

Development of NTA (National Transfer Accounts)

Sang-Hyop Lee

University of Hawaii at Manoa

East-West Center

November 13, 2014

NTA 10, Beijing, PRC



IO

L

R

S

F

E

R

CCOU

S

N

ION

L

R

NS

F

E

R

CCOUN

S

N **T** **I** **O** **N** **L**
T **R** **N** **S** **F** **E** **R**
C **C** **O** **U** **N** **T** **S**

NATIONAL
TRANSFER
ACCOUNTS

Two Directors



Key Issues

- How population change influences the economy and society (current and future)
- What policies can be pursued to influence the outcome—research provides policy tools!

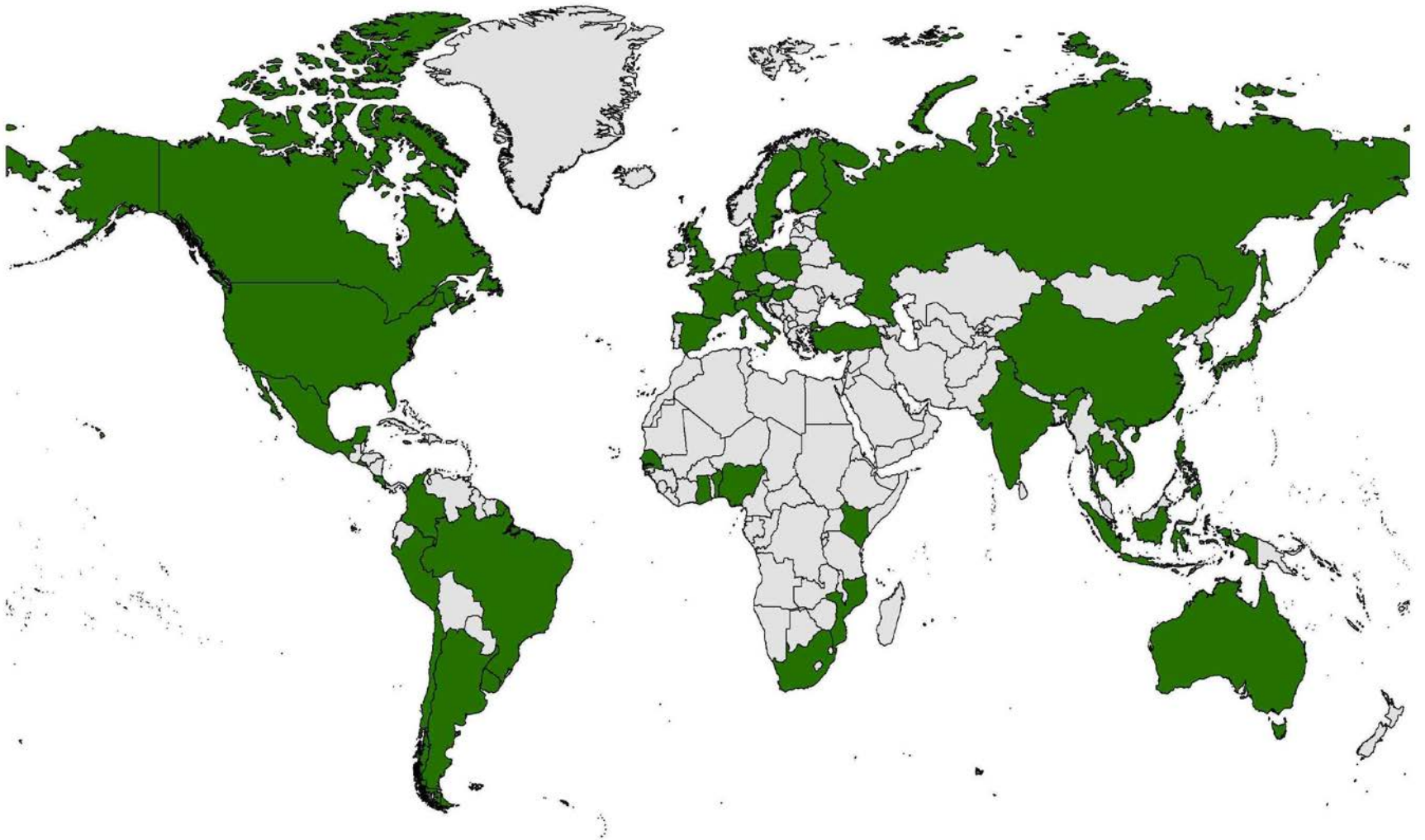
National Transfer Accounts

- The goal is to improve our understanding of the generational economy
- Describes the age patterns of economic activity and the economic relations between the generations
- Quantifies how each age group acquires and uses economic resources
- Constructed using existing data (population estimates, surveys, administrative records, macroeconomic data)
- Consistent with UN System of National Accounts.



Many Offspring (TFR=over 100)





NTA is comparative: Regional structure

NTA Members			
Asia-Pacific	Americas	Europe	Africa
Australia	Argentina	Austria	Benin
Bangladesh	Brazil	Finland	Ghana
Cambodia	Canada	France	Kenya
China	Chile	Germany	Mozambique
India	Colombia	Hungary	Nigeria
Indonesia	Costa Rica	Italy	Senegal
Japan	El Salvador	Luxembourg	South Africa
Philippines	Jamaica	Netherlands	
South Korea	Mexico	Poland	
Taiwan	Peru	Russia	
Thailand	United States	Slovenia	
Vietnam	Uruguay	Spain	
		Sweden	
		Turkey	
		United Kingdom	

