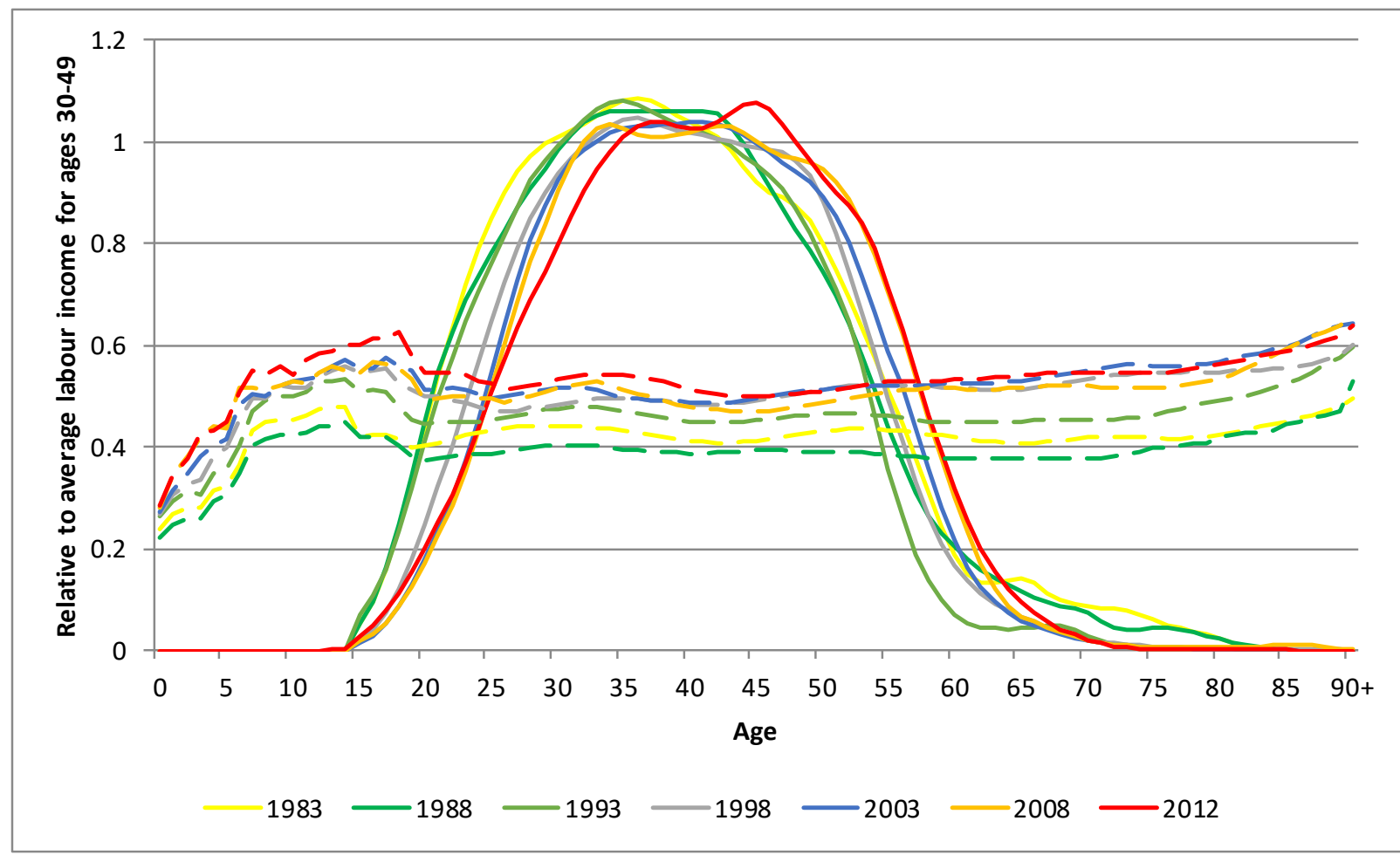


# METHODOLOGY

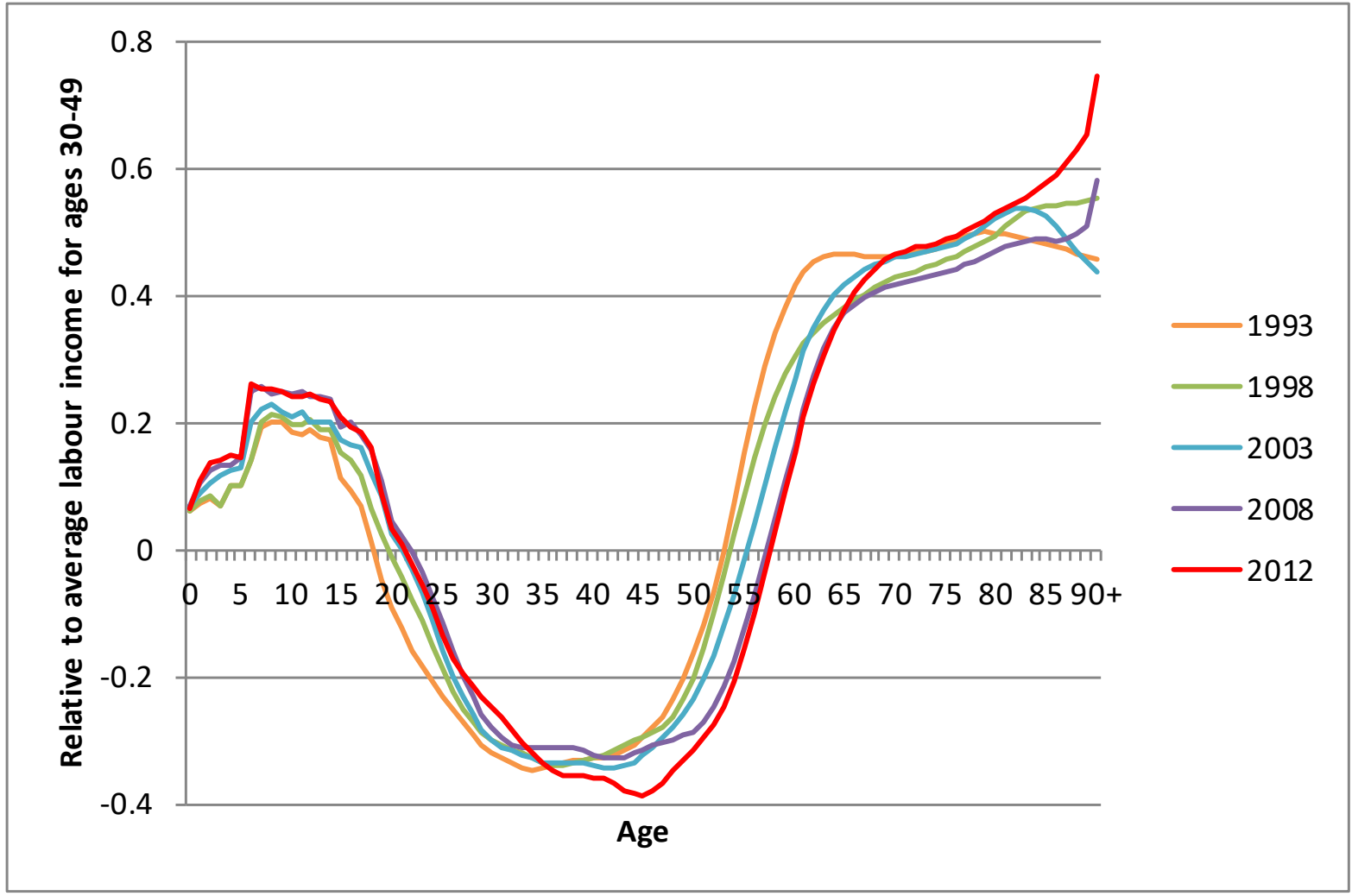
- Interpolate age profiles between the given years (1983, 1988, 1993, 1998, 2003, 2008, 2012; available also for 2000, 2005 and 2010)
- YL, C and transfers are expressed for each year relative to the average YL in age 30-49
- Keep profiles of consumption and labor income constant for years before 1983 and years after 2012, using probabilities of surviving ( $p_x$ ) and life expectancy at age 80 ( $e_{80}$ )
- Following cohorts „diagonally“, from birth till death:

