

United Nations Network of Economic Statisticians. Fifth Beyond GDP Sprint 2023 Meeting

Mapping Distributional Frameworks

Session 3: Inequality through the lens of National Transfer Accounts

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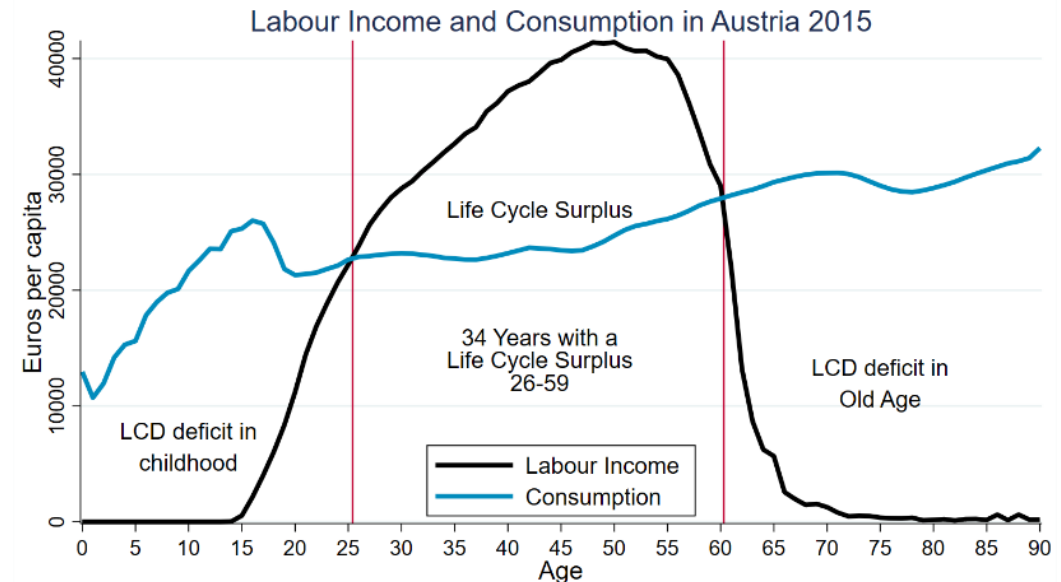
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with support by Bernhard Binder-Hammer

NTA as a measure of the Generational Economy

NTA integrate **demography** into National Accounts (so far focus on **age** and **gender**)

- **Generation** of **income**
- **Use** of disposable income for **consumption** and **savings**
- **Redistribution** of income through **public** and **private transfers**
- **Asset based reallocation**



Source: Hammer (2020), "National Transfer Accounts for Austria 2015" <https://doi.org/10.11587/4EOXZO>

Novelty of NTA:

- Integrating **demography into distributional analysis**
- Analyzing the **distributional effect of public and private transfers**

Allows to answer:

- How does demographic change **affect the economy and public redistribution**
- How are **distinct age groups** (generations) affected by economic changes
- How does the role of **women and men** differ for public and private redistribution

