

Population aging and its economic consequences in Europe

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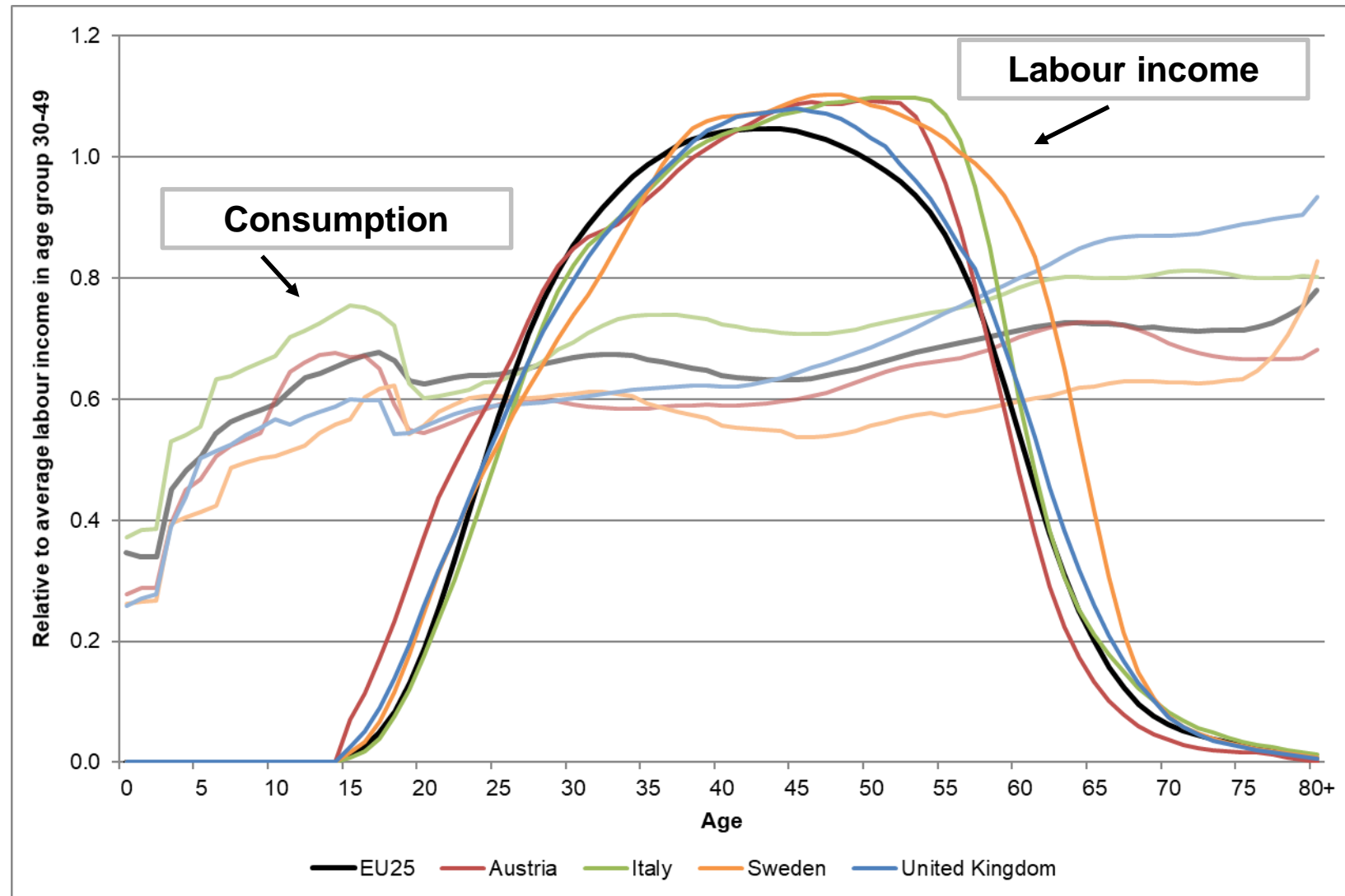
12th Global Meeting of the NTA Network,
Mexico City, July 23, 2018



Introduction

- European countries differ substantially in their cultural and institutional settings:
 - Different degree of economic dependency
 - Different importance of specific types of age reallocations
- Population ageing → pressure on the public transfer system
- How can the transfer system adapt?
 - A need for comprehensive analysis
 - AGENTA project: Estimates for 25 EU countries

