

Colombia's National Transfer Accounts: Insights and results

April 2022



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1.

Timeline

National Transfer Accounts in Colombia



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Timeline

National Transfer Accounts for Colombia 2008

Dr. Piedad Urdinola and Dr. Jorge Tovar, develop, from the academic sector, the first measurement of the NTA's for Colombia

2018

The Project for the development of the NTA's was included on the National Statistical Plan 2020-2022.

Dr. Piedad Urdinola and Dr. Jorge Tovar published the Profiles of National Transfer Accounts for Colombia 2014.

2020

25th International Conference on Population and Development (Nairobi)

DANE acquired the commitment of making the demographic transitions and its economic impact visible through the development of NTA.

2019

Development of the NTA Project for Colombia

The Project aimed to measure NTA's for Colombia was supported the technical assistance provided by CELADE and ECLAC.

2021

NTA Project for Colombia:

- Introductory workshop and technical training for DANE
- Estimation of NTA's for Colombia within the framework of the GSBPM model.
- Analysis and presentation of results.

2.

Importance & use cases of NTA's



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Importance & use cases of NTA's

- The NTA's are based on the concept of generational economics, in which practically all economic activities are significantly influenced by the age structure (consumption, labor participation, savings, use of health services, education, etc.).
- Therefore, **changes in the age structure of the population will have significant consequences on** economic growth, the sustainability of support system towards the households, the financial market, and the inequality within and between generations, among others.
- The need for the development of NTA's emerged in Colombia in response to the need to have an evidence base to make visible the impact of demographic transitions on aspects such as economic growth, the sustainability of social protection systems and also on public spending on education and health.



How are the 2017 NTA's for Colombia calculated?

The NTA's consist of an accounting system that measures national economic activity by age and records resource flows through the government, the market and households, doing so through **per capita** profiles and generating age aggregates by linking them to the population.

National Household Budget Survey (ENPH) 2016-2017

Provides an exhaustive level of detail for income items and their origins, as well as for expenses, in most cases with information by individual.

Administrative Records:

- Financial Superintendence of Colombia financial information on Management companies of Pension and Severance Funds, 2017.
- Colpensiones- Financial Report 2017

Integrated Economic Accounts 2017
Annual National Accounts by Institutional Sector.



Per capita Profiles of the NTA's:

- ⊙ Income
- ⊙ Consumption
- ⊙ Transfers
- ⊙ Reallocations

3.