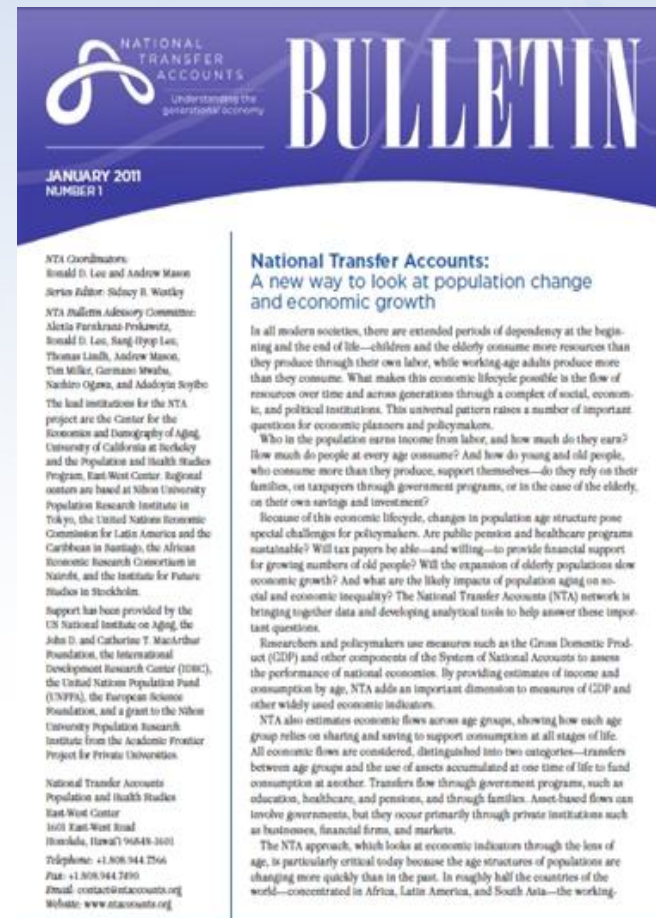
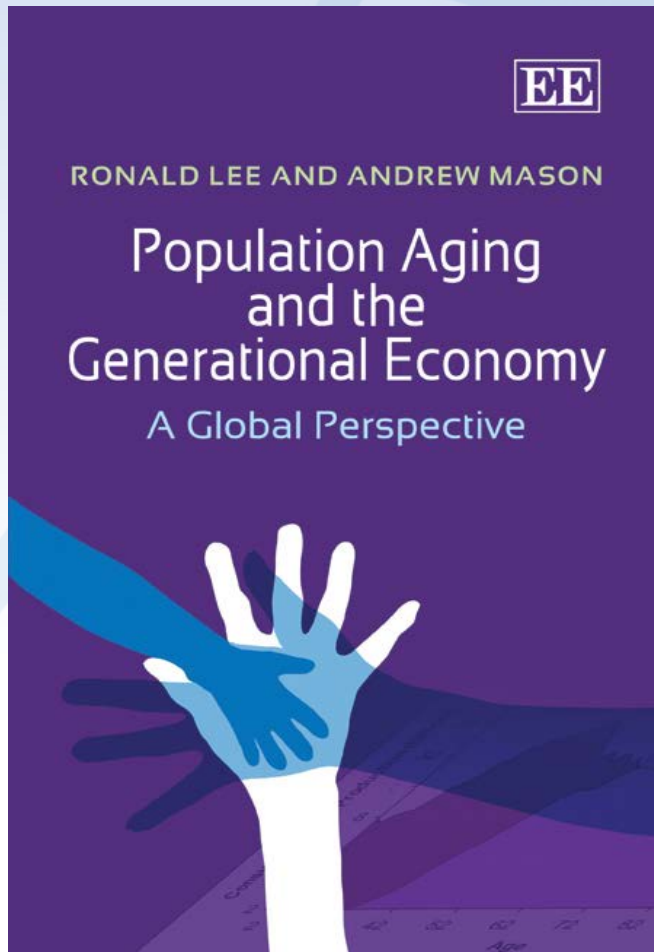
The continuing effort has been supported by many funders

- National Institute on Aging (NIA)
- Bill and Melinda Gates Foundation
- International Development Research Center (IDRC), Canada
- UN Fund for Population Activities (UNFPA)
- UN Population Division
- East-West Center, Hawaii
- Center for the Economics and Demography of Aging, UC Berkeley
- Asian Development Bank
- Japan: MEXT.ACADEMIC FRONTIER
- MacArthur Foundation
- European Union
- In-country support from governments and other funders in many countries

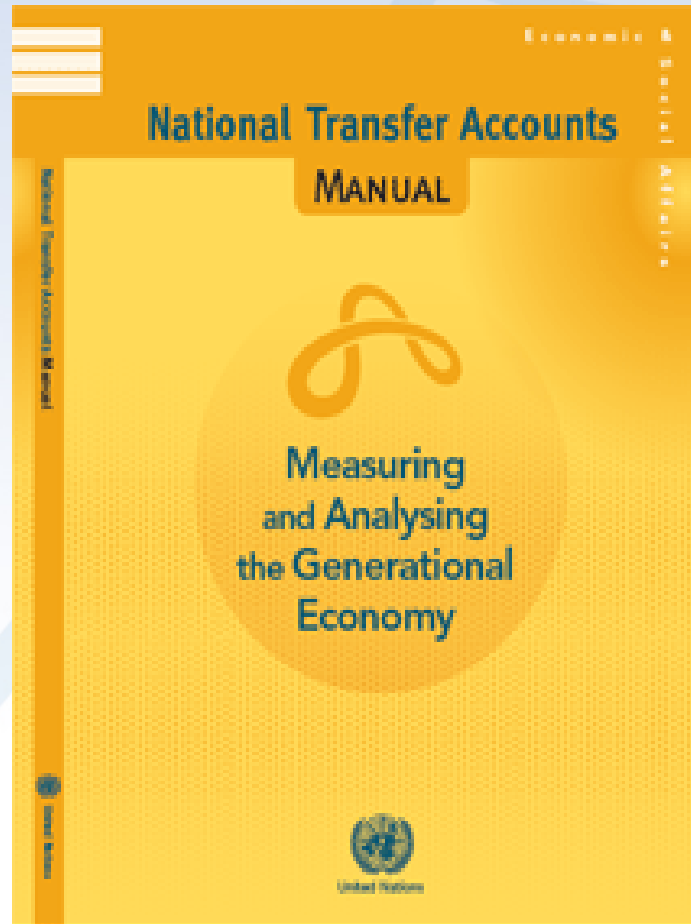
Global Meetings

- 10th Beijing, China, Nov 10-14, 2014
- 9th Barcelona, June 2013
- 8th Rio, Brazil, December 2011
- 7th Honolulu, June 11-12, 2010
- 6th Berkeley, January 9-10, 2009
- 5th Seoul, Korea, November 5-6, 2007
- 4th Berkeley, January 19-20, 2007
- 3rd Honolulu, January 20-22, 2006
- 2nd Berkeley, January 2005
- 1st Berkeley, January 2004

After more than a hundred articles by project members, the first book from the project is out