|  | 1980    | 1981    | 1982    | 1983    | 1984    | 1985    | 1986    | 1987    | 1988    | 1989    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 0.24069 | 0.24069 | 0.24069 | 0.24069 | 0.23667 | 0.23266 | 0.22864 | 0.22463 | 0.22061 | 0.22965 |
|  | 0.26775 | 0.26775 | 0.26775 | 0.26775 | 0.26405 | 0.26034 | 0.25663 | 0.25293 | 0.24922 | 0.25836 |
|  | 0.28139 | 0.28139 | 0.28139 | 0.28139 | 0.27744 | 0.27349 | 0.26953 | 0.26558 | 0.26163 | 0.27192 |
|  | 0.27958 | 0.27958 | 0.27958 | 0.27958 | 0.27556 | 0.27154 | 0.26752 | 0.26350 | 0.25948 | 0.26860 |
|  | 0.31344 | 0.31344 | 0.31344 | 0.31344 | 0.30981 | 0.30617 | 0.30254 | 0.29891 | 0.29528 | 0.30557 |
|  | 0.32157 | 0.32157 | 0.32157 | 0.32157 | 0.31820 | 0.31483 | 0.31146 | 0.30809 | 0.30472 | 0.31546 |
|  | 0.36335 | 0.36335 | 0.36335 | 0.36335 | 0.36054 | 0.35773 | 0.35492 | 0.35211 | 0.34929 | 0.36031 |
|  | 0.43321 | 0.43321 | 0.43321 | 0.43321 | 0.42701 | 0.42080 | 0.41459 | 0.40838 | 0.40217 | 0.41593 |
|  | 0.44804 | 0.44804 | 0.44804 | 0.44804 | 0.44163 | 0.43521 | 0.42880 | 0.42239 | 0.41598 | 0.43101 |
|  | 0.45538 | 0.45538 | 0.45538 | 0.45538 | 0.44940 | 0.44342 | 0.43744 | 0.43146 | 0.42548 | 0.44013 |