NTA Results

2017

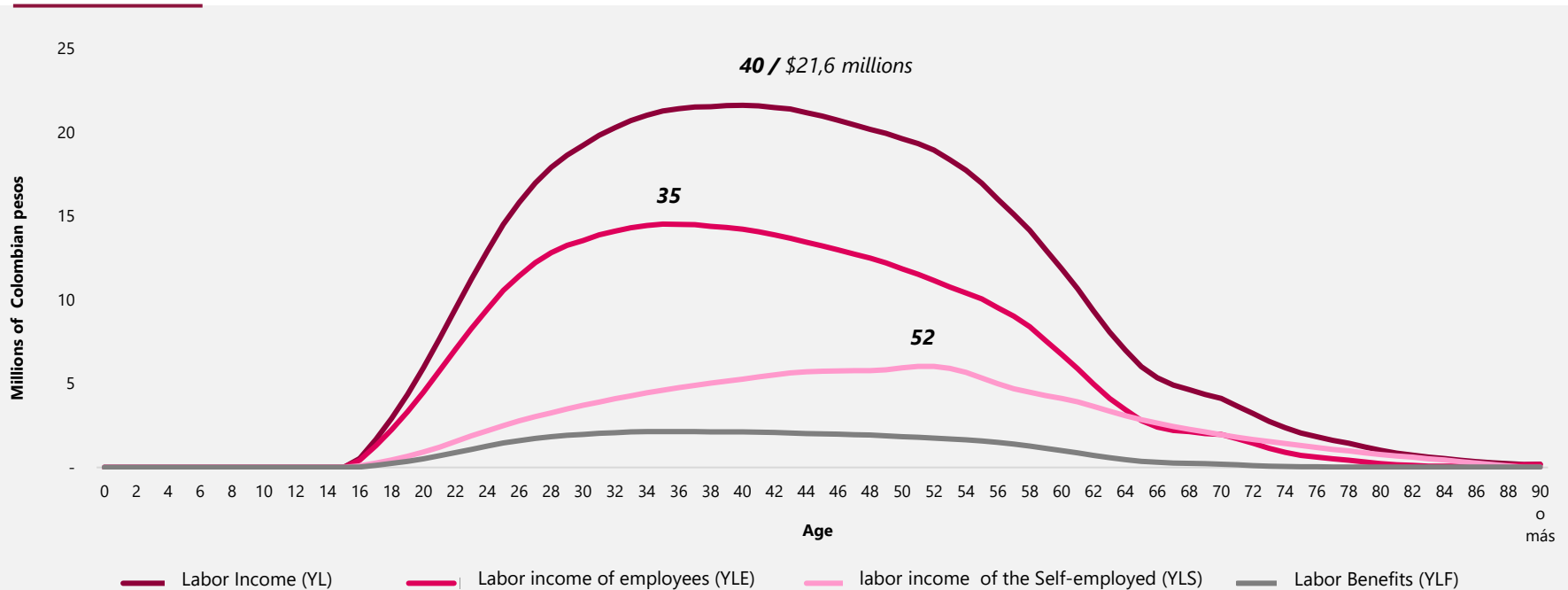


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Labor Income per capita

Income profiles of employees, self-employed, and labor benefits by age 2017



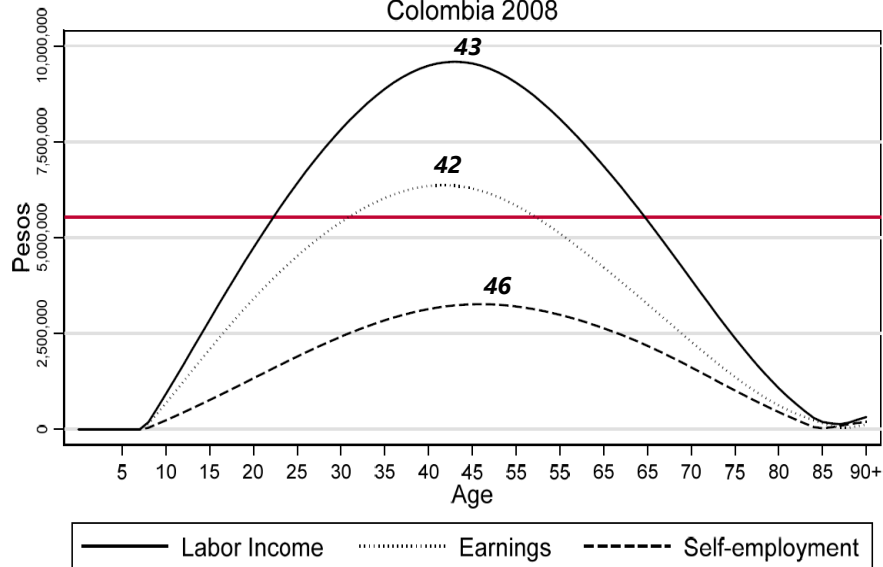
Labor Income per capita

