

Inter-generational and inter-socioeconomic group transfers in Argentina.
NTA estimates for 2016

Pablo Comelatto
Centro de Estudios de Población-CENEP
pcomelatto@cenep.org.ar

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NTA estimates for Argentina 2016

- Show how transfers are simultaneously intergenerational and inter-SES groups
- How do transfers interact that with the changing demography of the country as well as the differential demography of the SES groups.

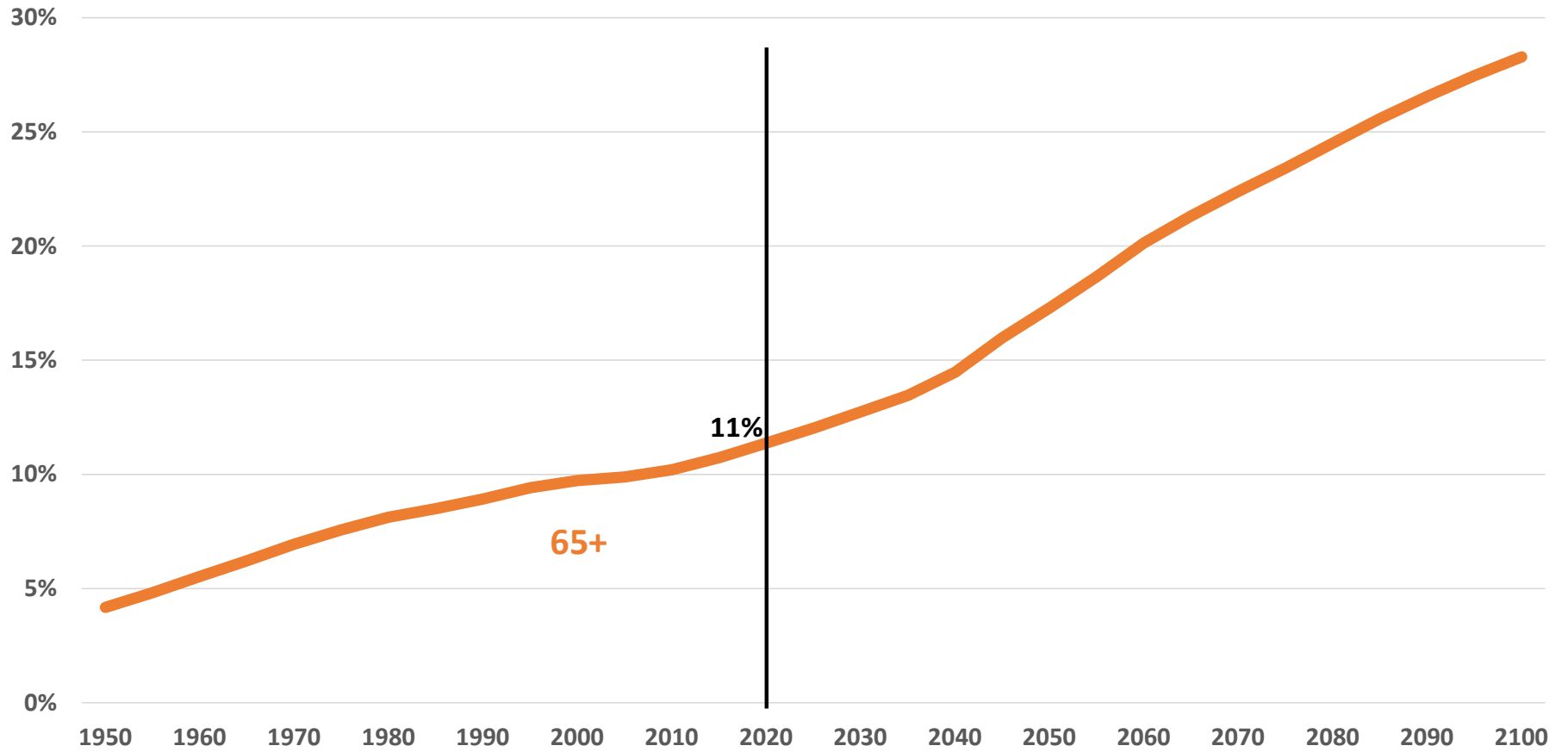
Argentina

- Upper middle-income country
- Long history of macroeconomic instability
- High levels of inflation and government indebtedness.
- Poverty fluctuates between 25% and 50% of the population
- Labor informality between 35% and 45% of the labor force
- Lackluster GDP growth for most of the second half of the XX century
- Close to complete a whole decade with zero economic growth.