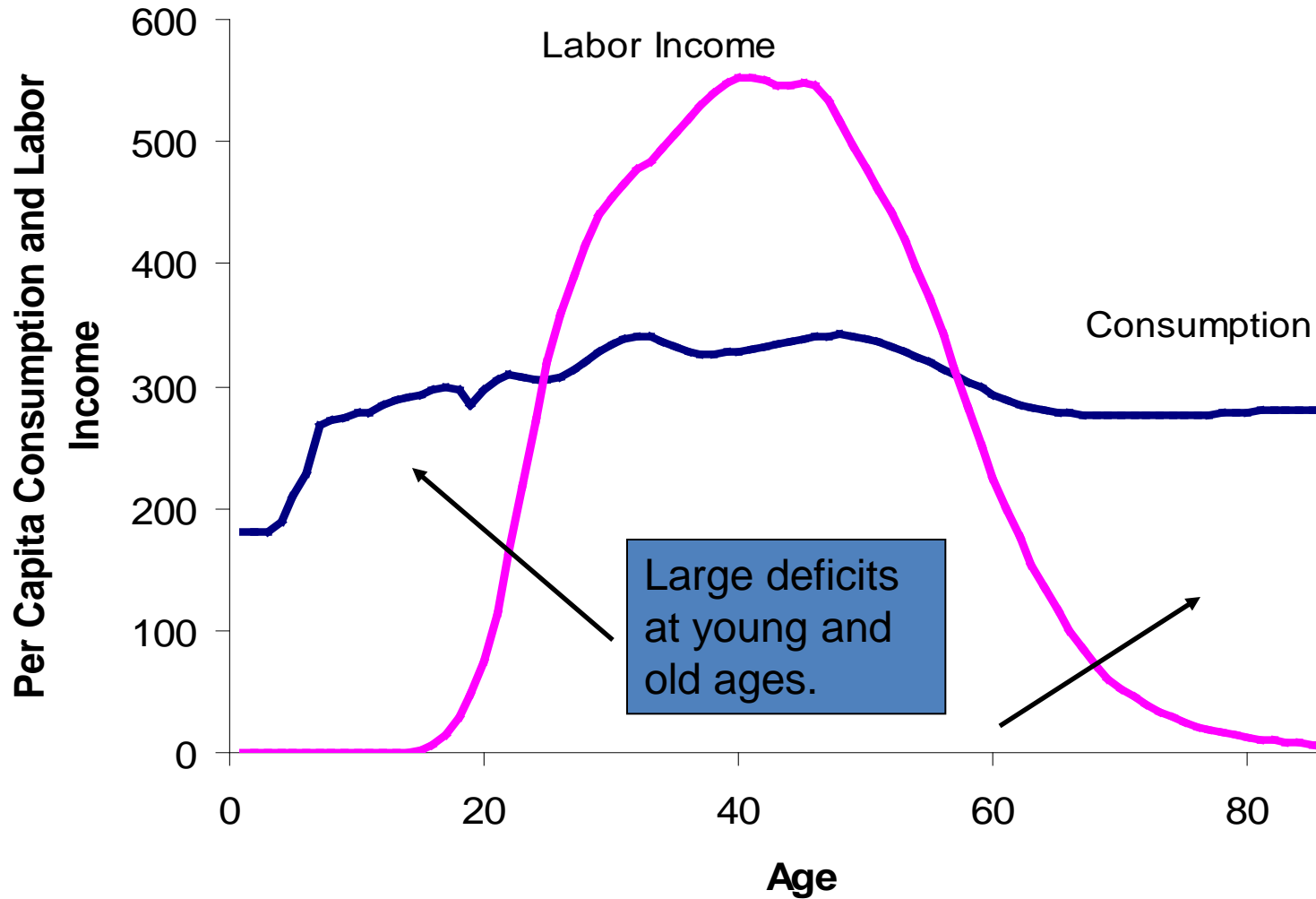
Manuals, more articles, etc.



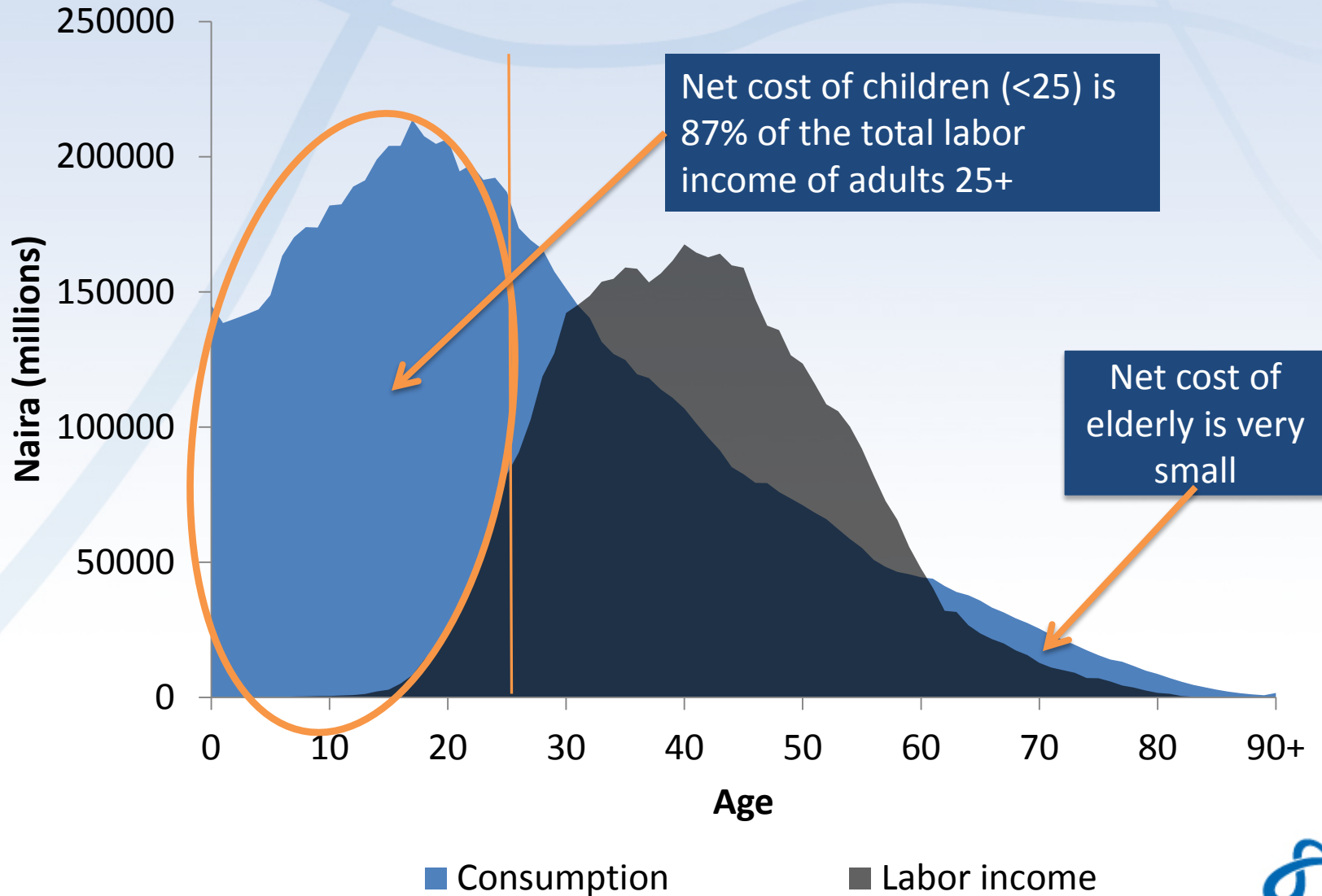
Outcomes from NTA

- Data improvement
- Research and policy awareness
 - Comparative or country specific
- Capacity building
 - Global meetings
 - Regional meetings
 - Technical/training workshops