Comparison of income profiles of employees, self-employed

2008 - 2017

Labor Income Composition

Colombia 2008

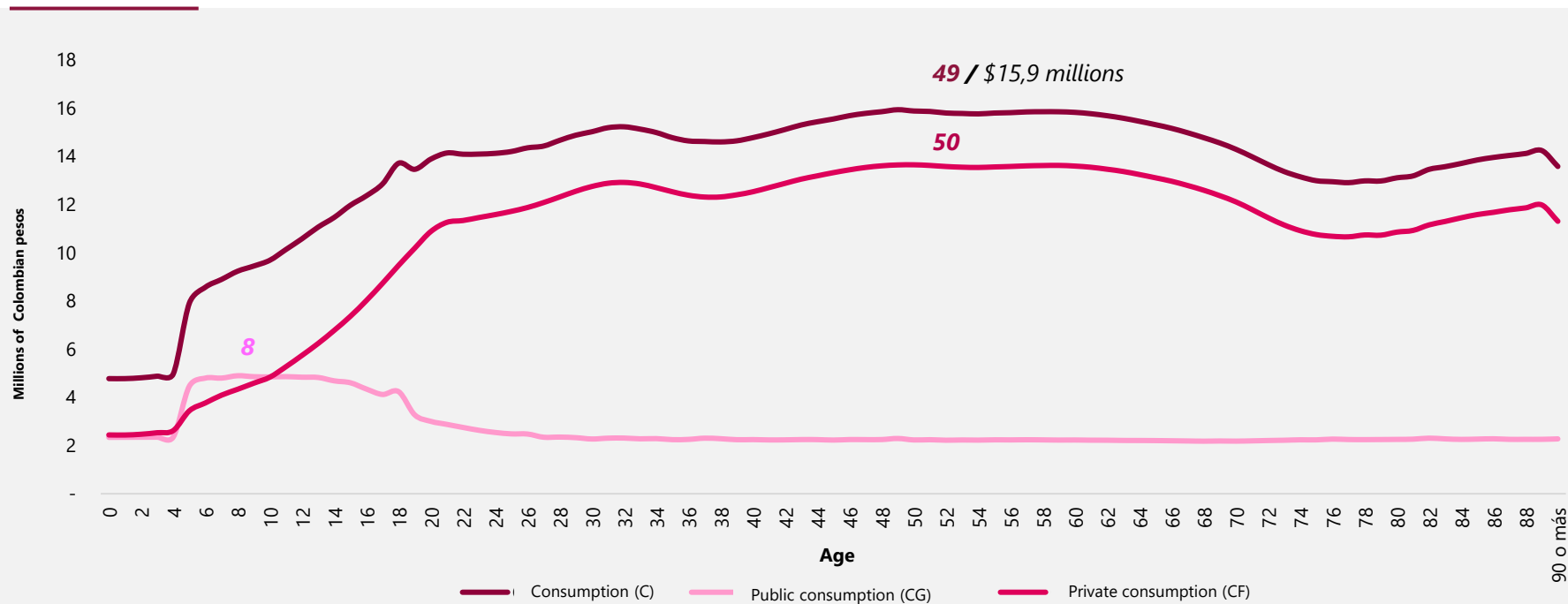


Note: The horizontal line stands for the yearly minimum wage in 2008: COP\$5'538.000
 Source: Own calculations based on DANE, ECV-08 & SNA