Argentina

- Early example of demographic transition in the context of Latin America, beginning in the late XIX / early XX century
- Low fertility rates → low population growth rate → aging population
- Temporary increase in fertility in the 1970/1980s

Proportion of population 65+, Argentina 1950-2100



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Figure 7. Support ratio, total population (1950-2050) and by SES group (2016), Argentina

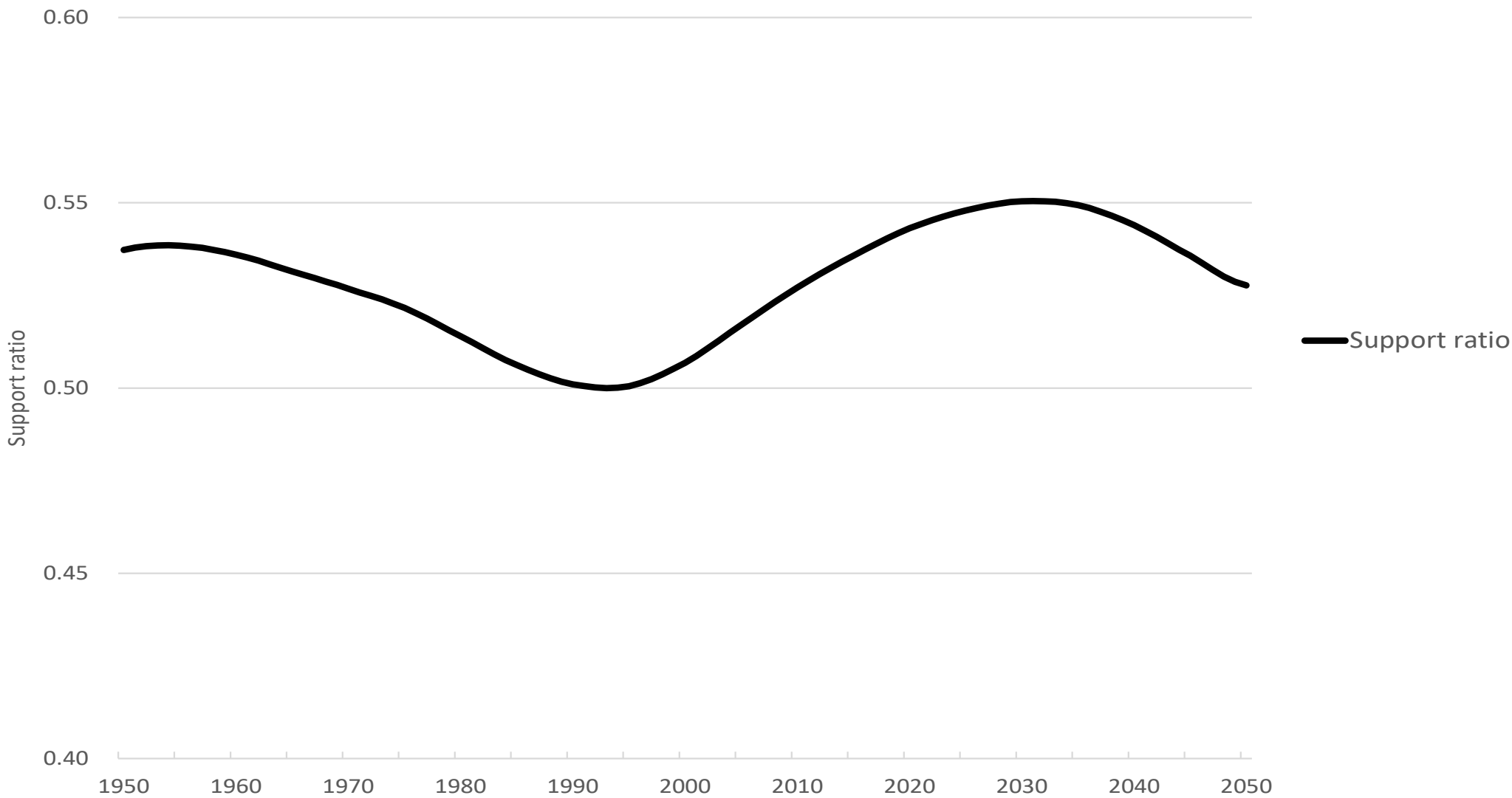


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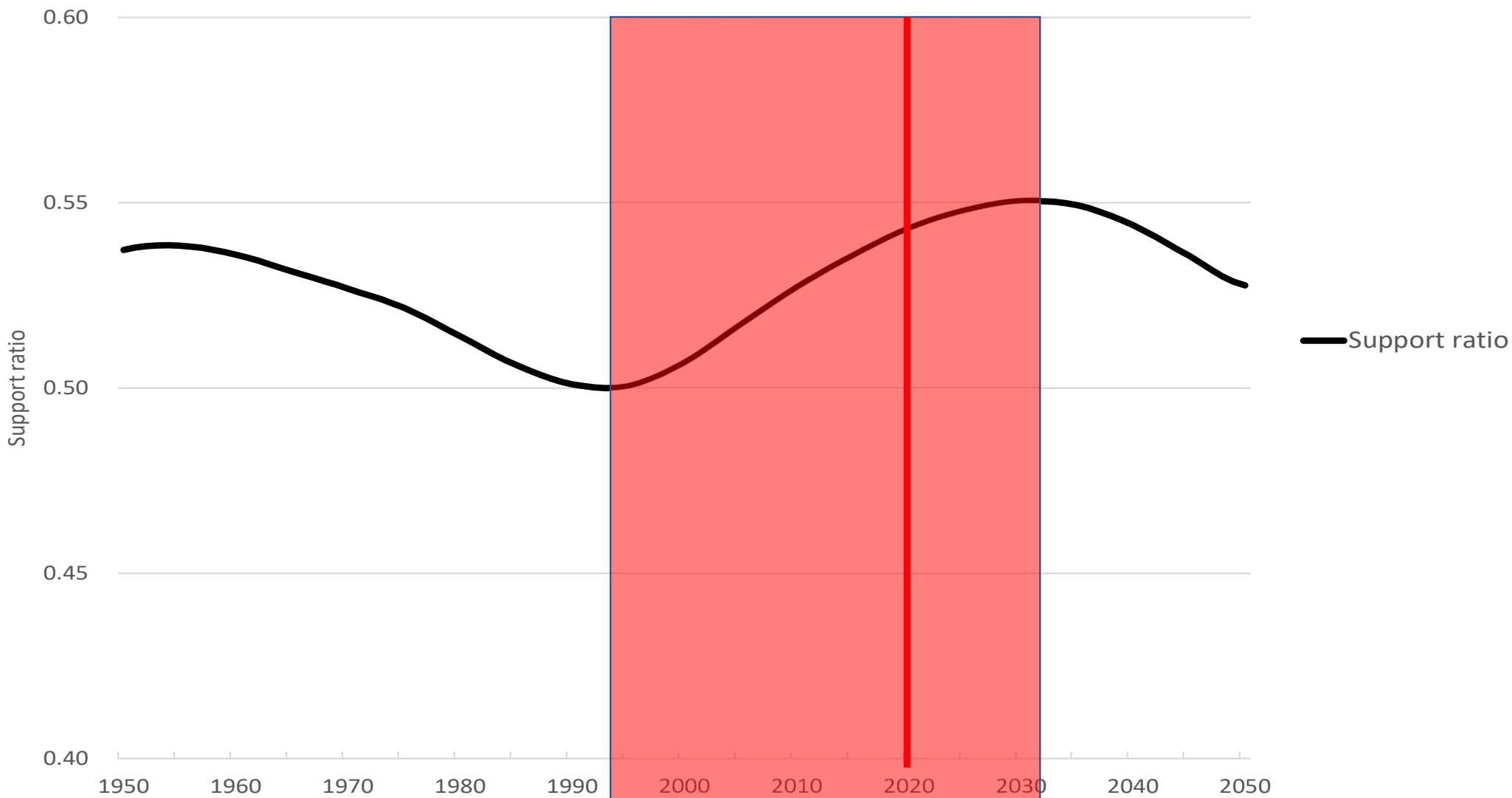
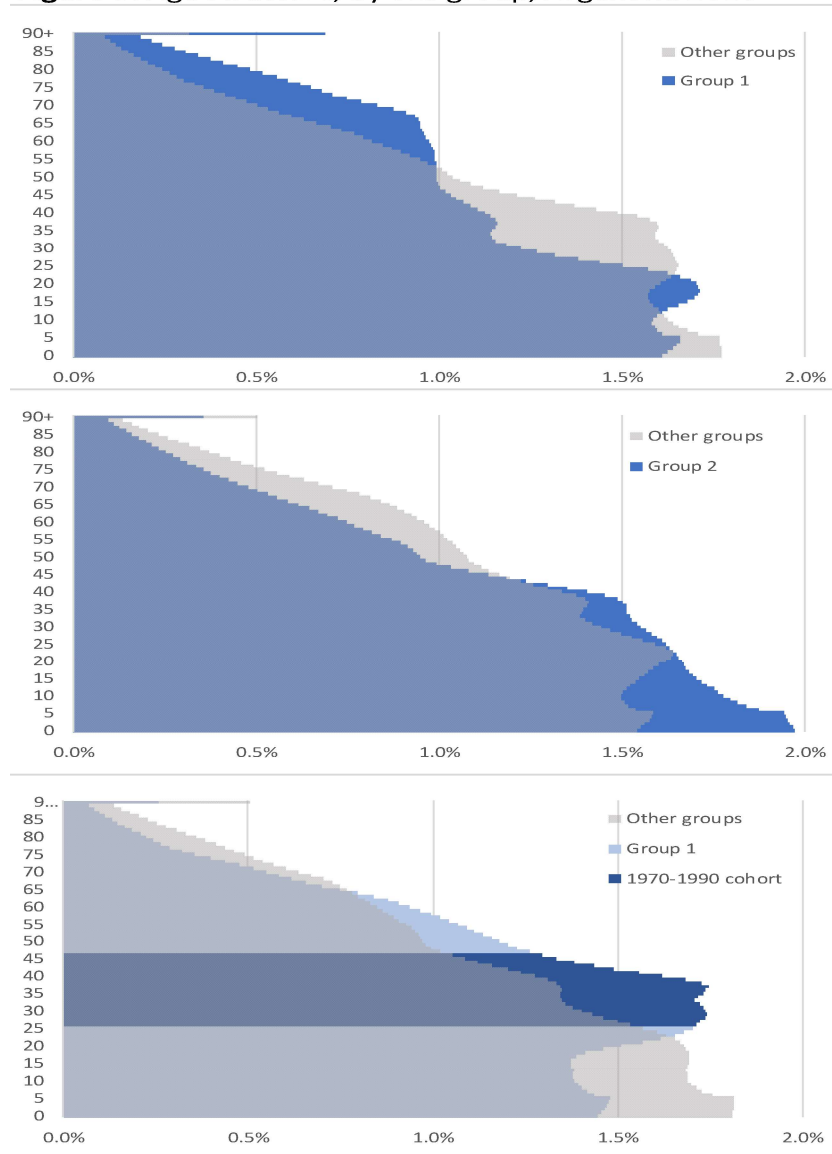