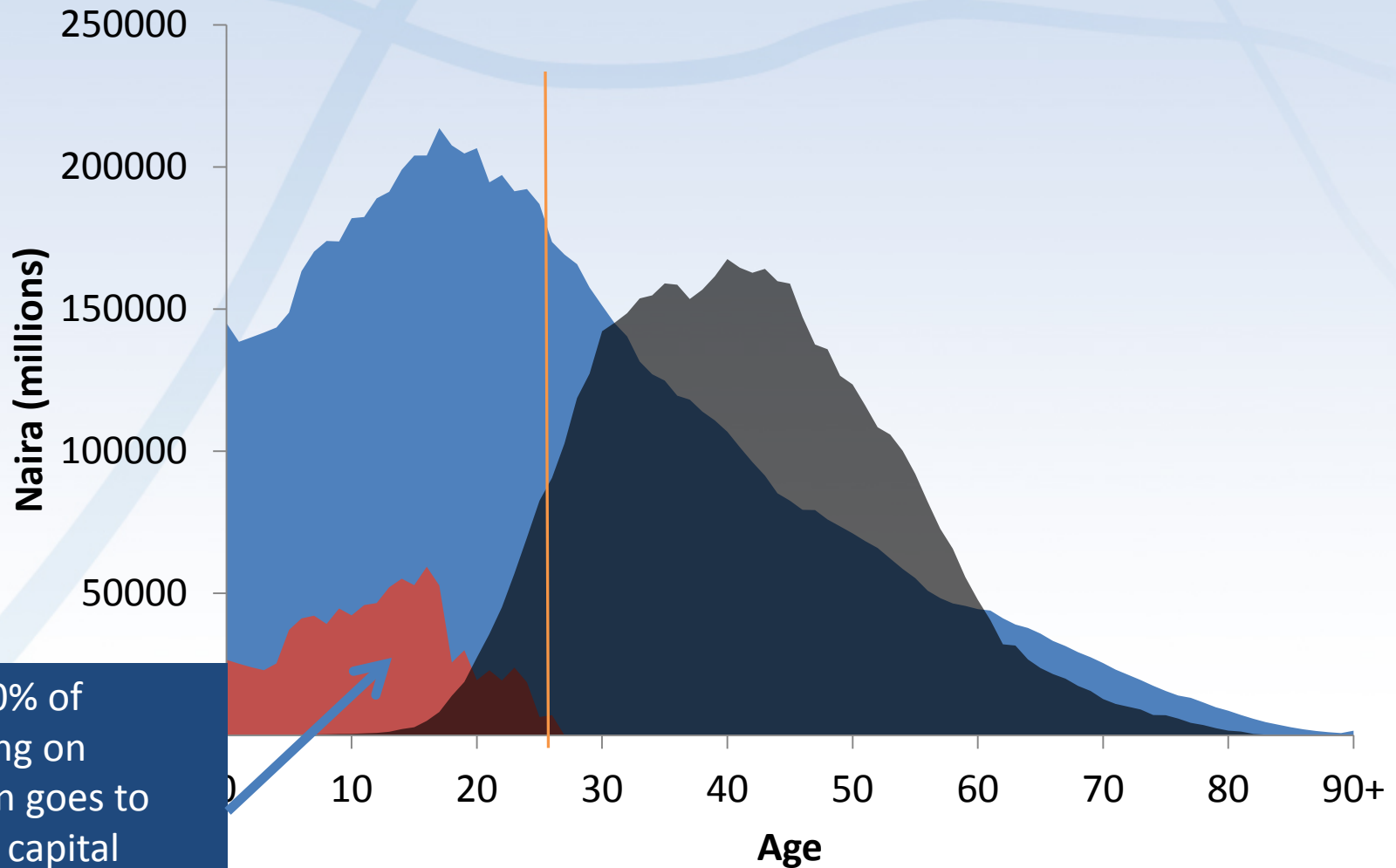
The Economic Lifecycle



Aggregate flows, Nigeria



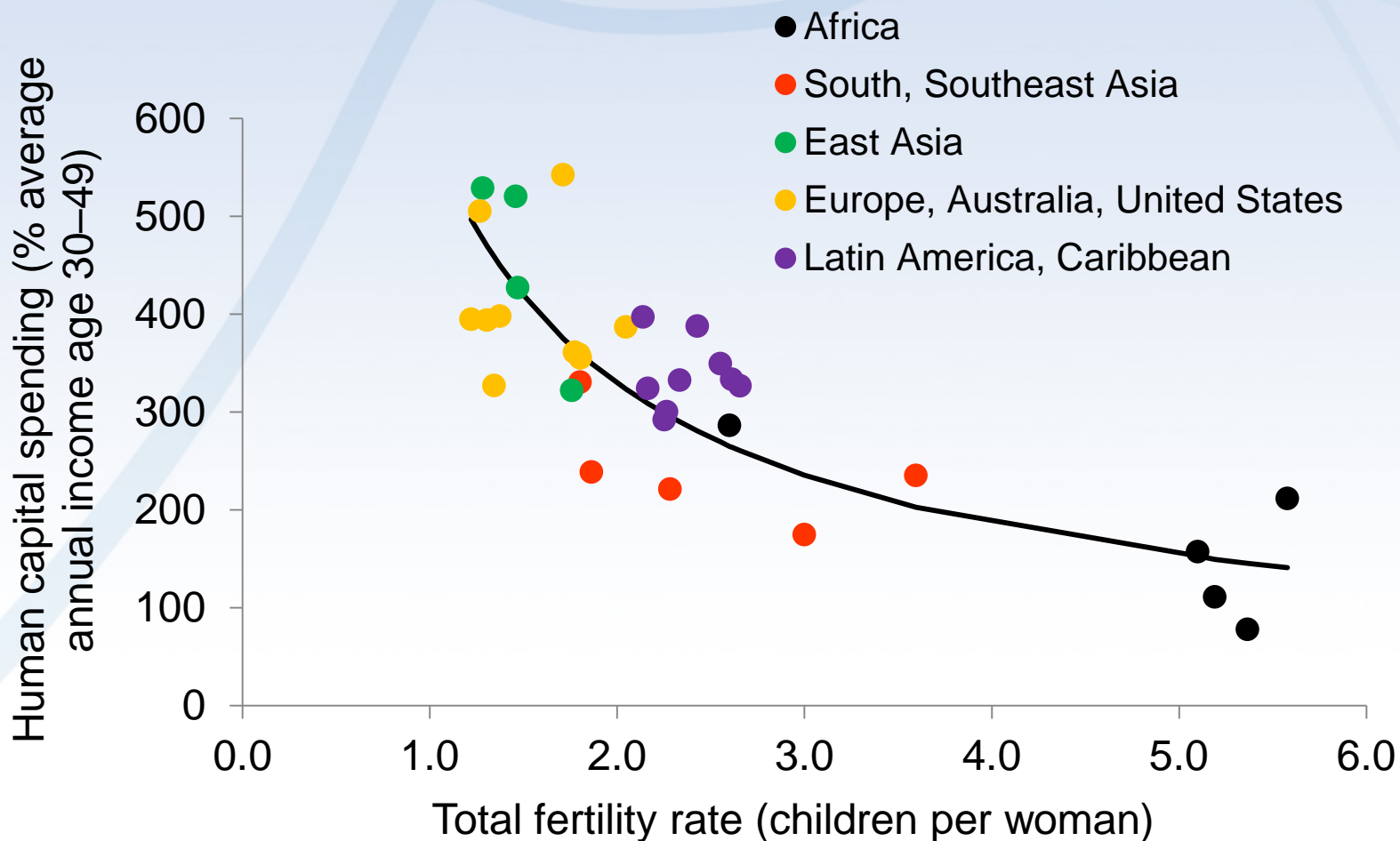
Human capital spending, Nigeria



Only 20% of spending on children goes to human capital (health and education)