Per Capita Consumption

Consumption profiles, public consumption and private consumption by age 2017

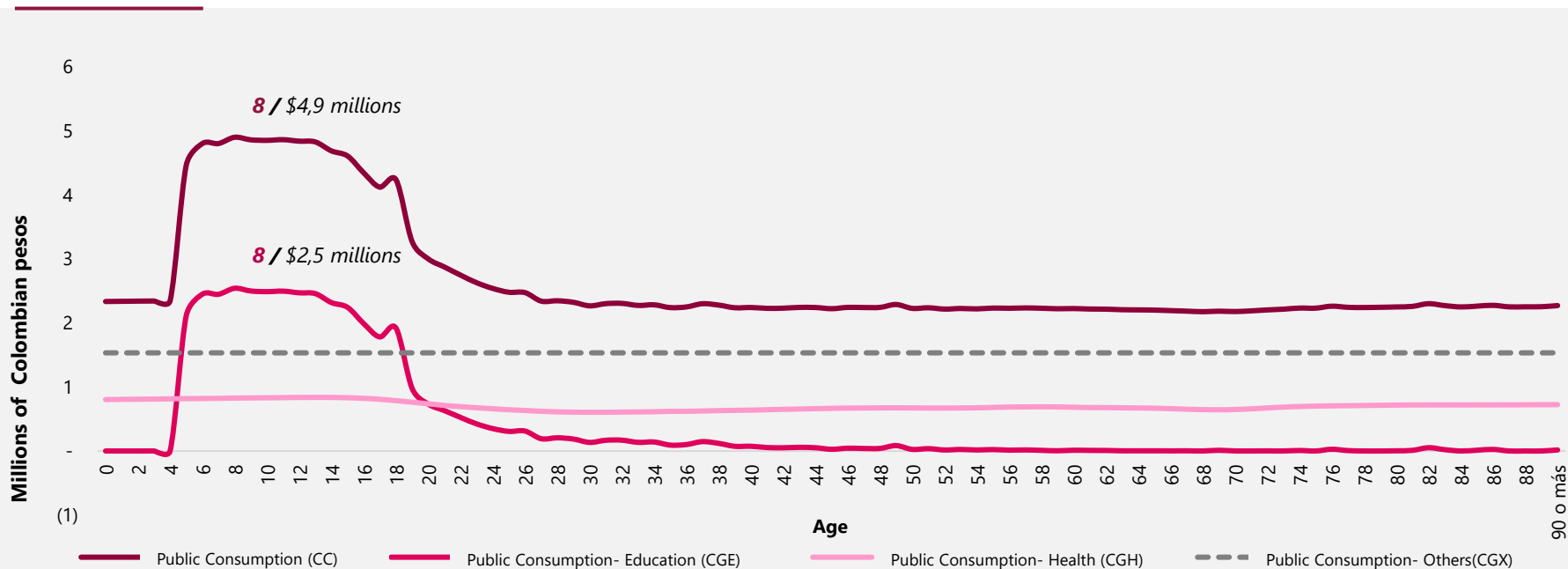




Per capita Public consumption

Public consumption profiles and their age components

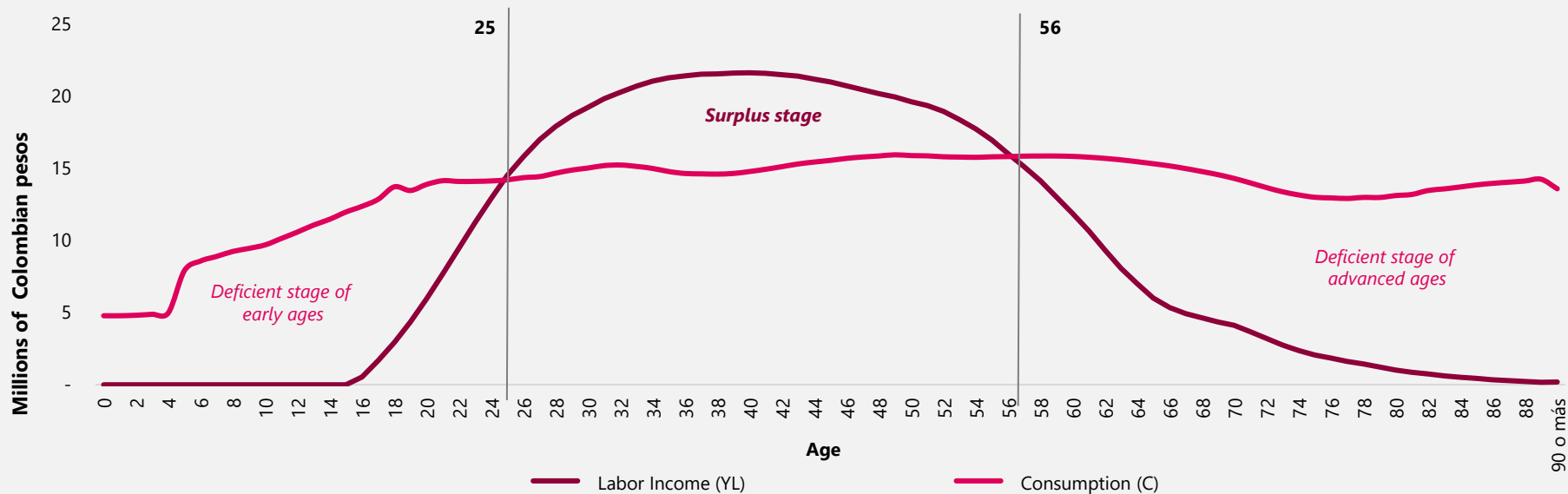
2017



Economic life cycle per capita

Average profiles by age of the labor income and consumption- deficit and surplus stages