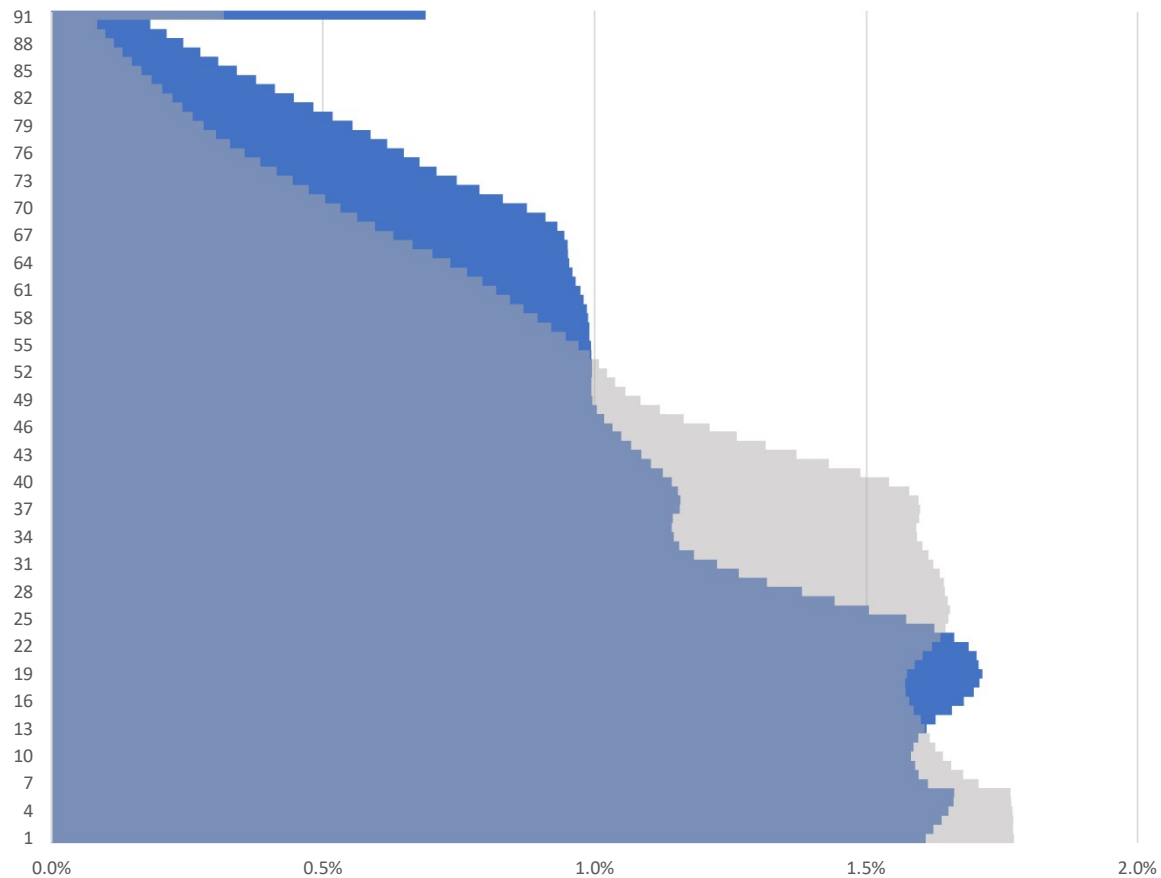
Table 3. Socioeconomic Status groups and characteristics of the head of household

SES group	Years of education of the HH head	Population		Mean age	Head of household		
					Unemployed	Labor force participation rate	% employed in the formal sector
1	0-7	14'734'843	33.8%	35.2	6.3%	50.1%	55.0%
2	8-12	17'742'427	40.7%	30.8	5.3%	72.7%	70.9%
3	13+	11'113'097	25.5%	34.0	3.6%	78.8%	85.6%
Total		43'590'368	100.0%	33.1	4.9%	67.4%	72.9%