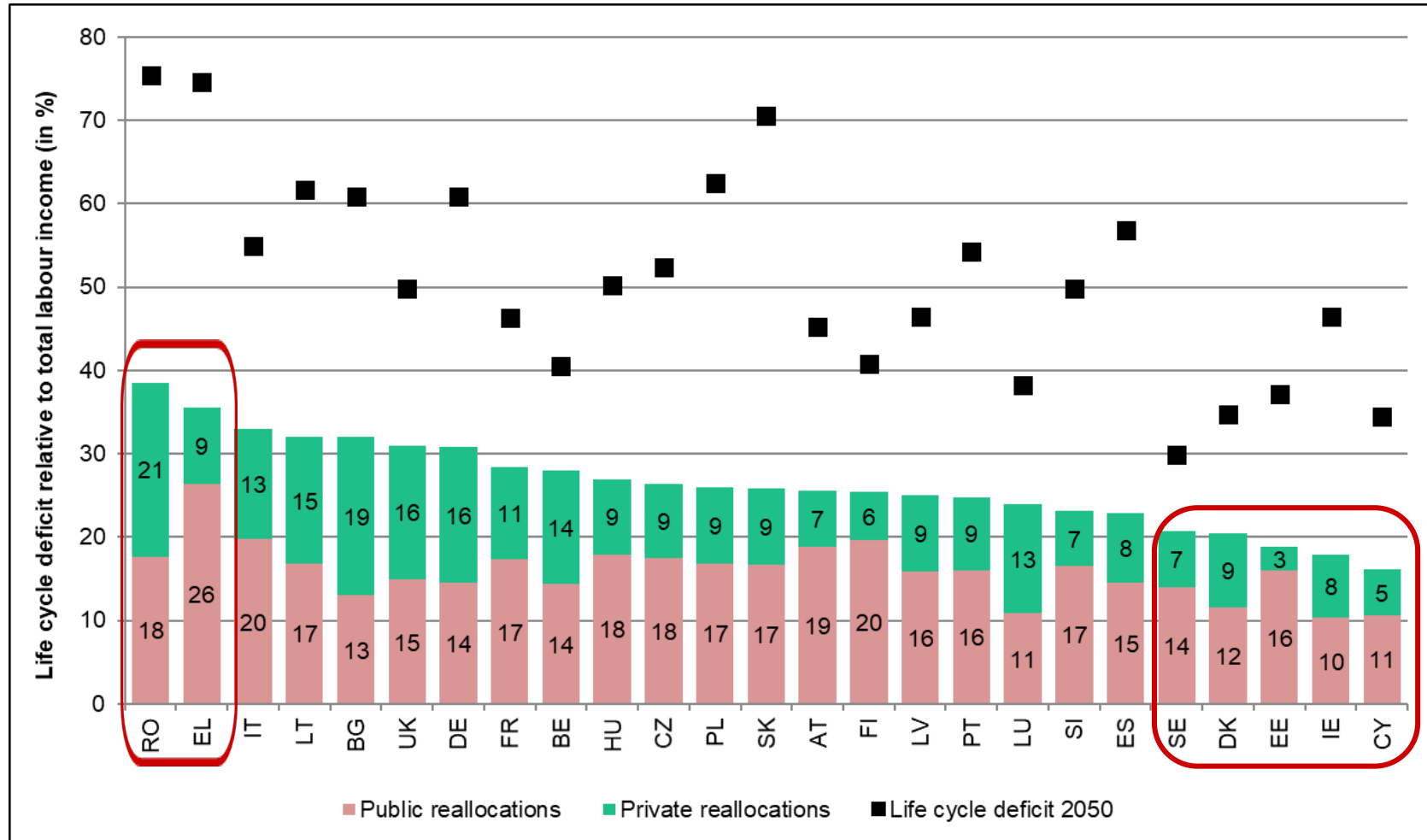
Consumption and labour income in EU countries in 2010