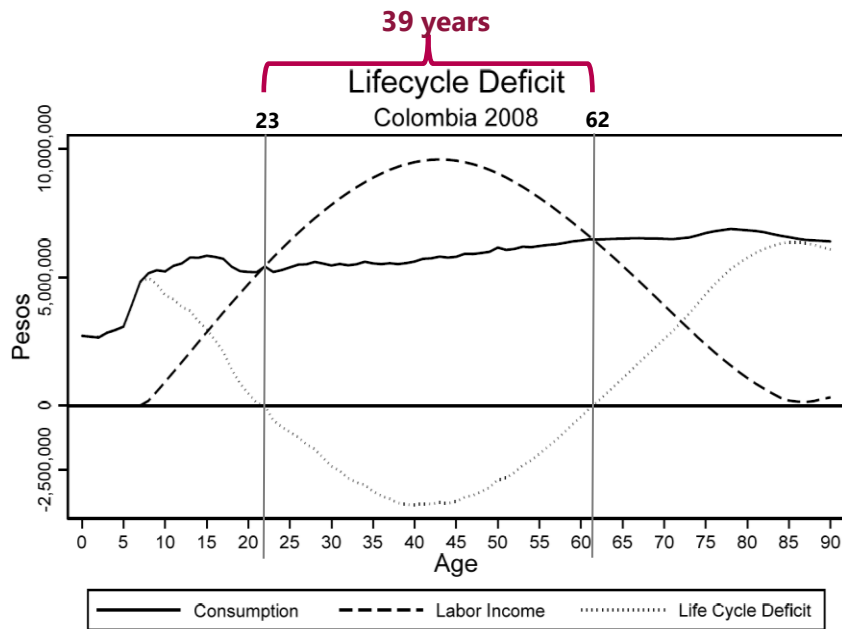
2017



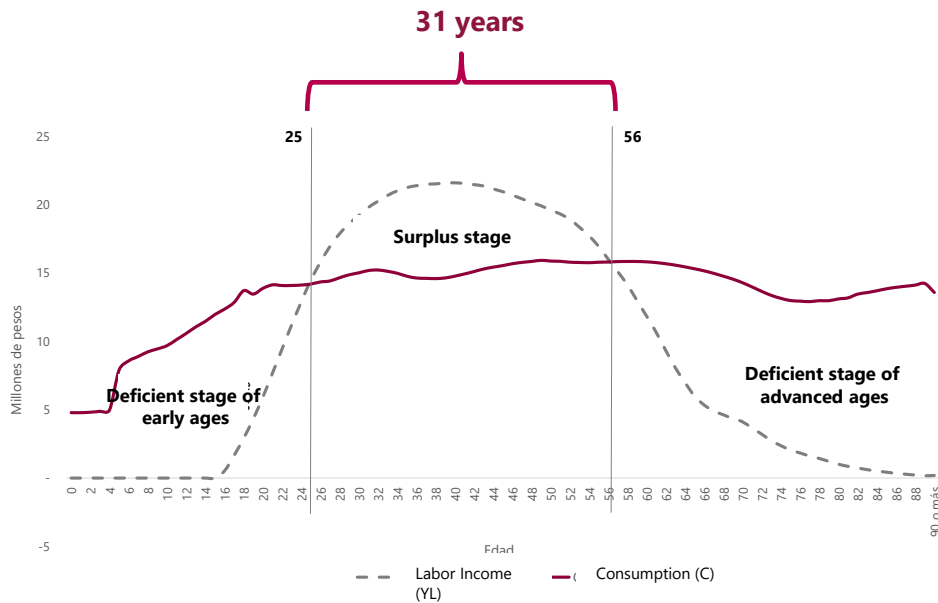
Economic life cycle per capita

Average profiles by age of the labor income and consumption– Life cycle