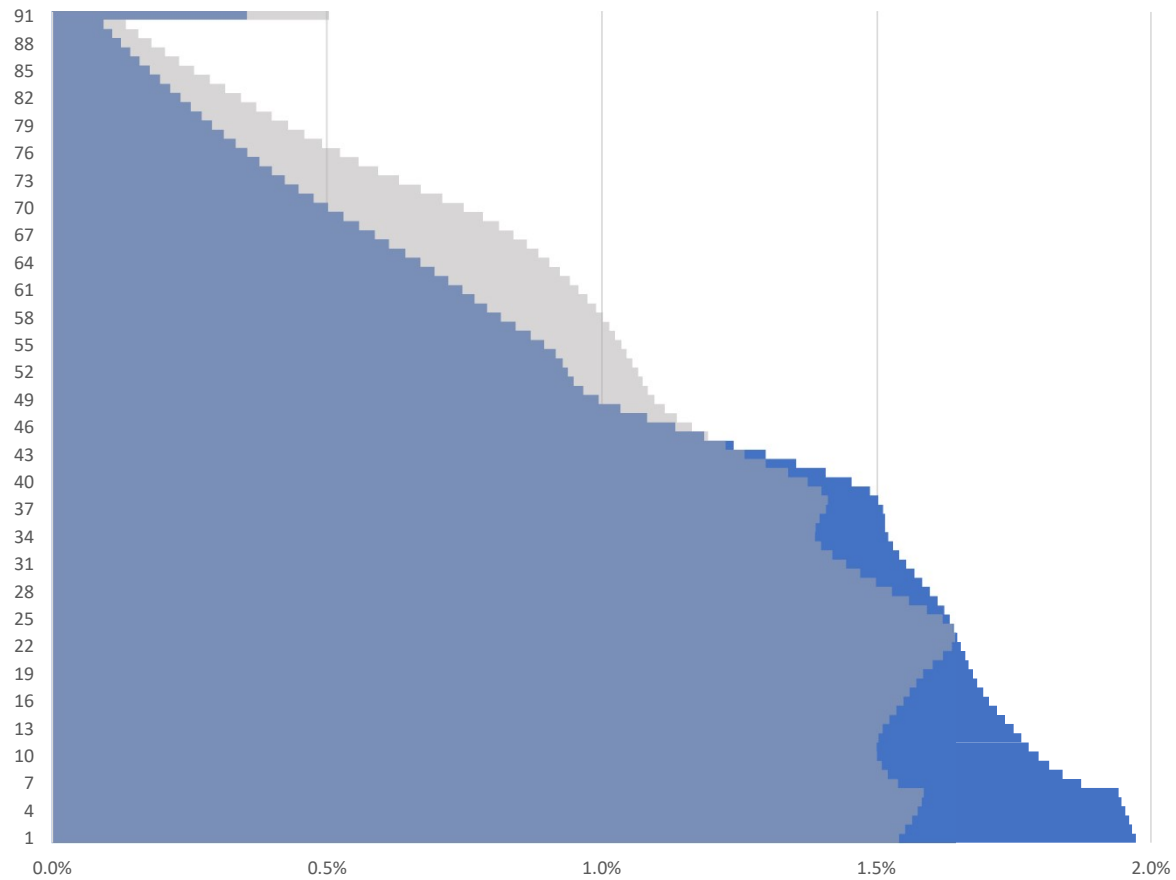
Figure 8. Age structure, by SES group, Argentina 2016