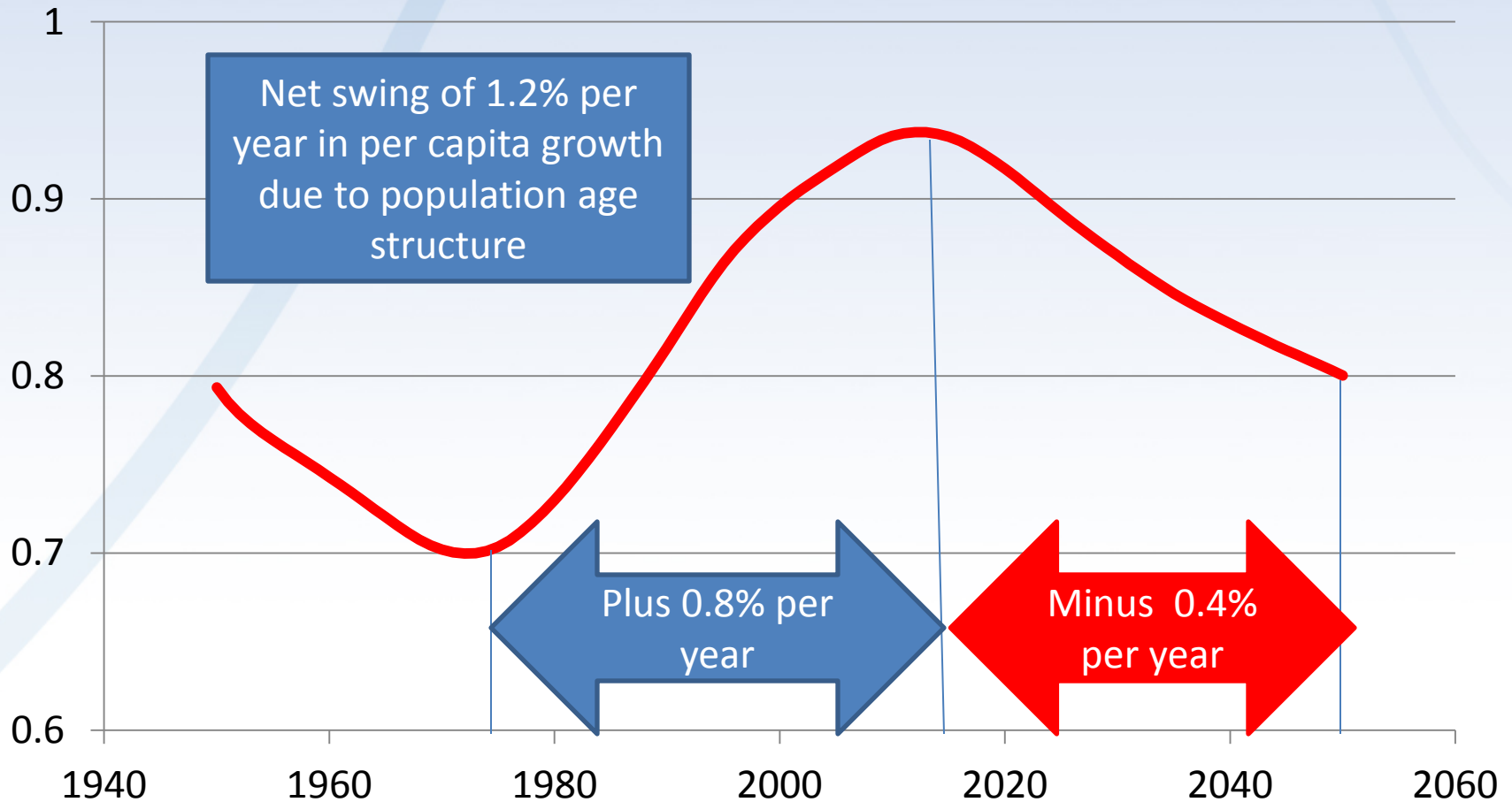
■ Consumption ■ Human capital spending ■ Labor income