NTA and distributional aspects by age, gender, family status

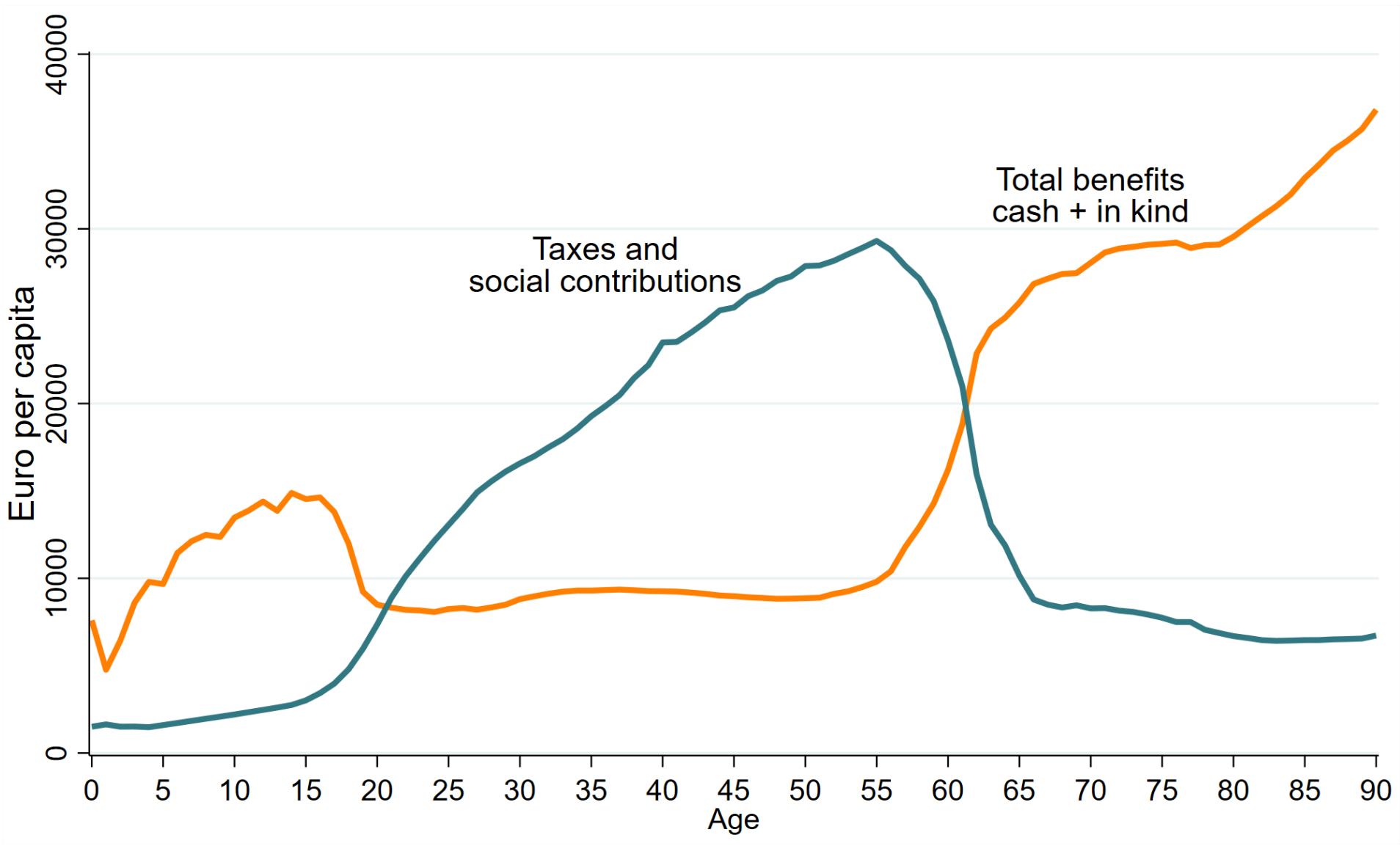
Ex.1: Which age groups benefit from and contribute to **public transfers** ?

Ex.2: How much does each age group of men and women **benefit from** and contribute to **private transfers**, including unpaid work ?

Ex.3: How is **income of different age groups** changing over time ?

Ex.4: Are **families** disadvantaged in the generational economy ?