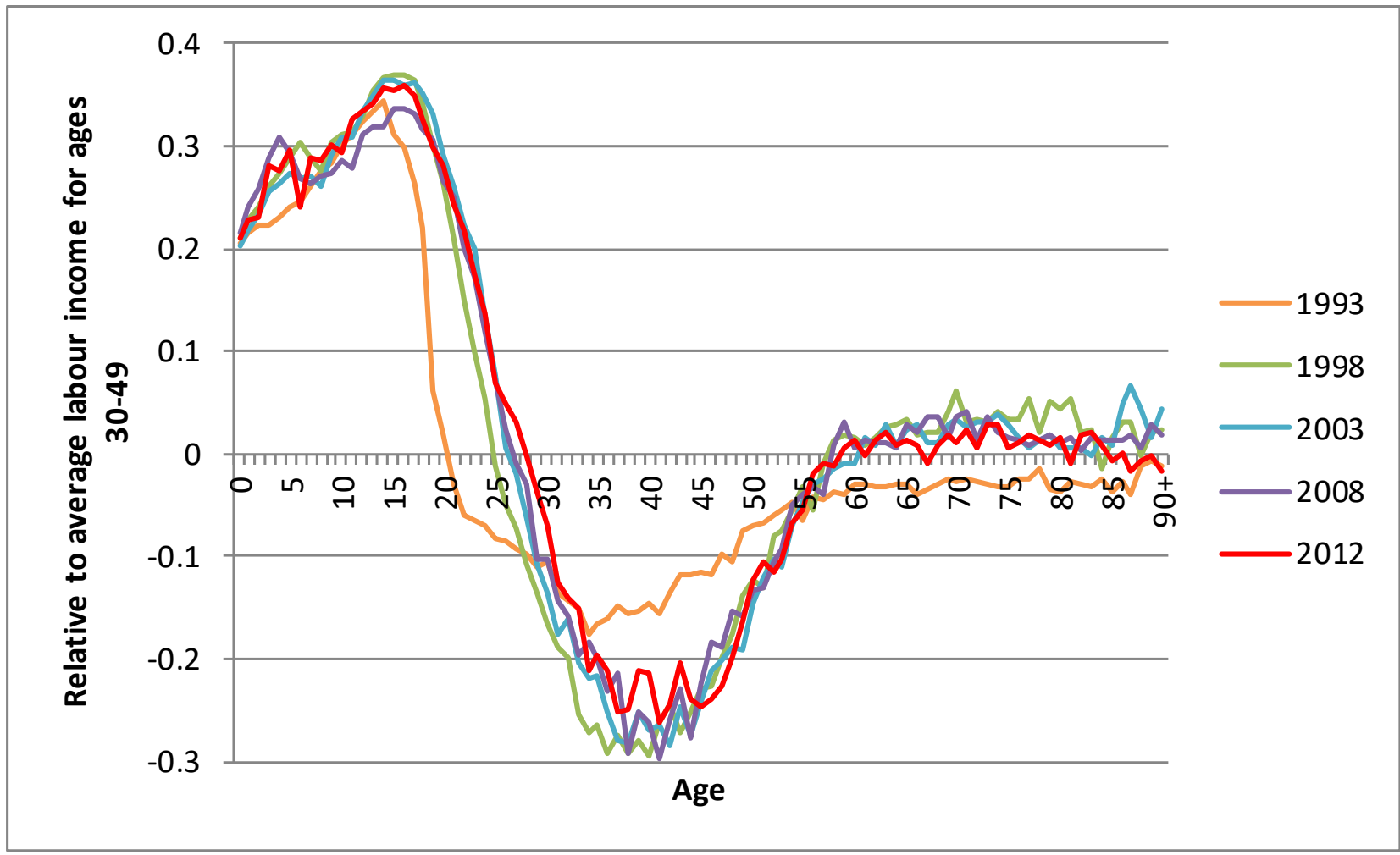
# AGE PROFILES OF CONSUMPTION (C) AND LABOUR INCOME (YL) FOR SLOVENIA: 1983-2012