Fertility/human capital tradeoff

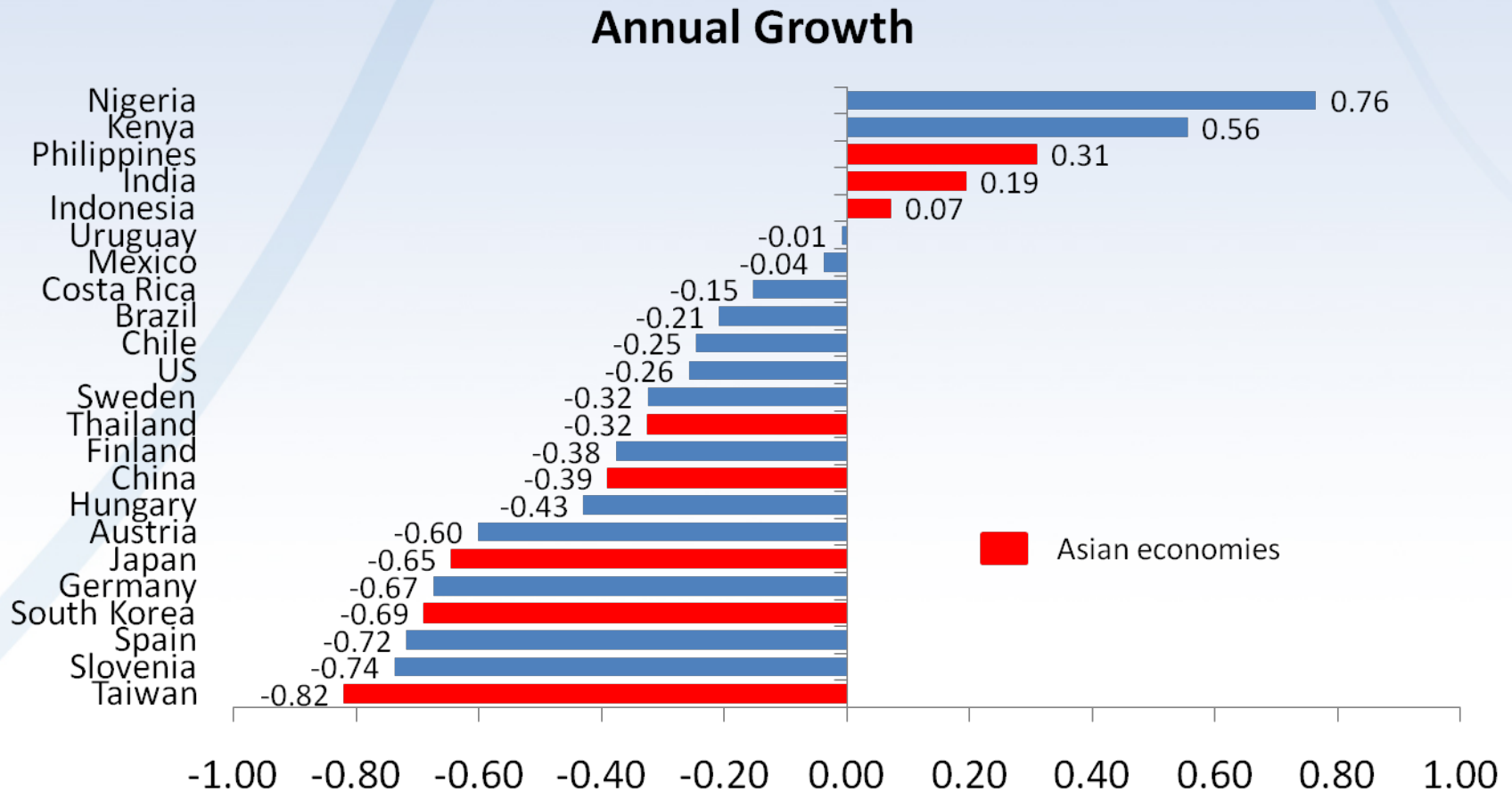


Updated from NTA database www.ntaccounts.org

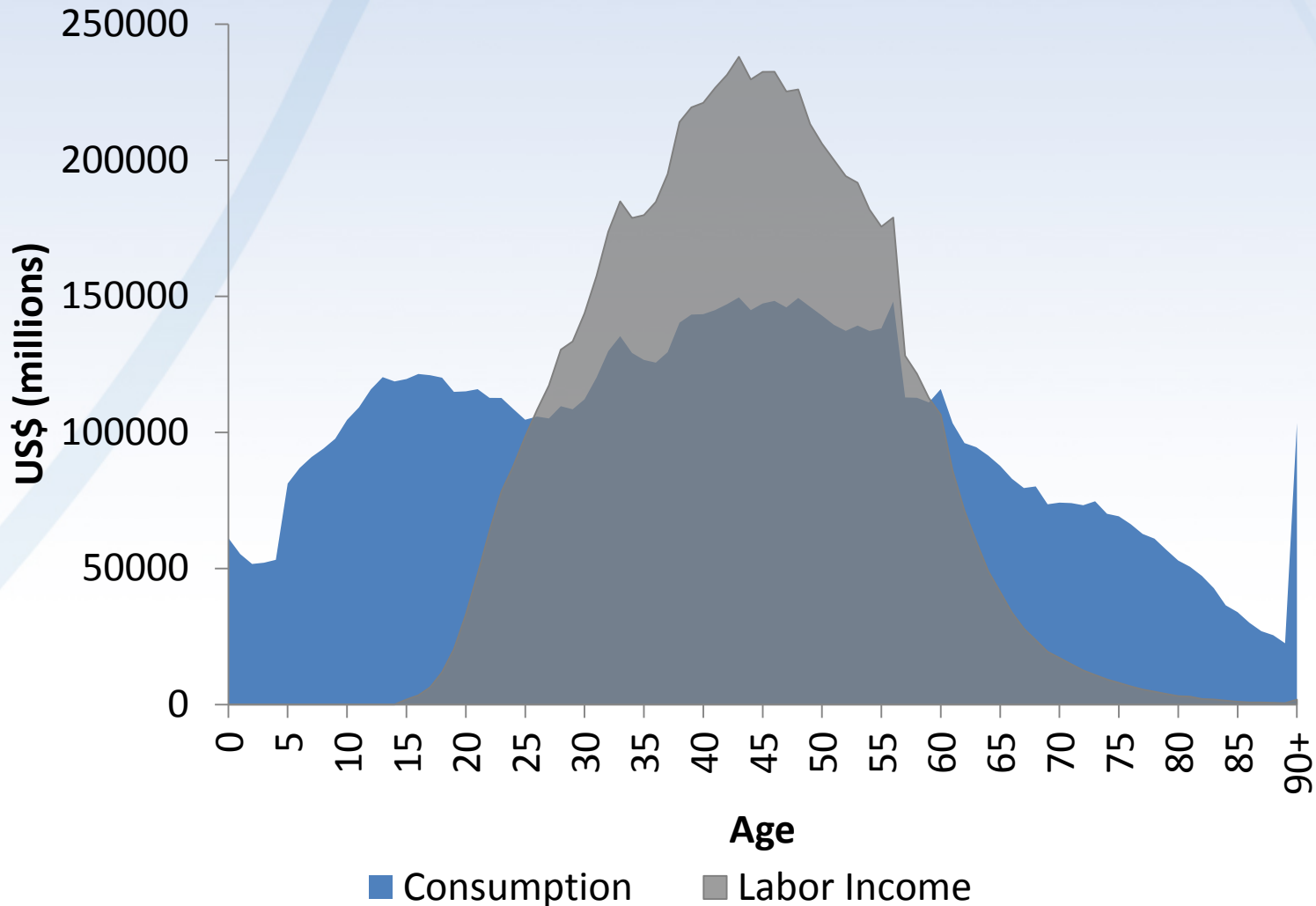
Support ratio, China



Annual growth of support ratio, NTA economies, 2010–2050



The economic lifecycle, aggregate flows (United States)



Sources of funding consumption (support system)

- Labor income
- Transfers
 - Familial transfers
 - Public transfers
 - Social security system
- Asset-based reallocations
 - Interest, dividends, rent from personal assets
 - Home
 - Dis-saving

Saving

Capital-based transformation

Social welfare transformation

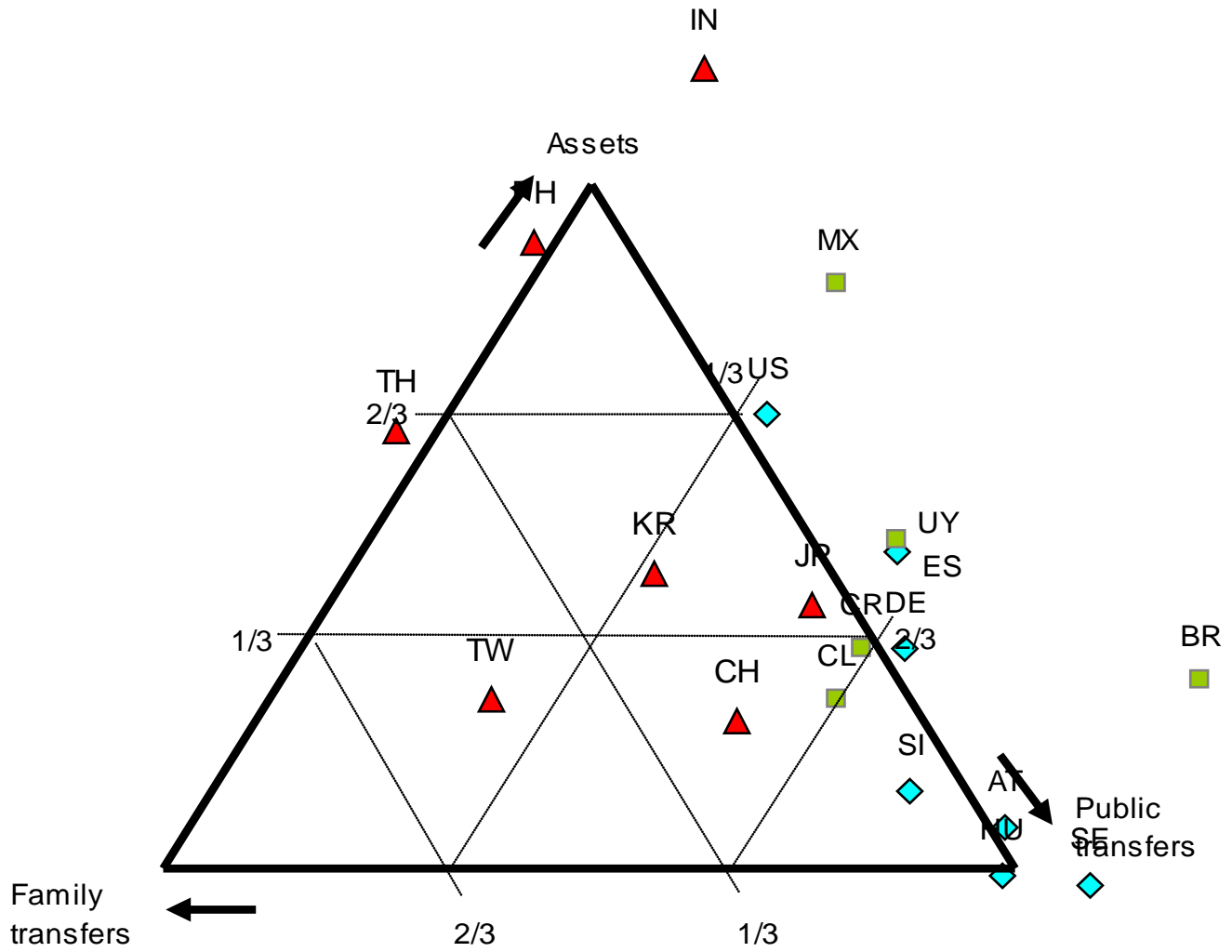
Traditional society?