Source: Istenič, Hammer, Šeme, Lotrič Dolinar, & Sambt, 2017

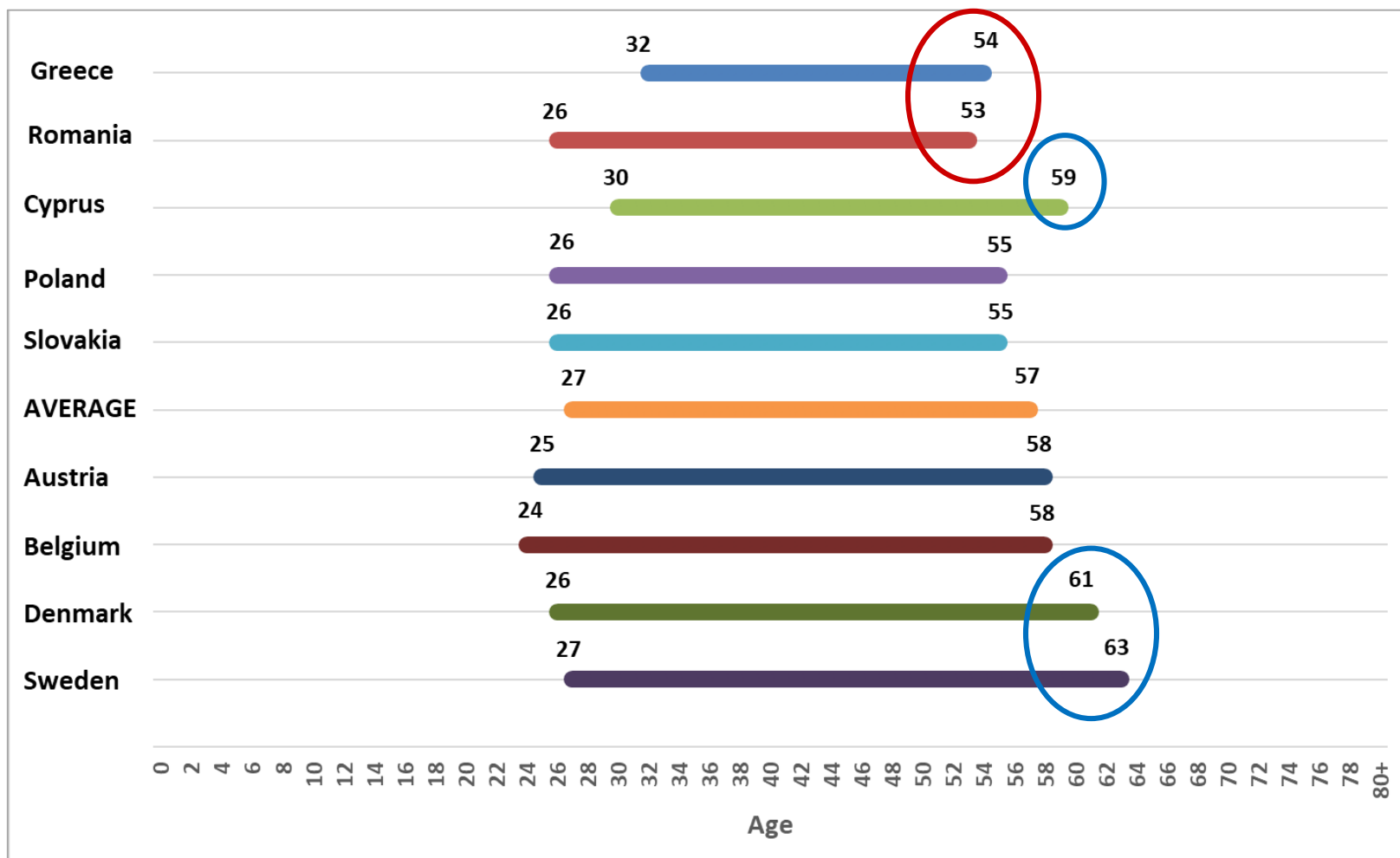


Financing the difference between consumption and labour income of elderly people in EU countries in 2010 and 2050