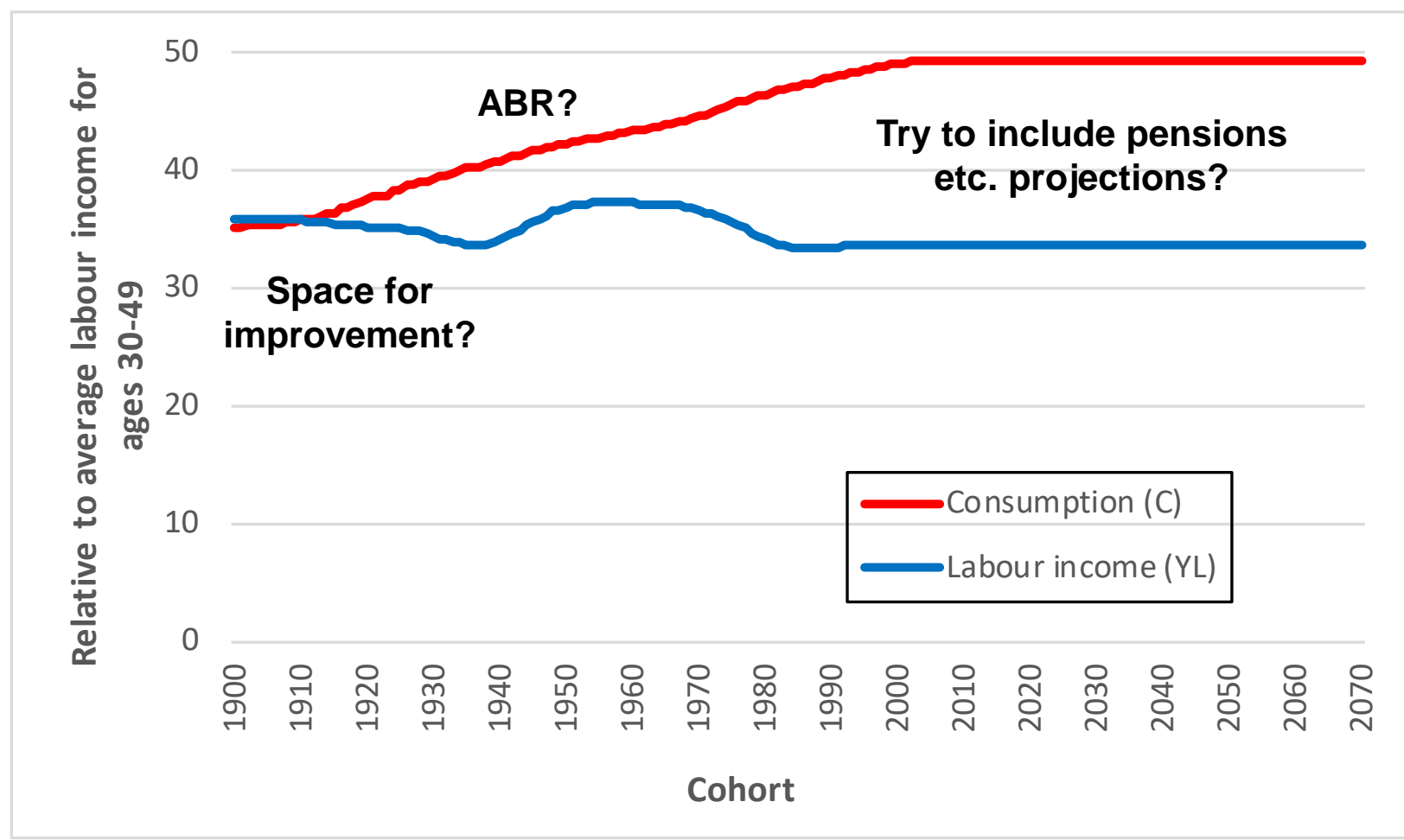
# AGE PROFILES OF NET PUBLIC TRANSFERS (TG) FOR SLOVENIA: 1993-2012