Age structure of the SES groups – Group 1



Age structure of the SES groups – Group 2



Age structure of the SES groups – Group 3

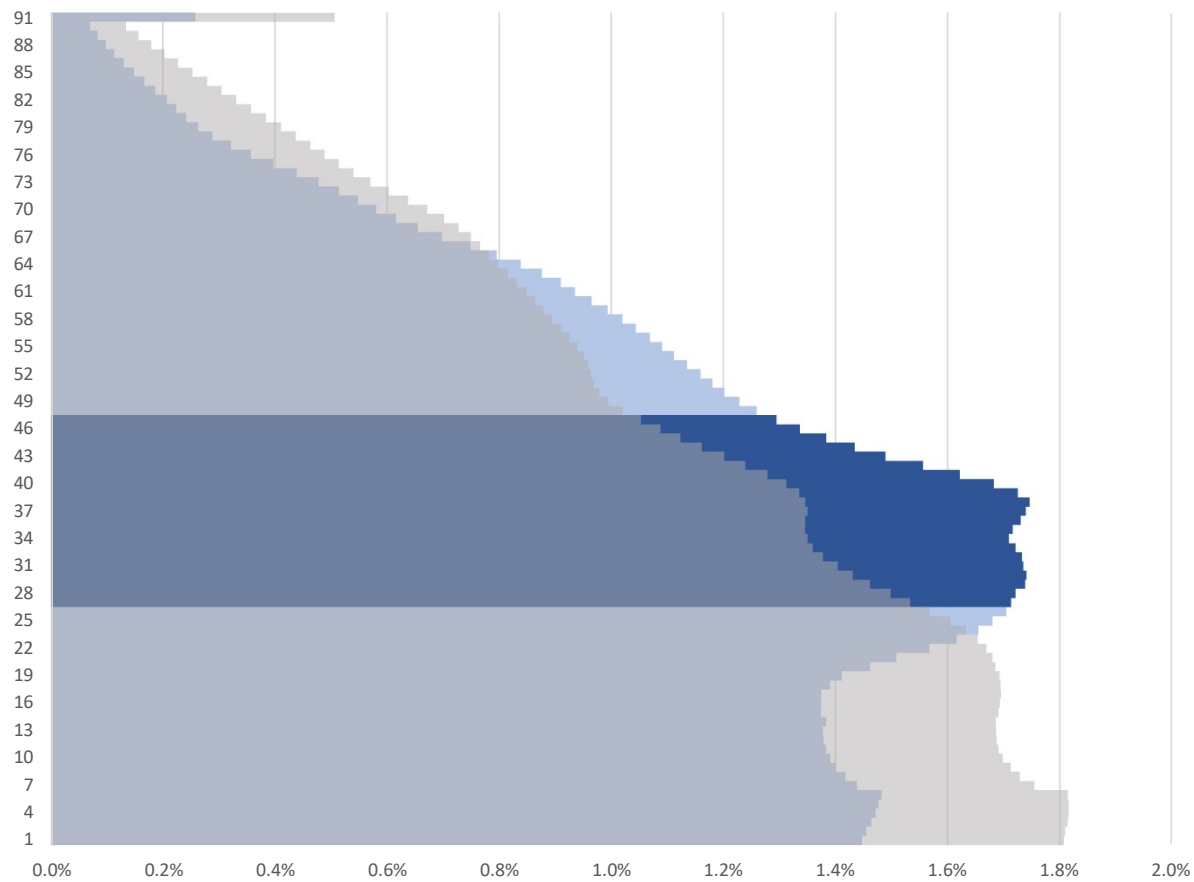
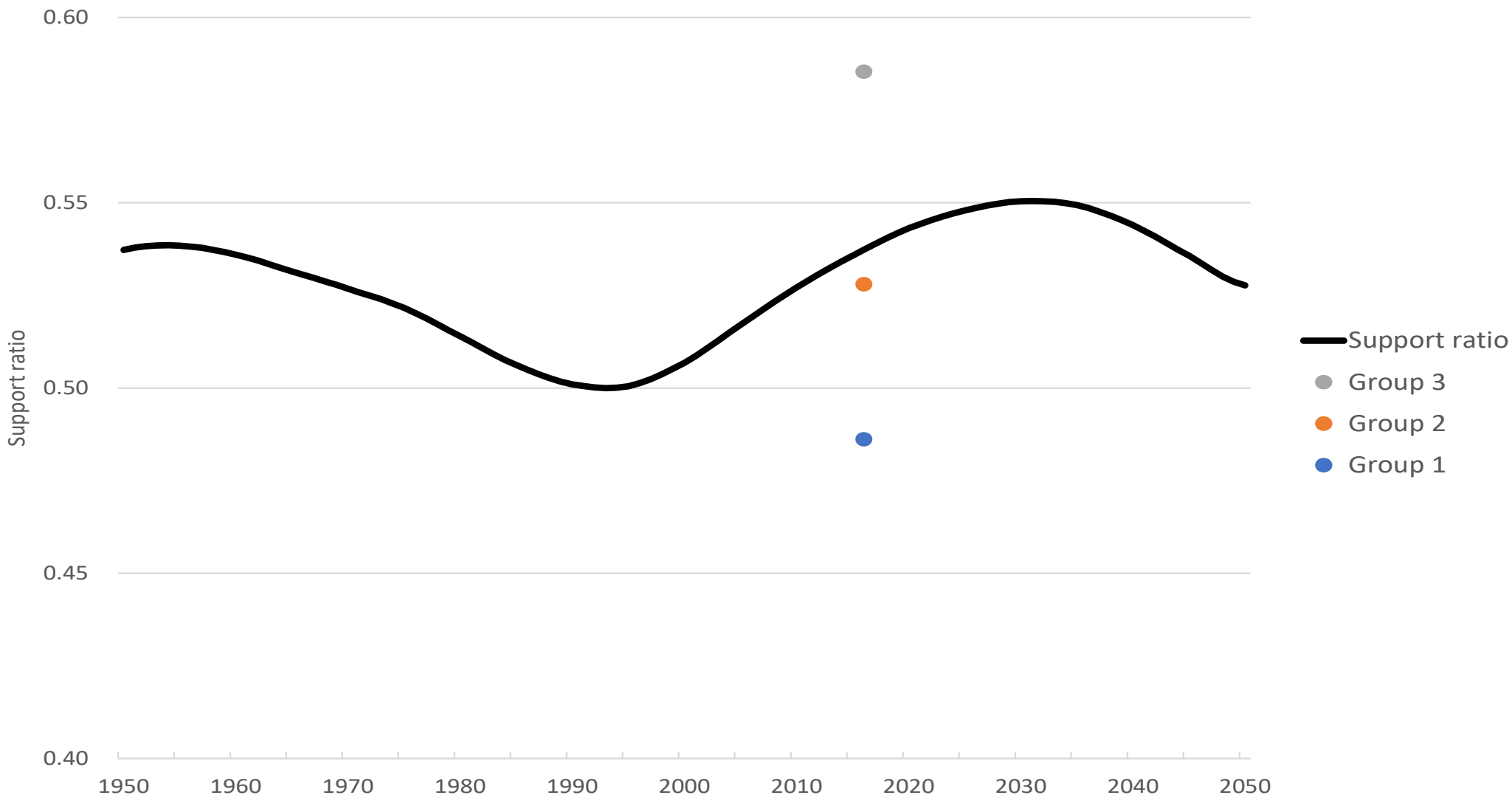
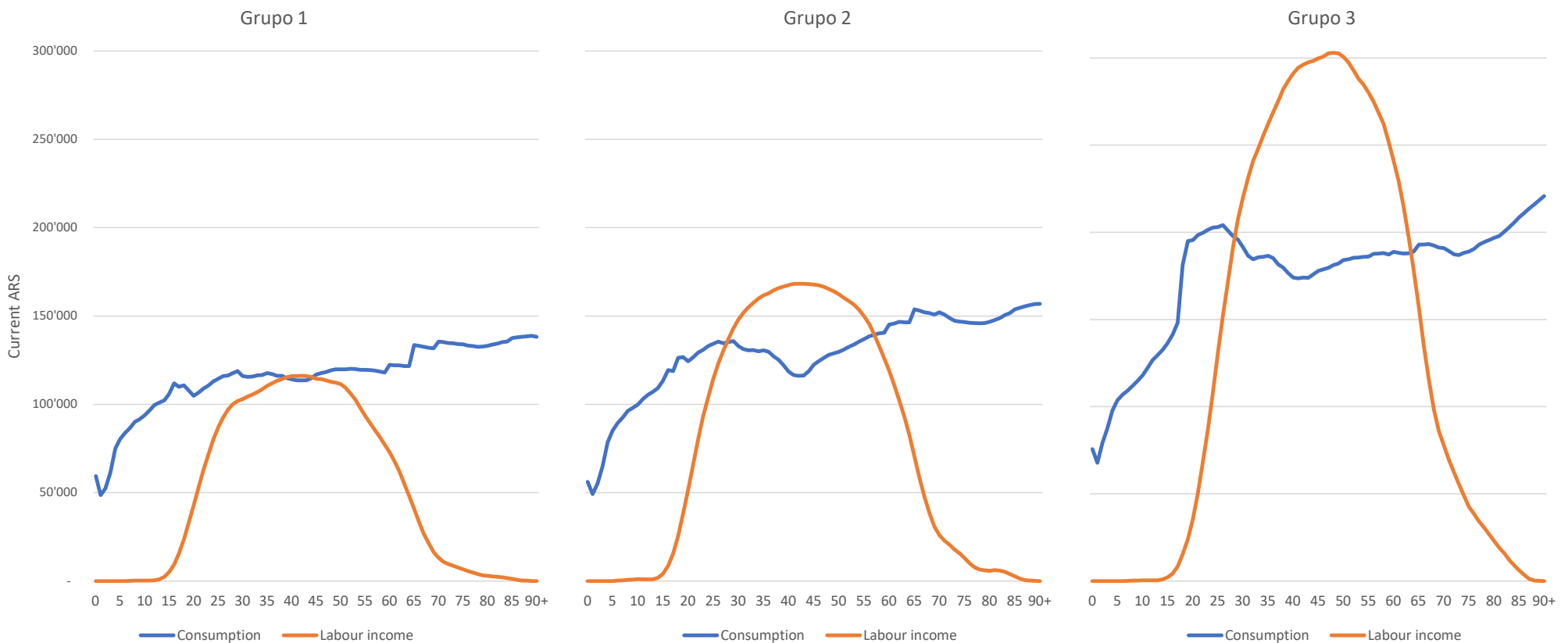


