Gal, RI, Medgyesi, M and Szabo, E: Introducing age into household satellite accounts

Institutions organizing the intergenerational reallocation show a wide range of variety such as intra-household as well as inter-household flow of resources and services, the credit system, public cash transfers, like family benefits and social security pensions, and public in-kind programs such as education, health care and long-term care (Mason et al 2006). These flows are either public or private.

In pre-industrial societies the system of intergenerational reallocations is organized mostly by the extended family or the local community (hereafter family for short); beneficiaries and recipients are closely connected; to put it simply they personally know each other. The reallocation system shows remarkable differences in comparison with industrialized societies. In a pre-industrial society non-familial flows are marginal.

There is a general pattern in the way the intergenerational reallocation system is shifted from being an organization between generations of the family in a pre-industrial setting to that of between generations of society in industrialized nations. Namely, there is an asymmetry in the extent to which the opposite flows (from the active to children and from the active to the elderly) can be transferred from the household to society. Children depend more on in-kind services than the elderly and, more importantly, they require these services more from their parents than the elderly would require them from their own children.

This shift of intergenerational resource allocation from family to society cannot be fully captured by current NTAs. Both long time-series, and cross-country comparisons of nations at different levels of this historical shift are obscured by the asymmetry. What is needed to get a full picture is taking into account time transfers (unpaid household labour and the consumption of its products) or household satellite accounts (HSA) for short.

Experimental HSAs, based on time use surveys, have been created for a number of countries. We depart from the Hungarian HSA and introduce age into it. We assign market prices to unpaid household labour and draw age-profiles accordingly. In addition, we identify the recipients of household labour and draw consumption age-profiles. We test the hypothesis that labour age profiles are older and consumption age profiles are younger than their market counterparts.