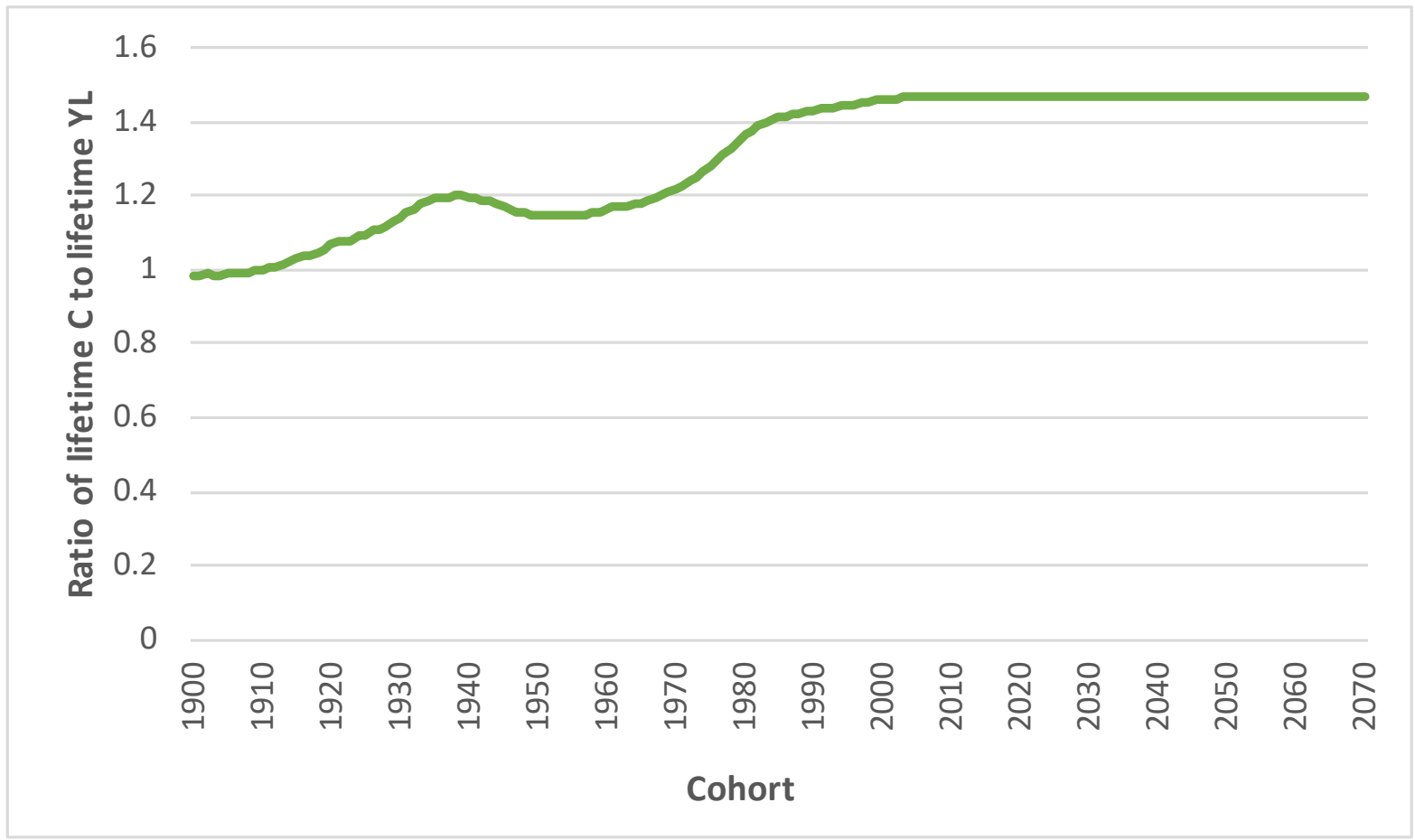
# AGE PROFILES OF NET PRIVATE TRANSFERS (TF) FOR SLOVENIA: 1993-2012