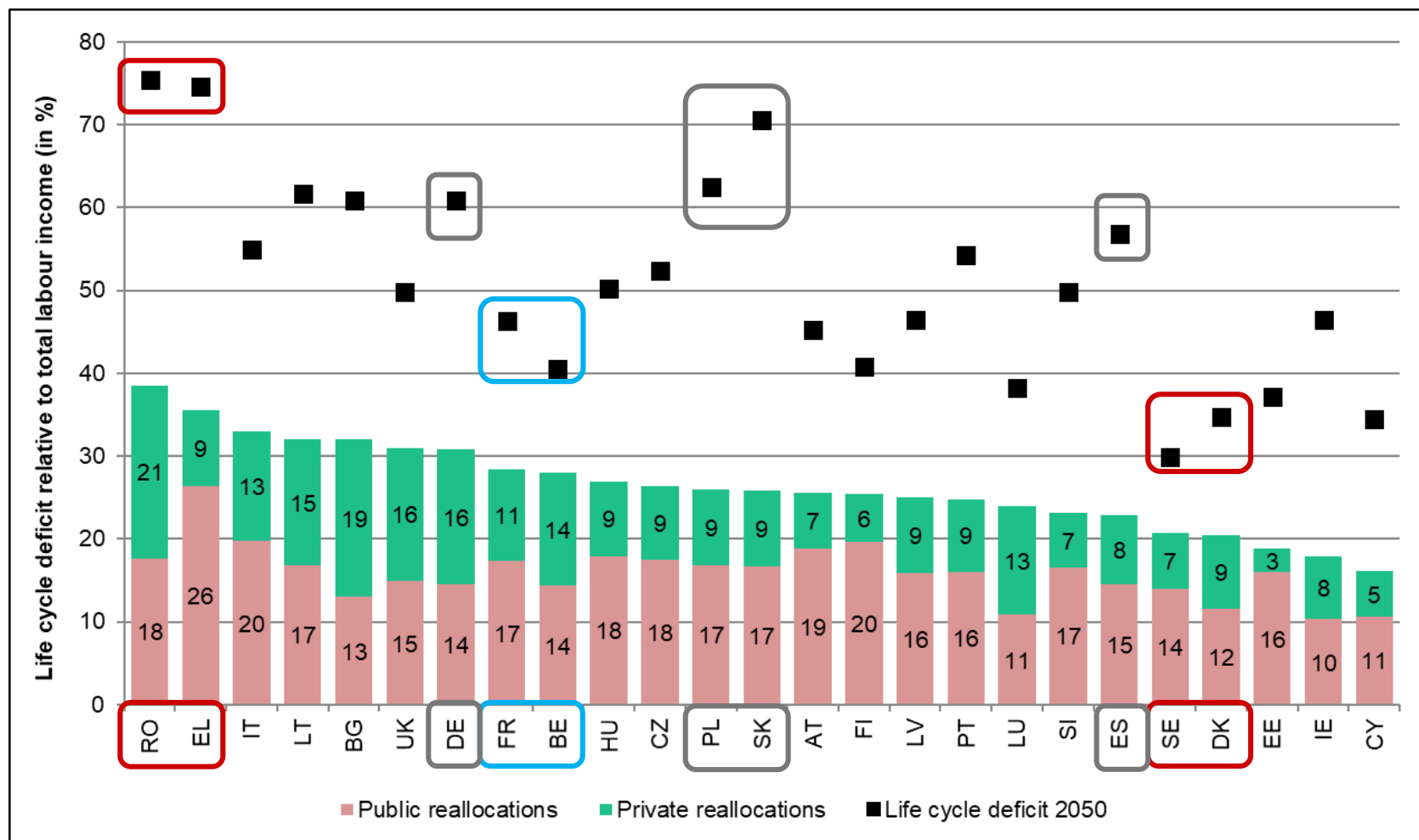
Sources: *Istenič et al., 2017; Sambt, Istenič, Hammer, 2017.*

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



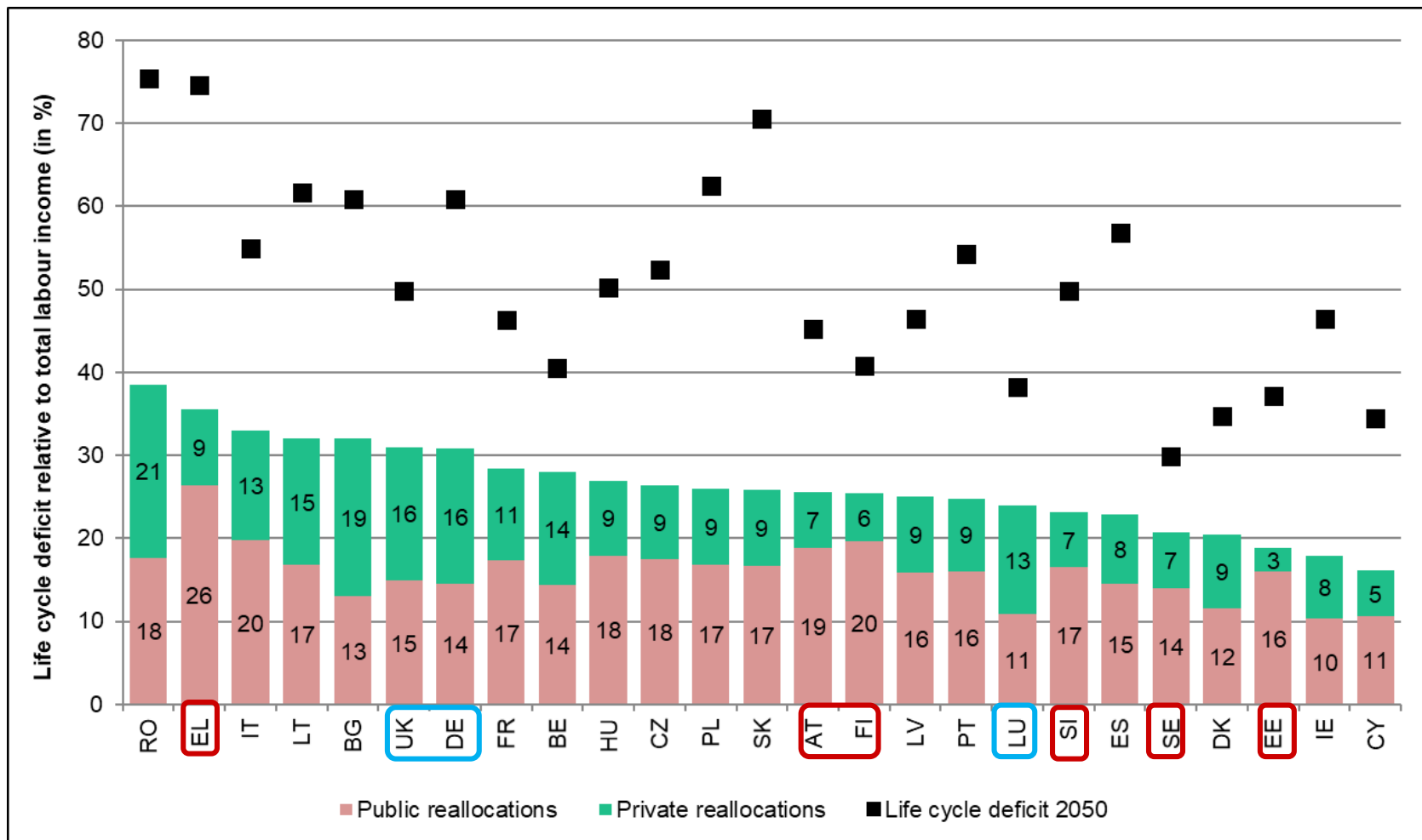
Sources: *Istenič et al., 2017; own calculations.*