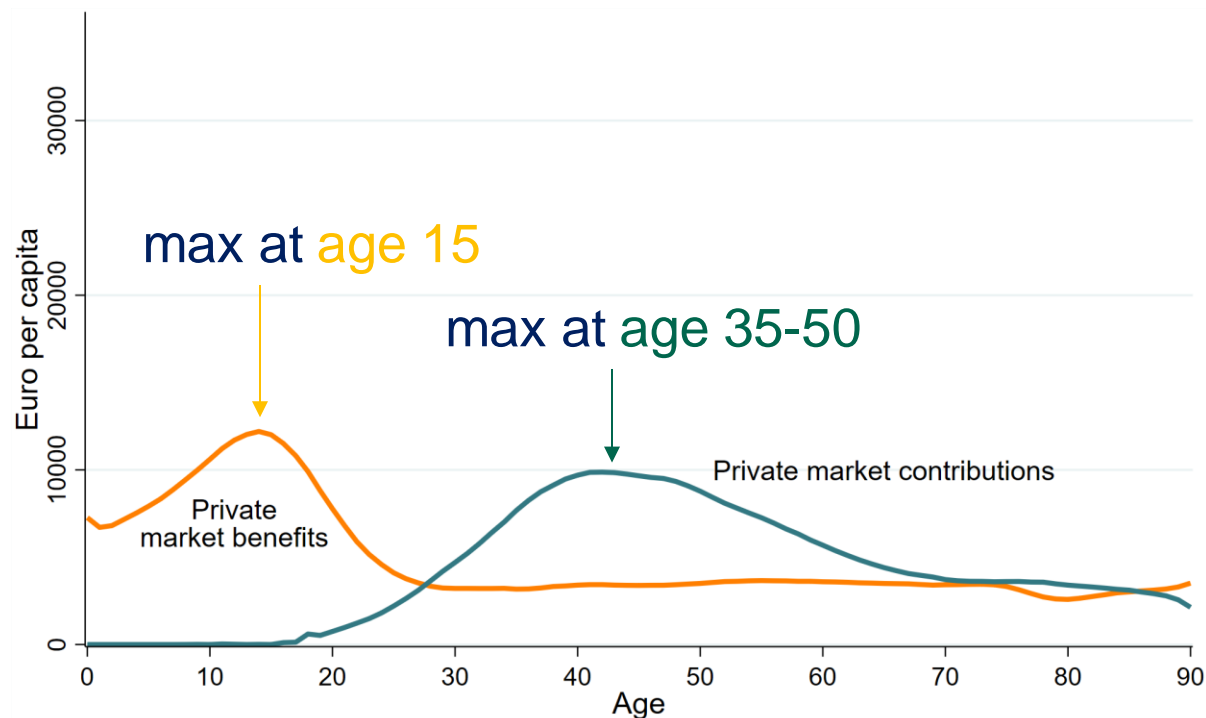
Ex. 1 per capita Public Transfer Benefits & Contributions – Austria 2015



