Results and issues: NTA in Argentina

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• Present results of
  – LCD and its components and
  – Public transfers
for Argentina (1997)
• Compare Argentina’s profiles with a regional unweighted average of four Latin American countries:
  – Brazil (1996)
  – Chile (1997)
  – Uruguay (1994)
• When data for a given variable is not available for all 4 countries, individual countries profiles are used
Data sources

• Encuesta Permanente de Hogares, 1997
• Encuesta Nacional de Gastos de los Hogares 1996-97
• Input-output table-1997, National Accounts.
• Last available year with (relatively) complete national accounts.
• NTA data
Consumption
Argentina (1997) and regional average

REGIONAL AVERAGE

ARGENTINA
• Argentina’s profile peaks relatively early (age 32) and then flattens out at a lower level
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Mainly because of private health consumption.
Labor Income
Argentina (1997) and regional average

ARGENTINA

REGIONAL AVERAGE
Labor Income
Argentina (1997) and regional average

- Slightly earlier rise in labor income
Labor Income
Argentina (1997) and regional average

- Slightly earlier rise in labor income
- and more noticeable decline in old age

ARGENTINA
REGIONAL AVERAGE
Argentina: 25 years
Reg. avg.: 26 years
Lifecycle Deficit
Argentina (1997) and regional average

• Argentina: 25 years
• Reg. avg.: 26 years

• Argentina: 55 years
• Reg. avg.: 57 years
Despite earlier decline in income, lower consumption in old age postpones the old age deficit.
Public consumption
Argentina (1997) and regional average
Public consumption
Argentina (1997) and regional average

Higher public consumption at all ages, but...
...lower private consumption at all ages.
Public consumption, education
Argentina (1997) and regional average
Private consumption, education
Private consumption, education

Lower levels in Argentina, but Uruguay and Chile peak at different ages, so...
...the average profile is closer to Argentina’s
Public consumption, health
Argentina (1997) and regional average

Early local “maximum” at age 22, similar profile at older ages.
Public transfers
Argentina (1997) and regional average

Standardized units (labor income 30-49=1)
Public transfers
Argentina (1997) and regional average

- Smaller deficit for middle ages
- Smaller superavit for old ages
Public transfers
Argentina (1997) and regional average

- Smaller deficit for middle ages
- Smaller surplus for old ages
- Is the result of...
Public transfers, inflow
Argentina (1997) and regional average

...smaller transfers at old age, and...
...lower taxes for adults
...higher taxes for the elderly, driven by property tax
Public pensions
Argentina (1997) and regional average
Social security contributions
• No Argentinean “peculiarity”, except...
  – ...higher public consumption
  – ...lower and flatter private consumption
  – ...peculiar private health consumption