# RESULTS: LIFETIME CONSUMPTION (C) AND LABOUR INCOME (YL) EXPRESSED RELATIVE TO AVERAGE $YL_{30-49}$

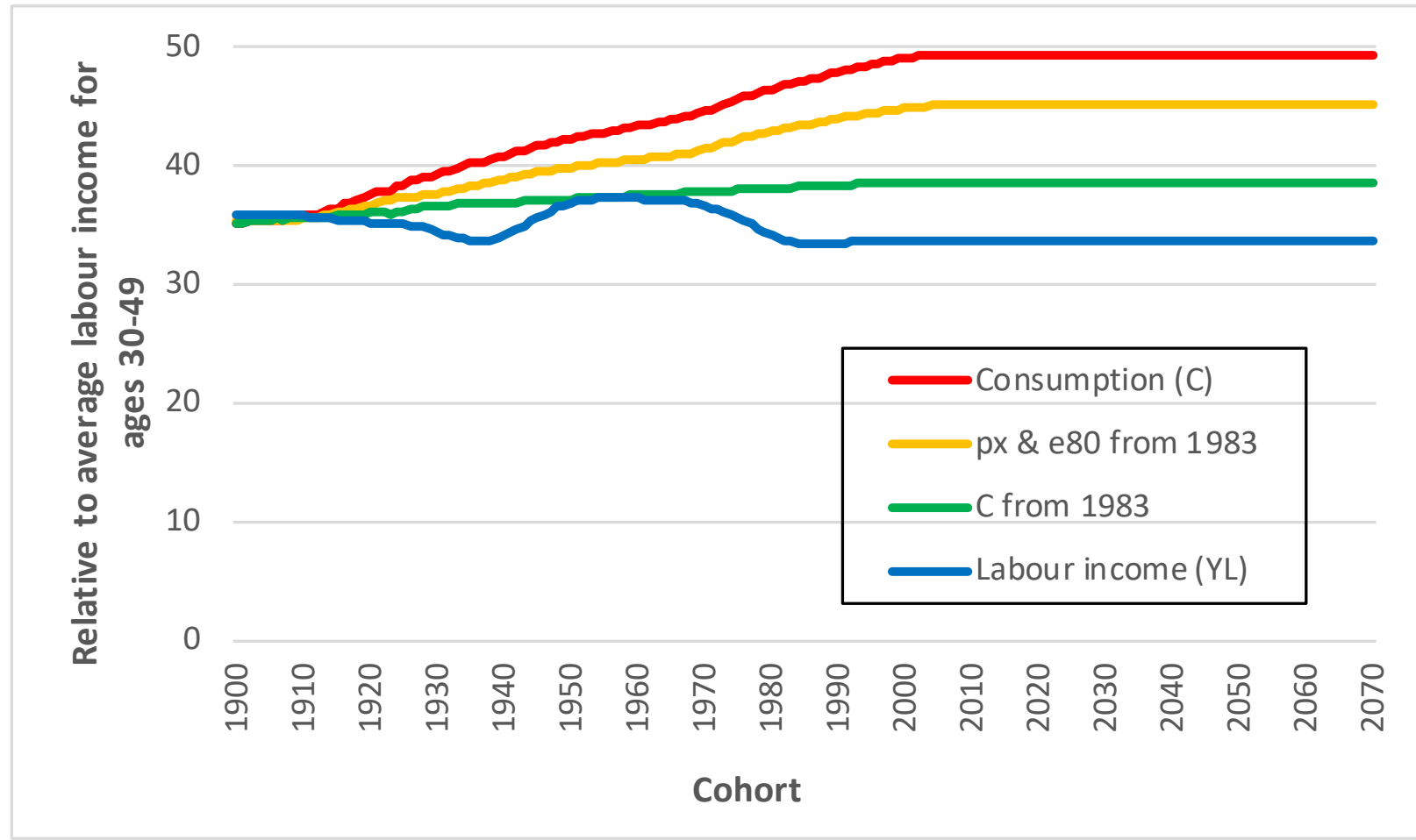


# RESULTS: POTENTIAL INDICATOR OF INTERGENERATIONAL (IN)EQUALITY: "LIFETIME CONSUMPTION OVER LIFETIME LABOUR INCOME"?

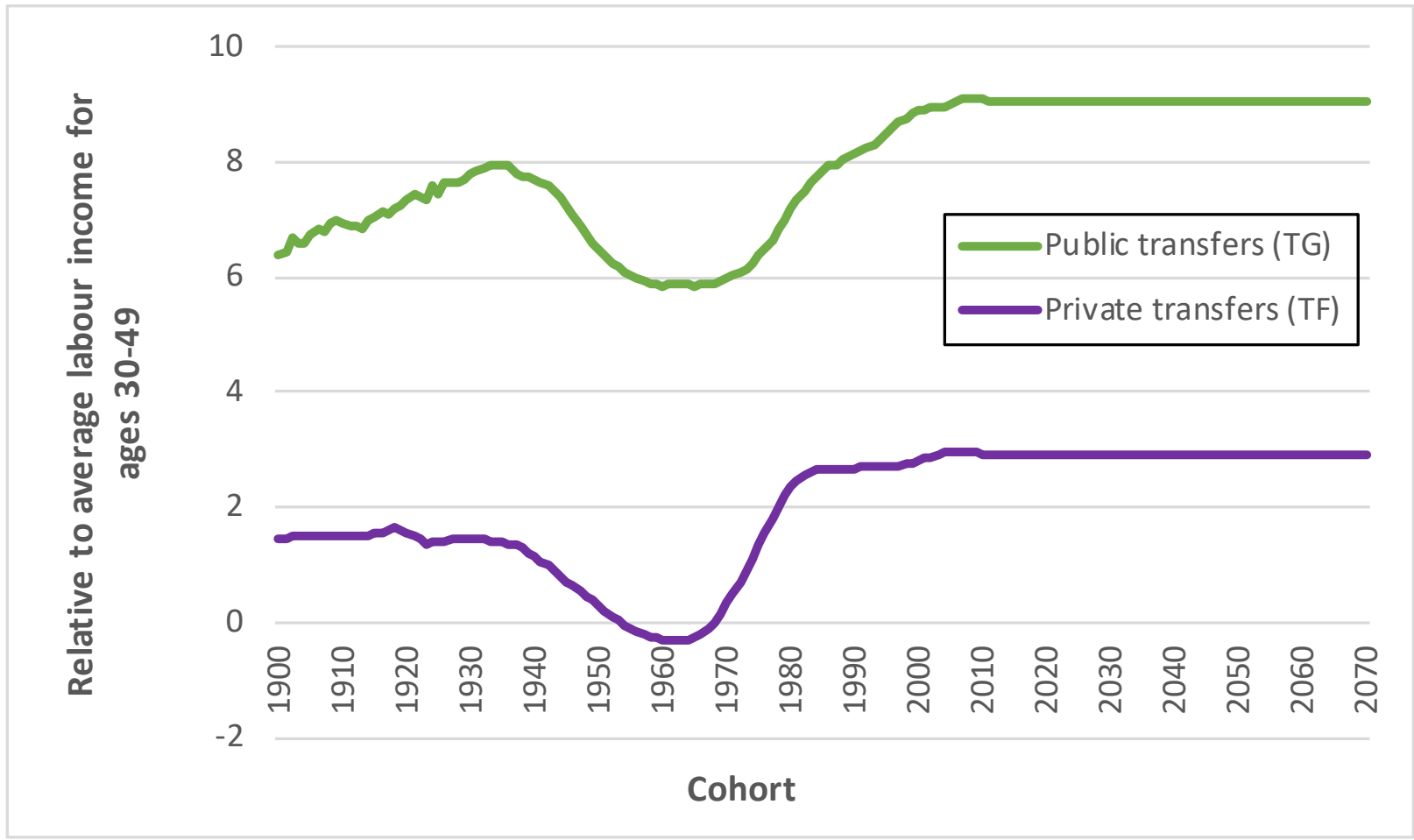




# RESULTS: LIFETIME CONSUMPTION (C) AND LABOUR INCOME (YL) RELATIVE TO AVERAGE $Y_{L_{30-49}}$



# RESULTS: LIFETIME NET PUBLIC TRANSFERS (TG) AND PRIVATE TRANSFERS (TF) RELATIVE TO AVERAGE YL<sub>30-49</sub>



# CONCLUSIONS AND FUTURE WORK

- Important differences across generations in Slovenia, especially because of increasing  $C$  relative to  $YL$
- Indicator(s) of intergenerational equality/equity/fairness next to indicators of sustainability (and “adequacy” of the pension system)
- Decomposing the results for pensions, education, healthcare etc.; hopefully also for unpaid household labor
- Projected results for the future (instead of keeping age profiles constant) – embodied in the model
- What about the impact of hyperinflation or privatization (when socio-economic system changed in Slovenia)?



# THANK YOU



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The logo for "agenta", written in a lowercase, rounded, teal-colored font.