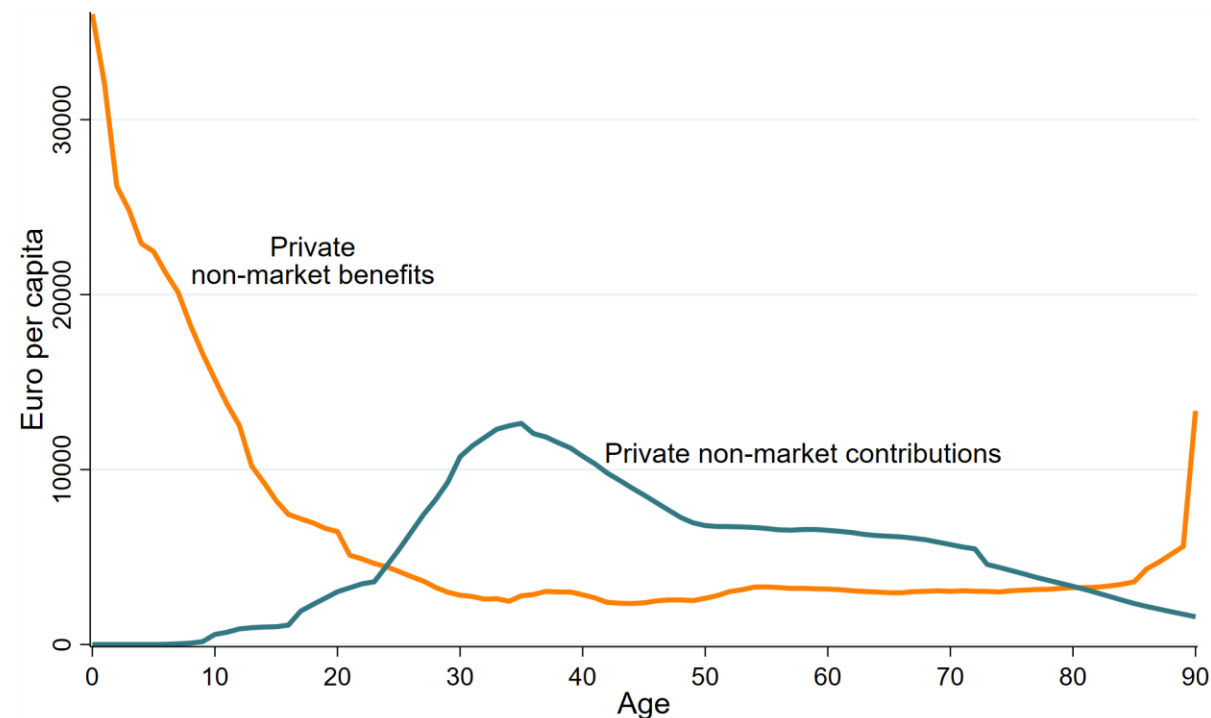
Source: Hammer (2020), "National Transfer Accounts for Austria 2015" <https://doi.org/10.11587/4EOXZO>