Financing the difference between consumption and labour income of elderly people in EU countries in 2010 and 2050 (cont.)



Sources: *Istenič et al., 2017; Sambt, Istenič, Hammer, 2017.*

Financing the difference between consumption and labour income of elderly people in EU countries in 2010 and 2050 (cont.)



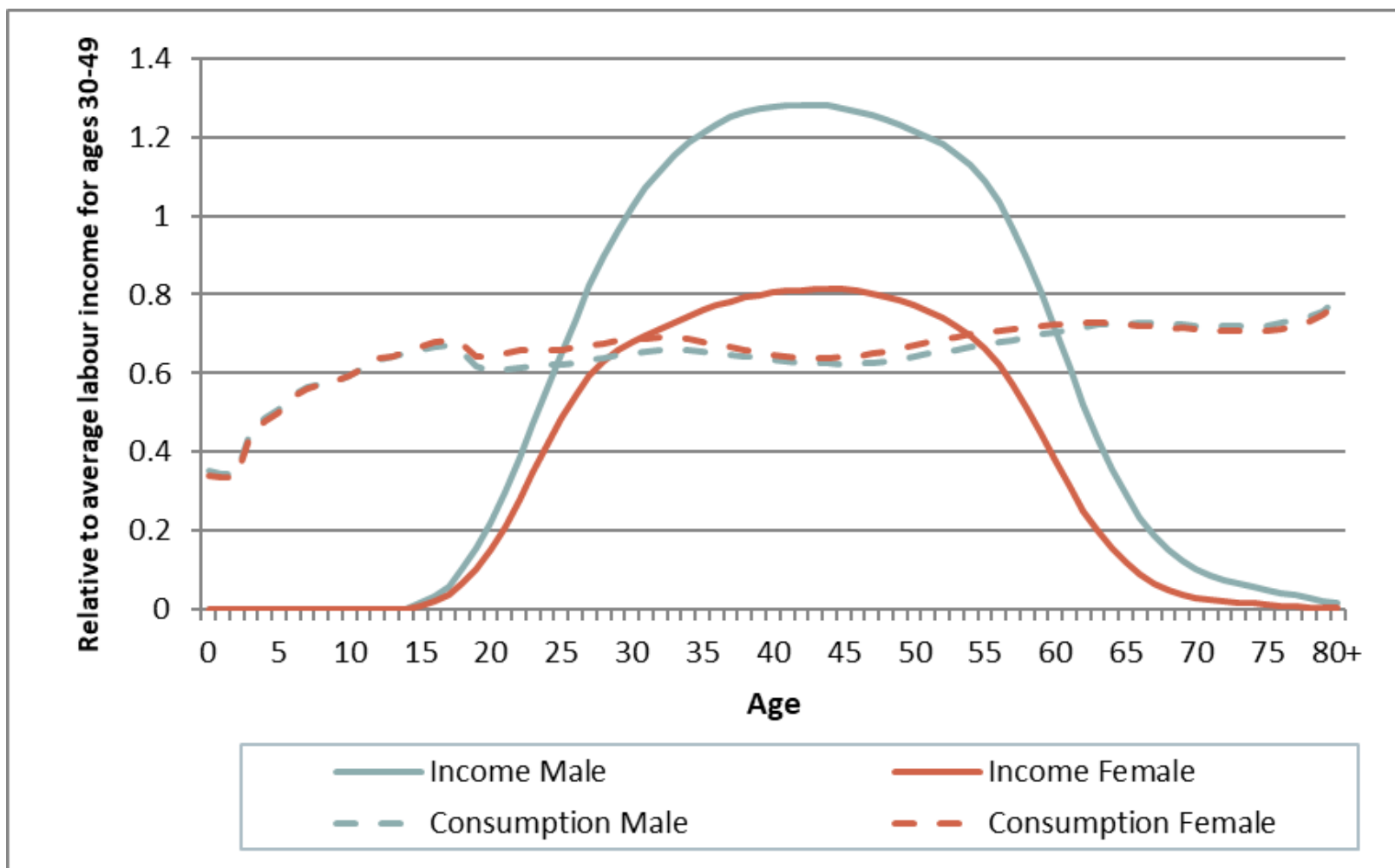
Sources: Istenič et al., 2017; Sambt, Istenič, Hammer, 2017.