Familial Transfers

Public Transfers

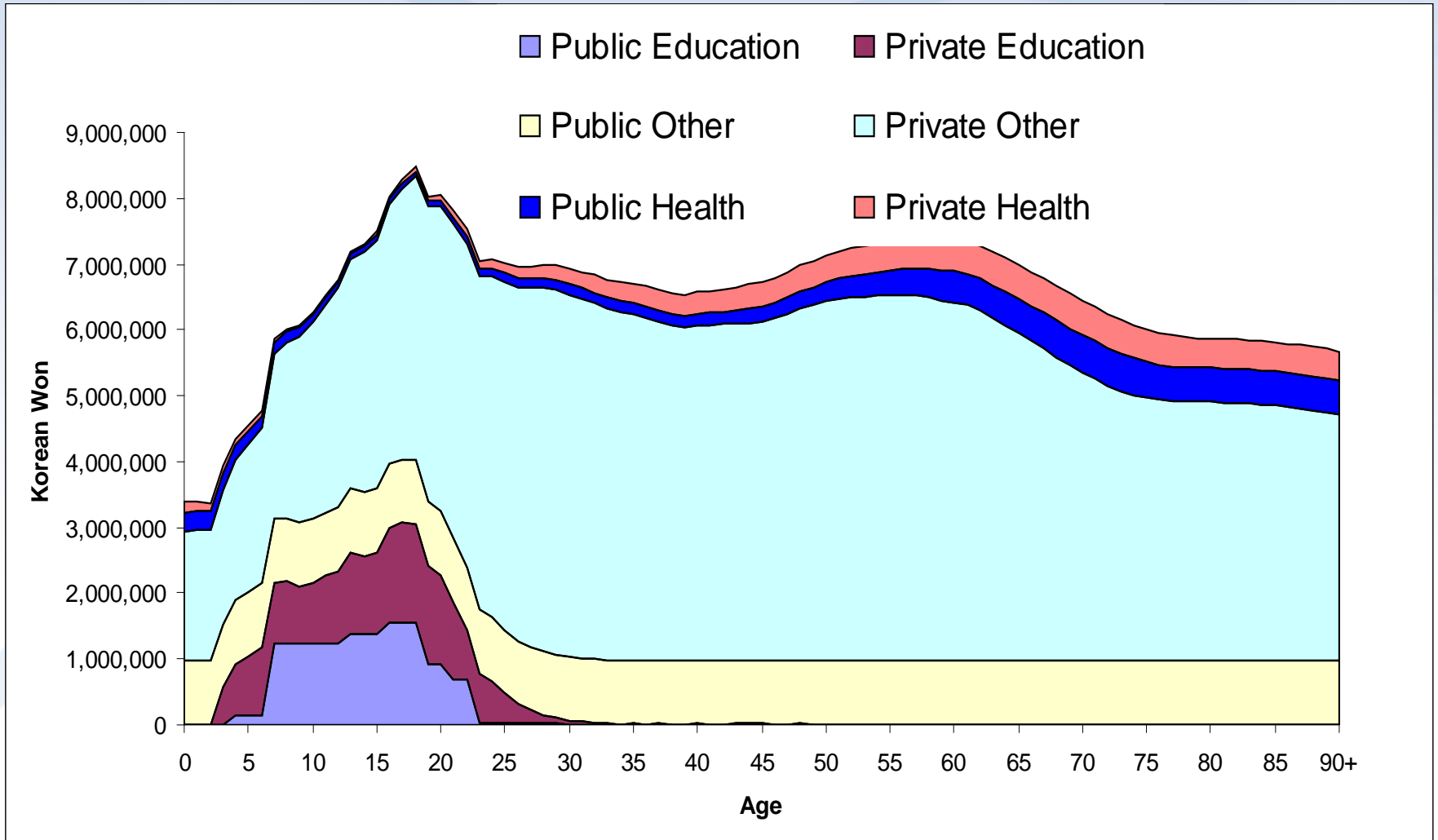
Evolution of old-age support system



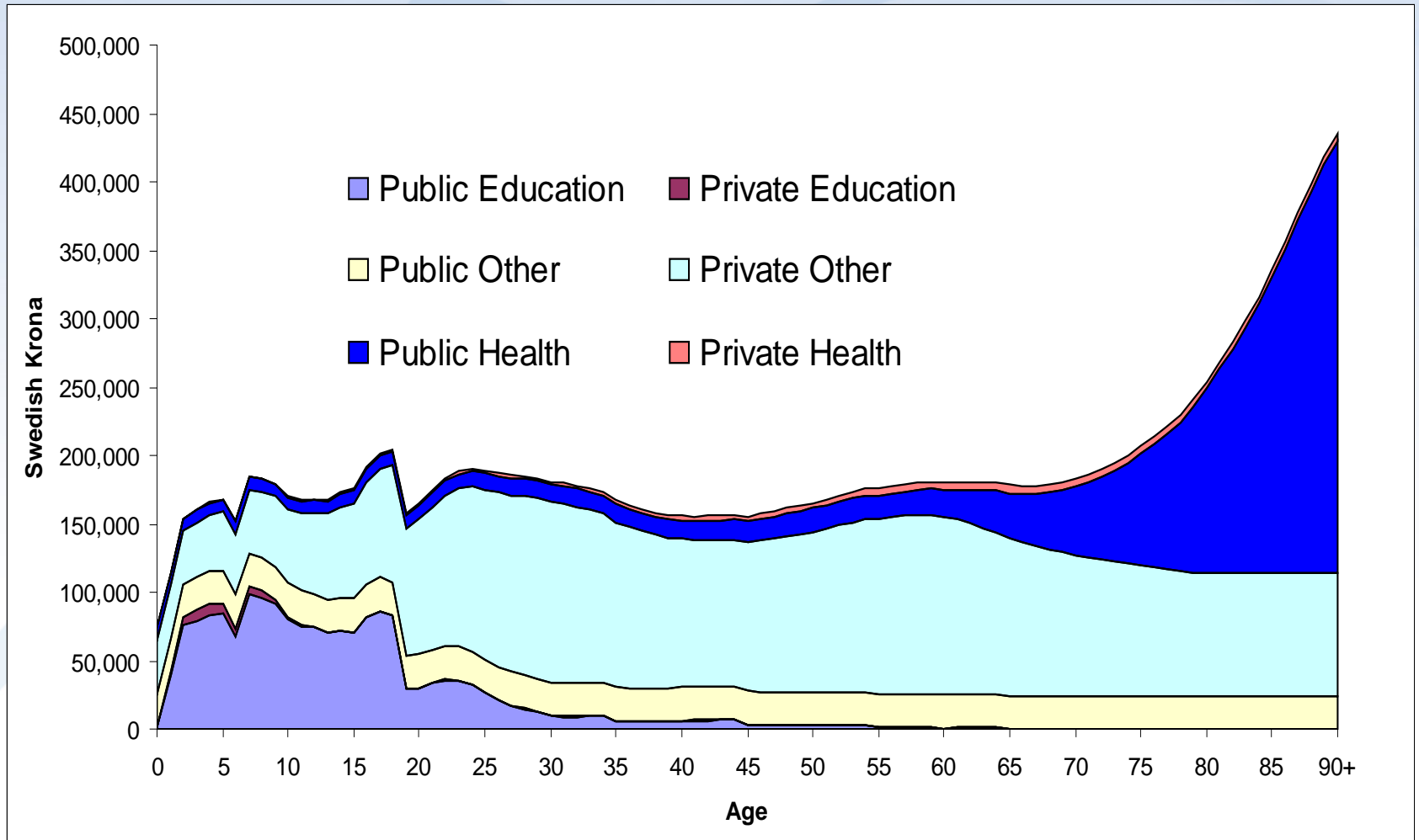


▲ Asia ◆ Europe & US ■ Latin America

Consumption by Sector (Korea)

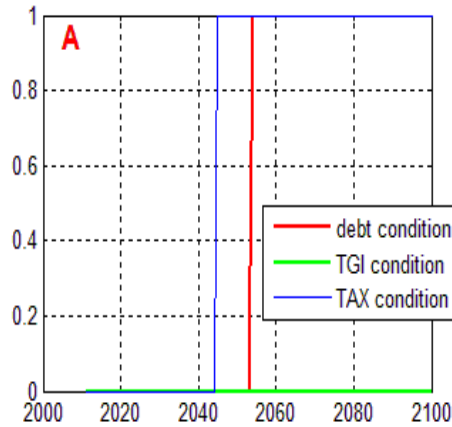


Consumption by Sector (Sweden)

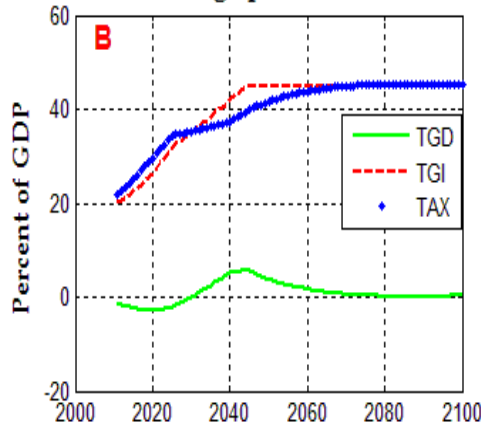


Social welfare target (Thailand), constrained

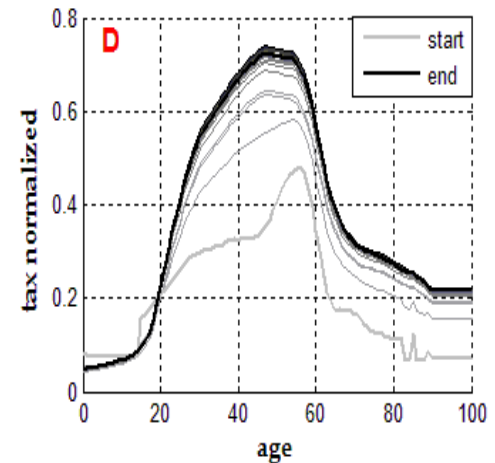
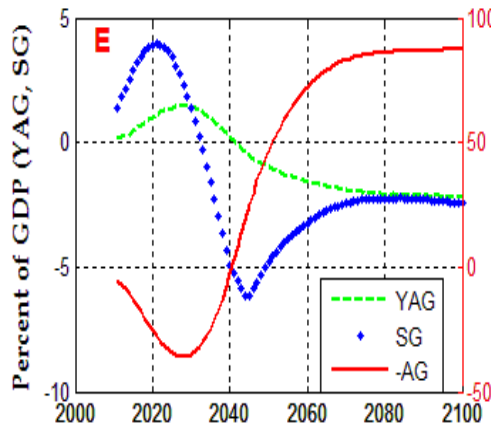
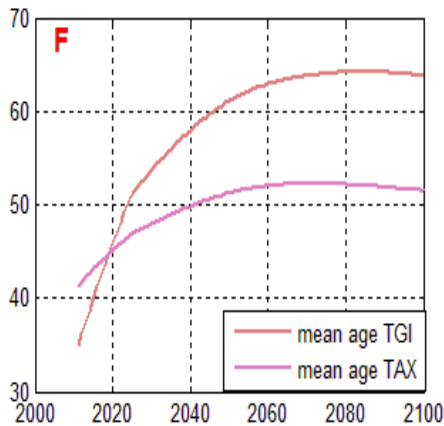
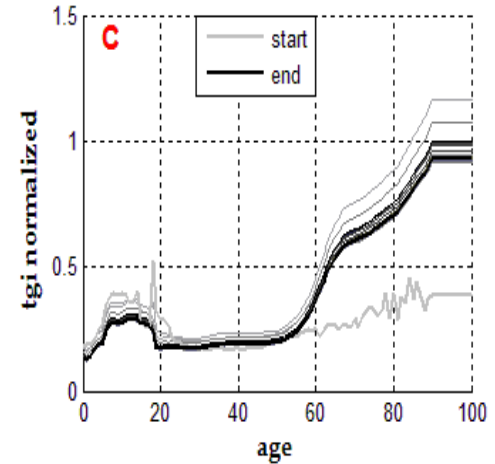
Country: Thailand



Social welfare target
Age profiles



Size of Government Constraint: 0.45
Public Debt Constraint: 0.9



Summary: NTA research areas

- Demographic dividend
- Economic growth and saving
- Fiscal sustainability
- Intergenerational equity
- Implications for gender issues and inequality
- Human resources (healthcare and education)
- Responsibilities of private vs. public sector
- Retirement and pension issues

Concluding remarks

- Our economic systems are being tested by unprecedented changes in population age structure
- Stakes are very large: Economic growth, generational equity, economic security for children and elderly, and sustainability of support systems
- Complex systems are involved: Governments, labor markets, families, financial markets, and health-care systems
- It is essential that policy be informed by the best possible data linking population and the macroeconomy

Thank you

谢谢