Ex. 2: per capita Private Transfers – Austria 2015

Private market transfers



Private non-market transfers

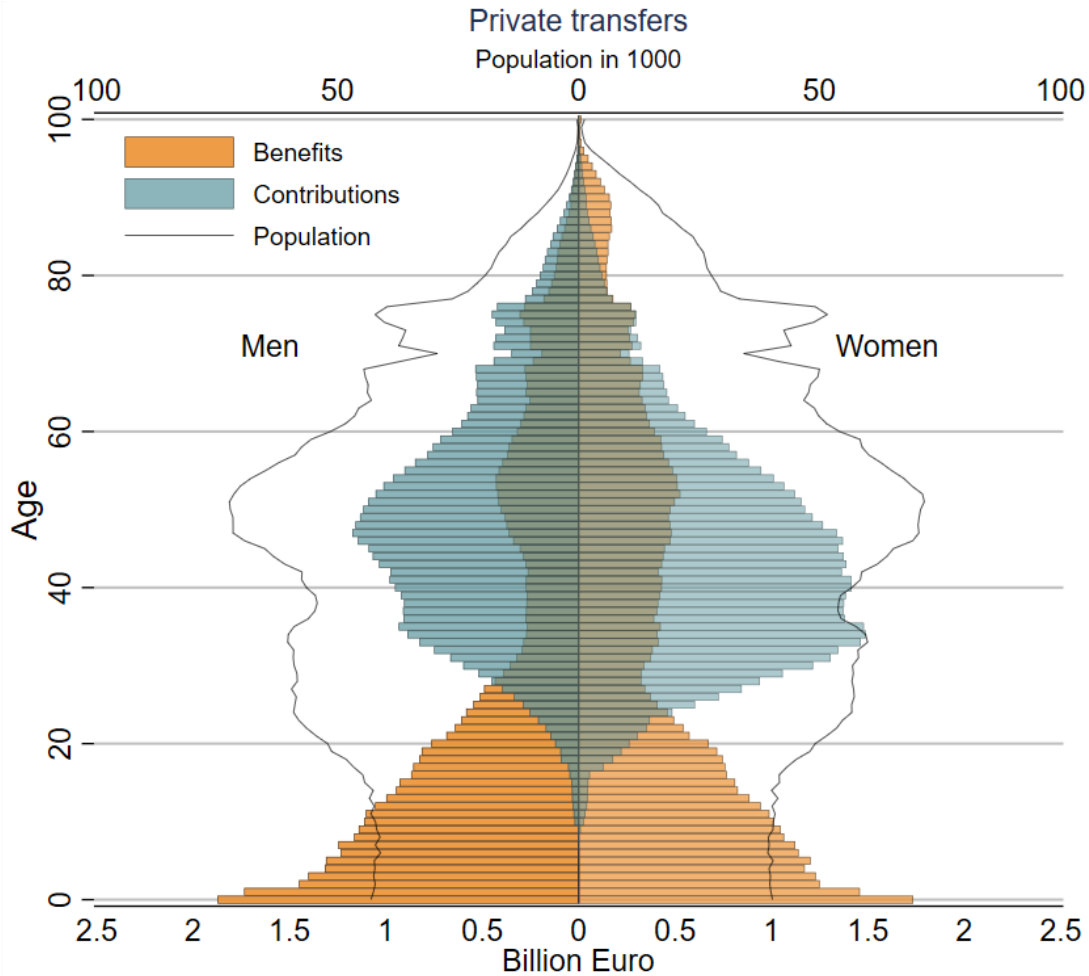