What can we do?

- 1) Reduction of the economic dependency of the elderly:
 - Decreasing public benefits
 - Lowering consumption
 - ✓ Prolonging labour force participation

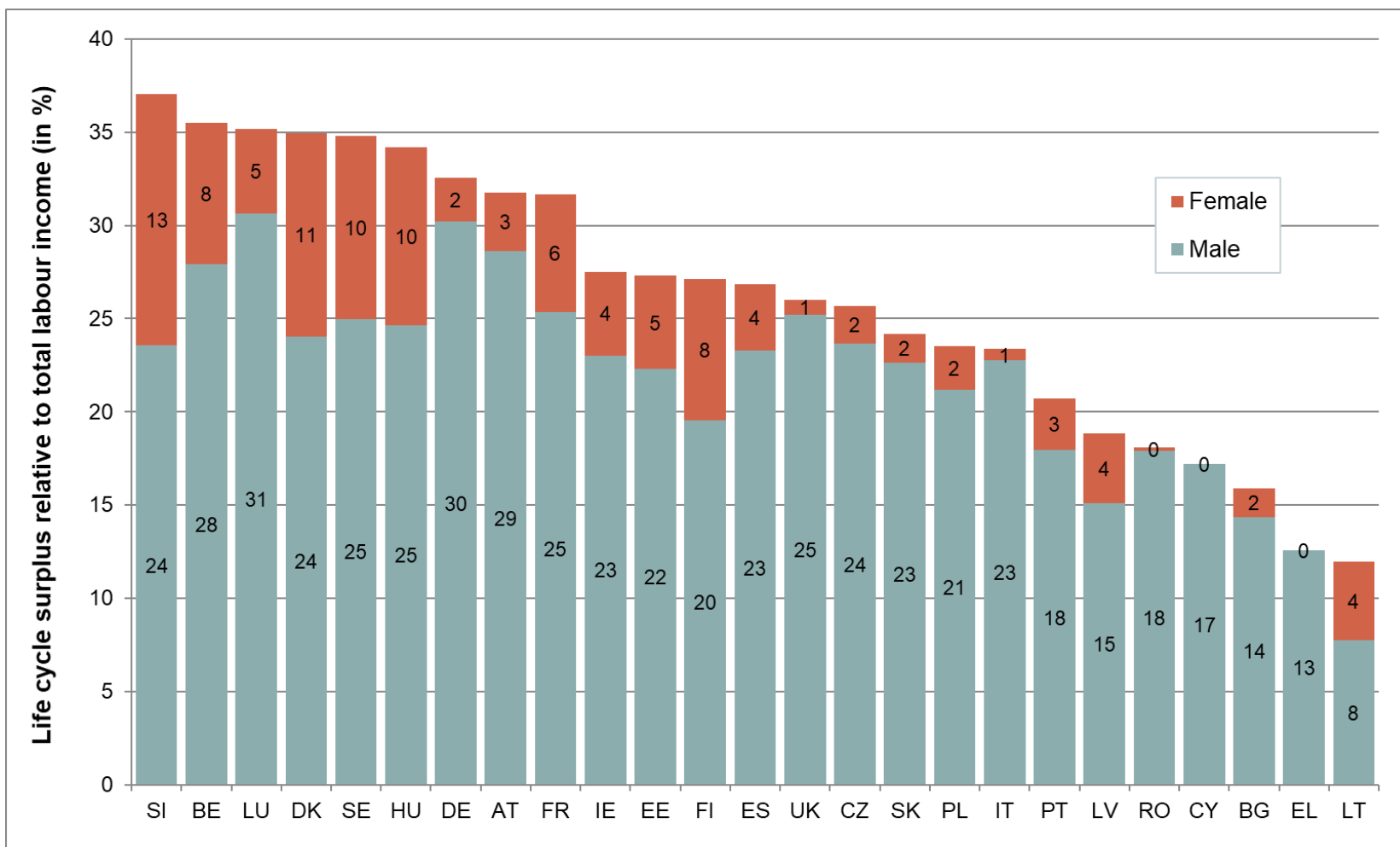
- 2) Increasing ability of the working-age population to support others:
 - Increasing fertility rate
 - ✓ Increasing the surplus