Figure 7. Support ratio, total population (1950-2050) and by SES group (2016), Argentina



Consumption and labor income per capita, by age and by SES group Argentina 2016



Lifecycle Deficit per capita, by age and by SES group Argentina 2016

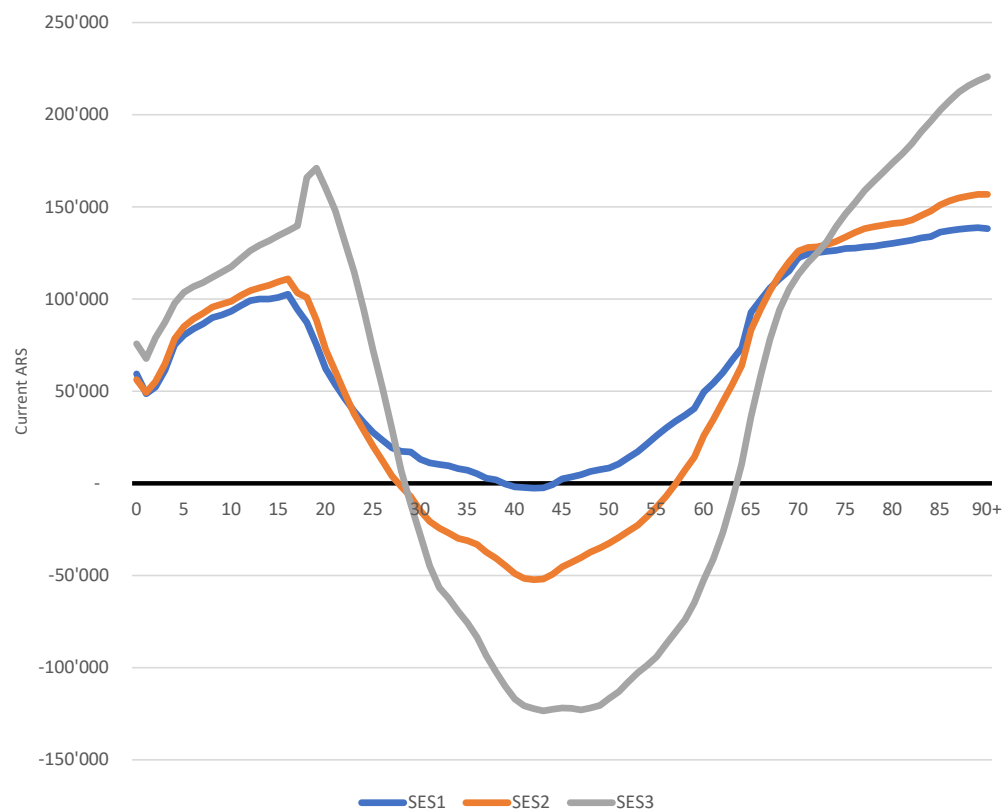


Table 4. Lifecycle Deficit by SES group, Argentina 2016.

SES group	Lifecycle Deficit		Surplus ages	% financed with public transfers
	ARS (millions)	Percentage		
Total	1'703'802	100.0%	29-58	
Group 1	850'440	49.9%	39-44	47.1%
Group 2	674'095	39.6%	28-57	16.9%
Group 3	179'267	10.5%	29-63	-288.0%

Table 5. Lifecycle Deficit and public transfer, by SES group and broad age groups, Argentina 2016.

	Group 1							
	Total		0-14		15-64		65+	
Lifecycle Deficit	850'440	100%	290'327	100%	285'785	100%	274'328	100%
Public transfers	400'741	47%	172'186	59%	-70'307	-25%	298'862	109%
Education	44'022	5%	62'790	22%	134	0%	-18'901	-7%
Health	67'915	8%	14'783	5%	6'926	2%	46'206	17%
Pensions	165'334	19%	165	0%	-100'112	-35%	265'281	97%
Other in kind	82'813	10%	47'566	16%	26'578	9%	8'668	3%
Other cash	40'658	5%	46'883	16%	-3'833	-1%	-2'392	-1%

	Group 2							
	Total		0-14		15-64		65+	
Lifecycle Deficit	674'095	100%	418'392	100%	63'590	100%	192'114	100%
Public transfers	113'648	17%	169'346	40%	-251'166	-395%	195'469	102%
Education	59'082	9%	70'229	17%	4'533	7%	-15'679	-8%
Health	25'965	4%	13'086	3%	-10'086	-16%	22'965	12%
Pensions	-48'041	-7%	257	0%	-239'373	-376%	191'075	99%
Other in kind	83'779	12%	64'138	15%	18'450	29%	1'192	1%
Other cash	-7'137	-1%	21'635	5%	-24'689	-39%	-4'083	-2%

	Group 3							
	Total		0-14		15-64		65+	
Lifecycle Deficit	179'267	100%	247'961	100%	-190'289	100%	121'594	100%
Public transfers	-516'201	-288%	58'716	24%	-662'364	348%	87'446	72%
Education	-103'105	-58%	14'659	6%	-87'118	46%	-30'646	-25%
Health	-93'879	-52%	-379	0%	-86'619	46%	-6'881	-6%
Pensions	-119'109	-66%	67	0%	-283'992	149%	164'815	136%
Other in kind	-166'592	-93%	23'970	10%	-159'002	84%	-31'560	-26%
Other cash	-33'516	-19%	20'399	8%	-45'632	24%	-8'282	-7%

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Conclusion

1. SES groups have very distinctive age profiles
2. The demographic dividend is only relevant for group 3
3. Group 3 faces a triple burden:
 - Finance human capital investment for their own children (private transfers)
 - Finance fixed capital formation (investment)
 - Finance public transfers to dependents in the other groups.
4. The country is not in a good position to benefit from the demographic dividend, and socioeconomic heterogeneity has a lot to do with this.