Source: Hammer (2020), "National Transfer Accounts for Austria 2015" <https://doi.org/10.11587/4EOXZO>

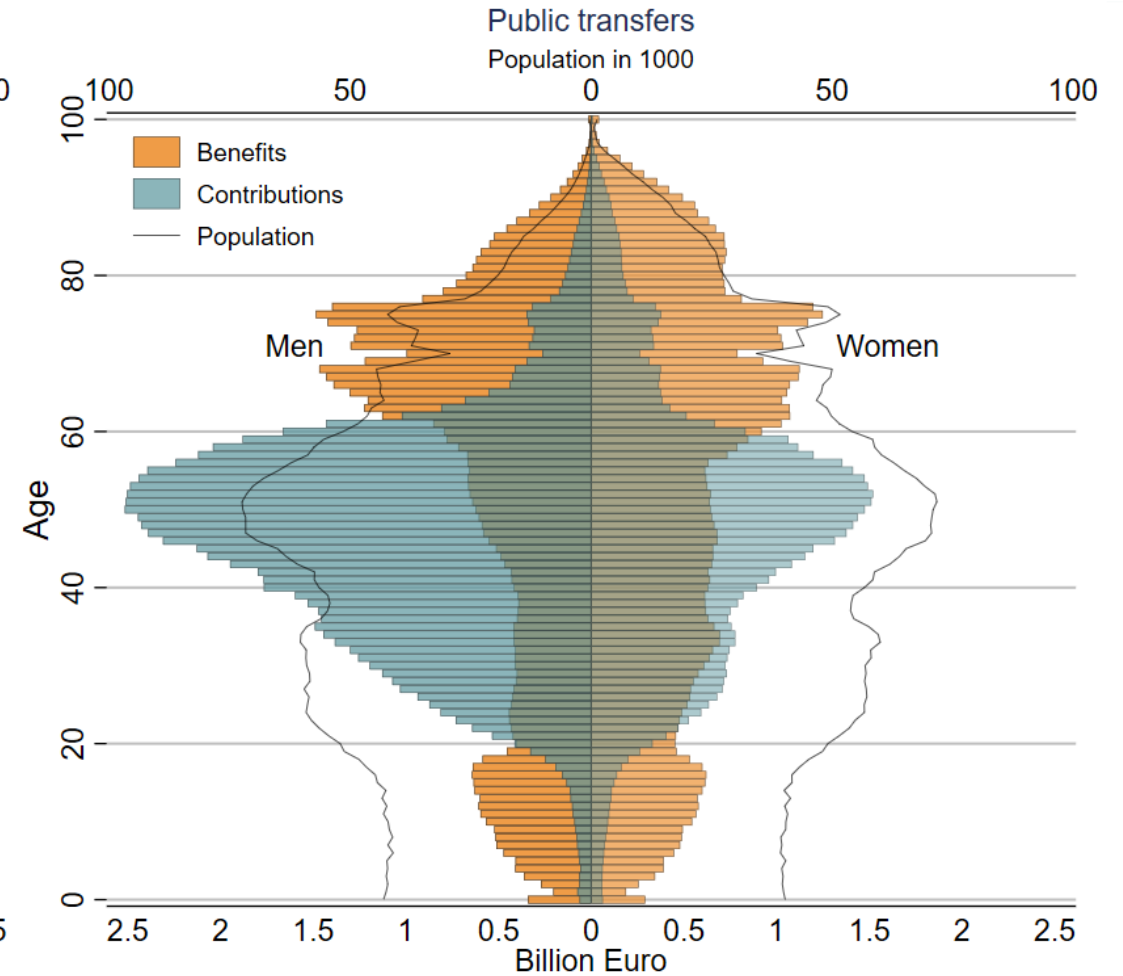
Input approach for measuring private transfers:

time used for non-market benefits and contributions is valued with wages that could be earned on the labor market with similar activities.

Ex.1 & Ex.2 at the population level by GENDER – Austria 2015

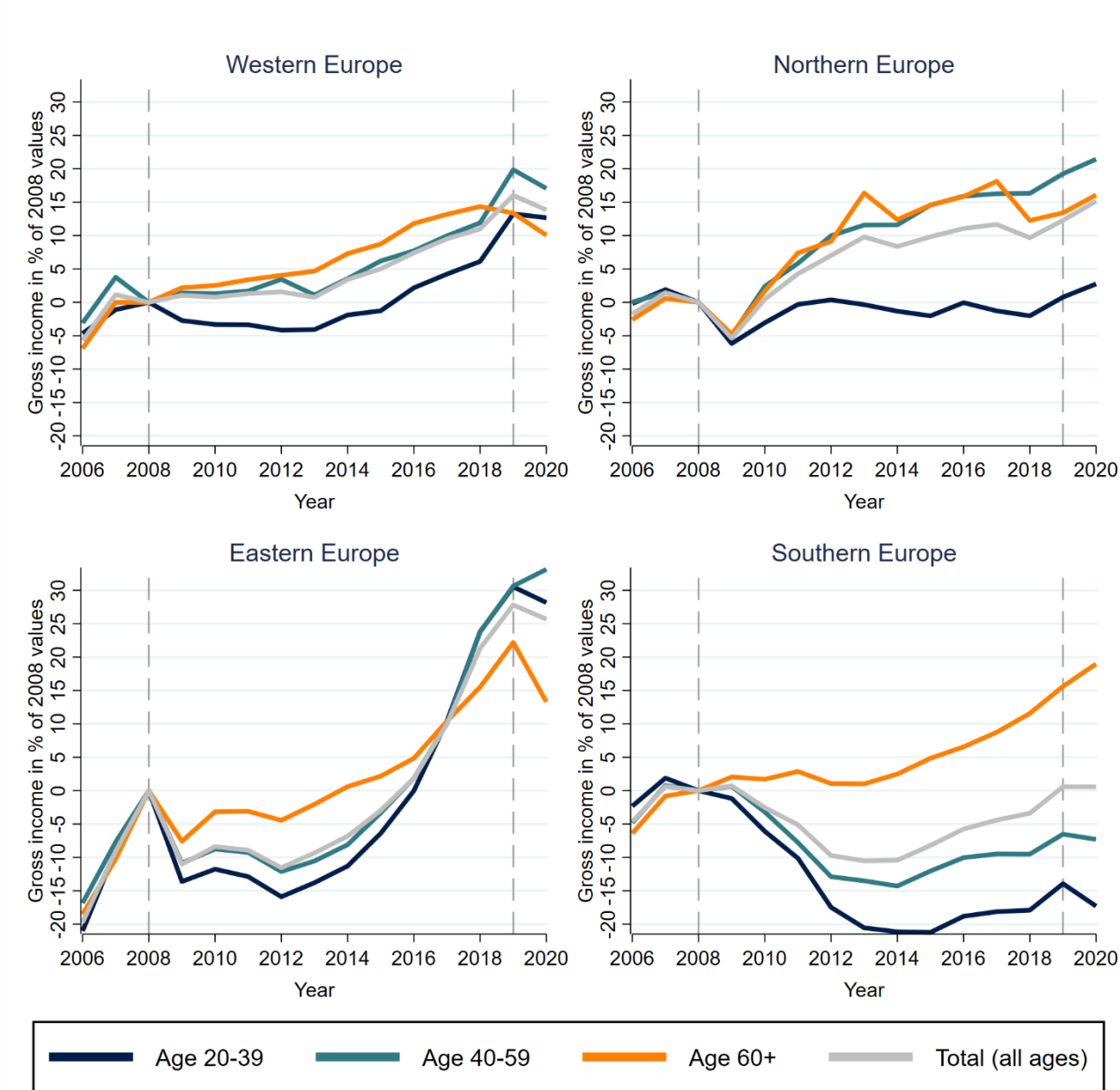


private transfers to < 25: 50 billions



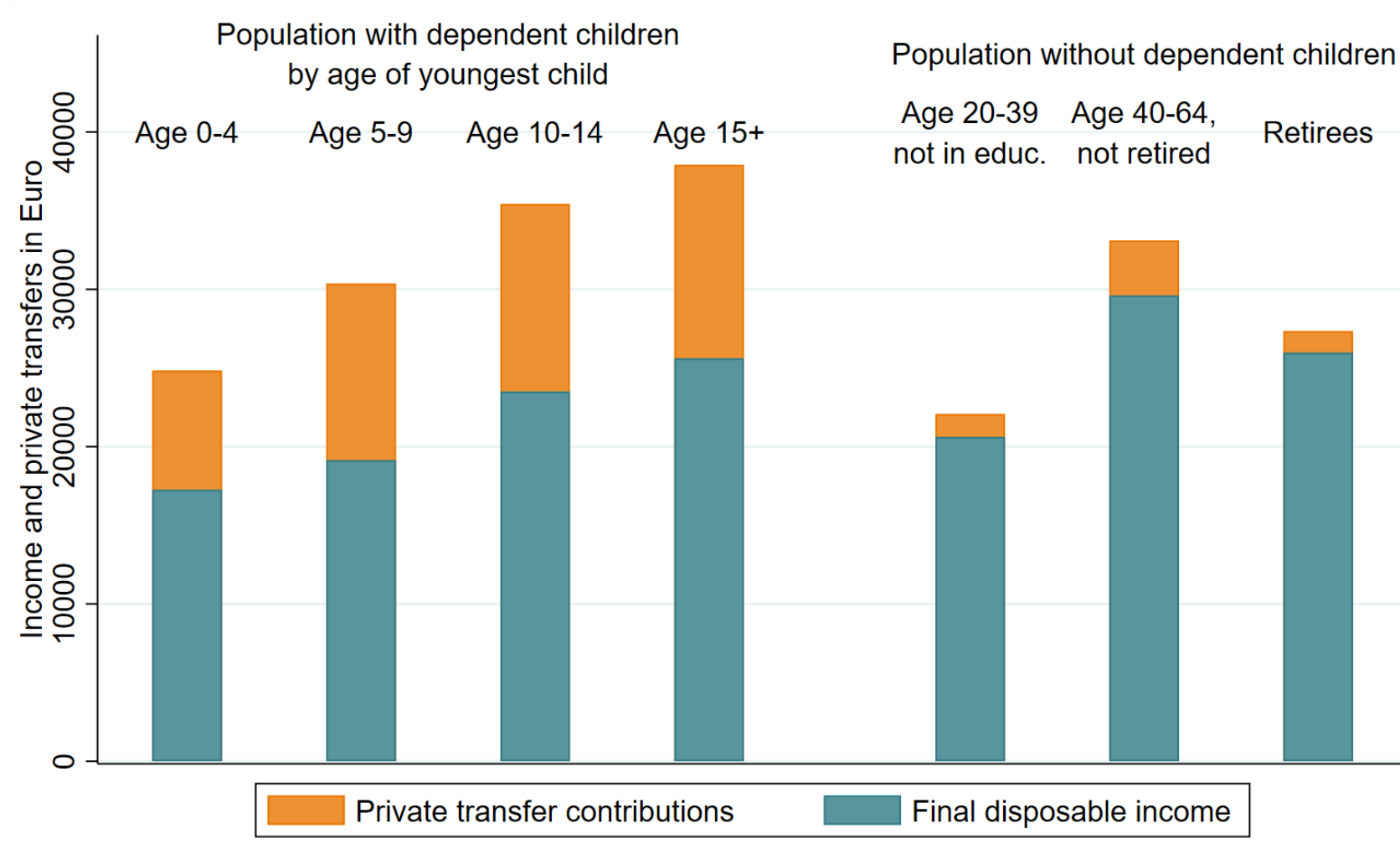
public transfers to 60+: 58 billions

Ex.3 Change in age-specific income in % of 2008



Source: Spitzer, Hammer & Reiter (2023).
Intergenerational income dynamics in
Europe: Past trends and current challenges.
Eurofund working paper WPEF23039.
<https://www.eurofound.europa.eu/sites/default/files/wpef23039.pdf>

Ex.4 Disposable income by age of child – closely connected to EG-DNA



Source: Hammer & Prskawetz (2023). Measuring private transfers between generations and gender: an application of national transfer accounts for Austria 2015". In: Empirica. doi: <https://doi.org/10.1007/s10663-022-09542-z>

- **Income, public and private transfers strongly related to age and gender**
=> Income and transfers affected by demographic change
- Pronounced **differences in age specific income** and its change over time
- Importance to consider **private transfers** when considering **distributional aspects**

Ongoing work, also related to EG-DNA and DINA:

- Importance to consider **w/in age group differences**, e.g. by family status

Who is using the NTA framework?

- social scientists interested in the **generational economy**