Consumption and labour income for males and females in EU-25 in 2010



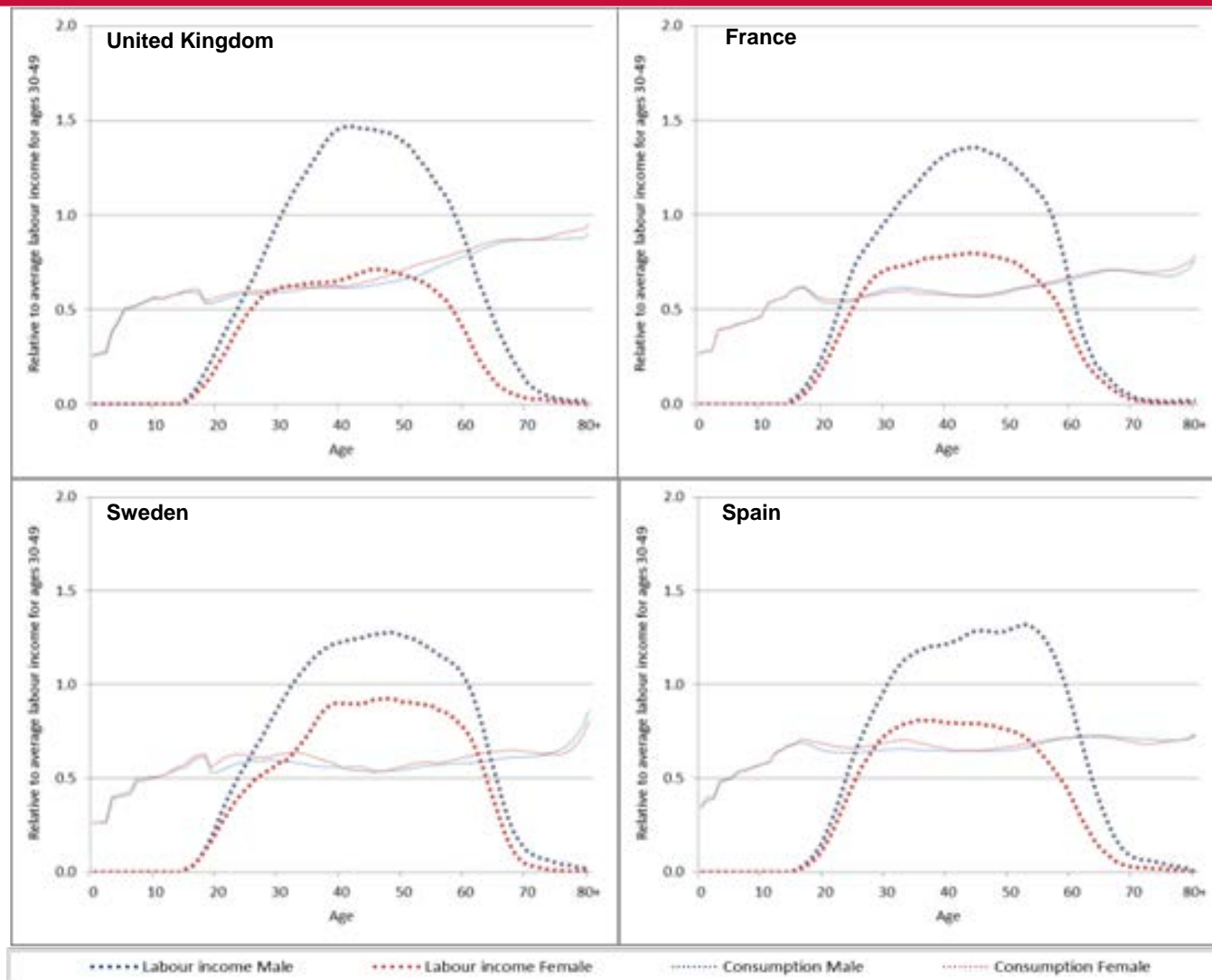
Source: *Istenič et al., 2017.*

Life cycle surplus for males and females in EU countries in 2010



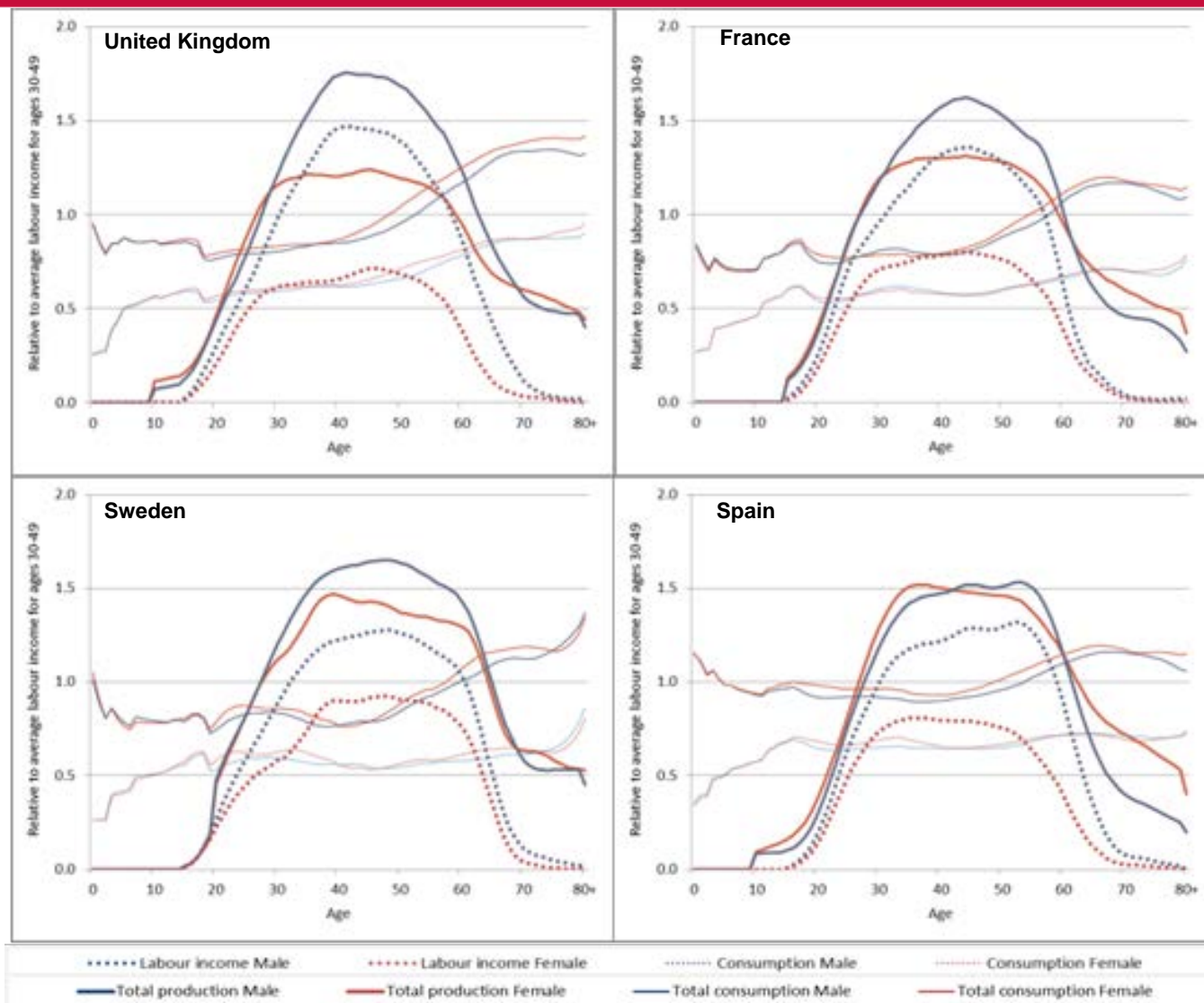
Sources: Istenič et al., 2017; Sambt et al., 2017.

Gender-specific consumption and labour income in 2010



Source: *Istenič et al., 2017.*

Gender-specific consumption and production in 2010



Sources: *Istenič et al., 2017; Vargha et al., 2016; own calculations.*

Gender gap in life cycle surplus in EU countries, 2010

Gender gap in LCS Country relative to total labour income (in %)		Gender gap in total LCS Country relative to total labour income (in %)	
SI	8.8	SI	-1.1
FI	12.4	ES	2.1
HU	14.6	IT	2.9
SE	15.2	FI	3.2
FR	20.0	SE	9.0
ES	20.3	FR	9.2
IT	24.0	UK	17.8
AT	26.4	DE	18.8
UK	26.6	AT	n.a.
DE	28.1	HU	n.a.

*n.a. = not applicable

Sources: *Istenič et al., 2017; Vargha et al., 2016; own calculations.*

THANK YOU



This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613247.

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