 - Economists to **calibrate** their macro-economic models.
 - Research on **intergenerational equity, inequalities between gender, inequality between socio-economic groups** (education).
- Use in popular-scientific publications (by scientists, journalists), because data are intuitive and illustrative.
- Governments:
 - National Statistics Office (**official statistics**): Colombia, Republic of Korea, and Malaysia.
 - Finance Ministry (**demographic dividend-sensitive budgeting**): Benin, Burkina Faso, Mali, Mauritania, Niger, and Senegal.
 - Planning Ministry (**forecasts of economic and fiscal impacts of population change**): Bangladesh, Jamaica, and Thailand.
 - Congressional Research, National Academy of Science (**research on immigration policy**): Chile, USA.

What questions are they trying to answer?

- How does **demographic change affect the economy and public redistribution**
→ **Sustainability** of generational economy
- How are **distinct age groups (generations) affected by economic changes**
→ **Wellbeing by demographic characteristics** (ages, gender, families)
- **Distinct roles of men and women in the generational economy,**

Consistent **cross-country comparisons!**

How does the NTA framework help them?

- Very **intuitive** and **comprehensive data**
- Easy to **visualize**
- Available for a **wide range of countries** <https://ntaccounts.org/>

Ongoing work:

- **Time series of NTAs** to monitor the generational economy over time