2008 - 2017

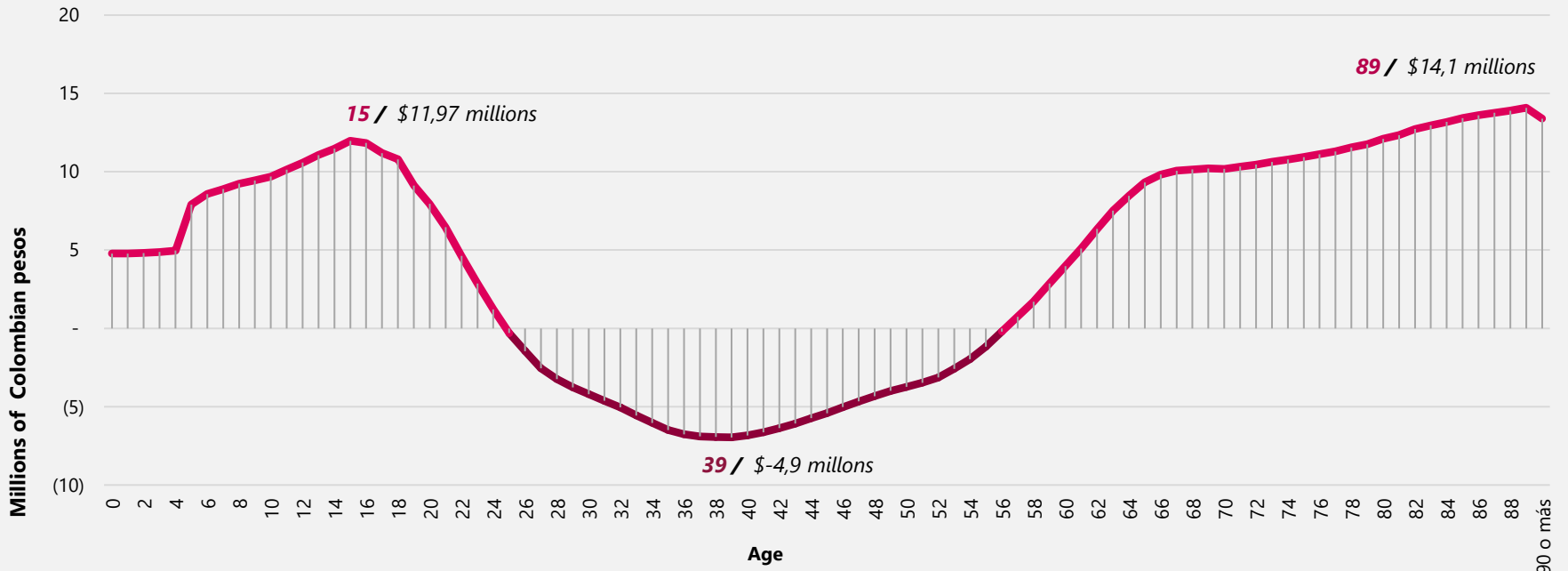


Source: Own calculations based on DANE, ECV-08 & SNA





Economic life cycle deficit per capita Per capita profiles by age 2017

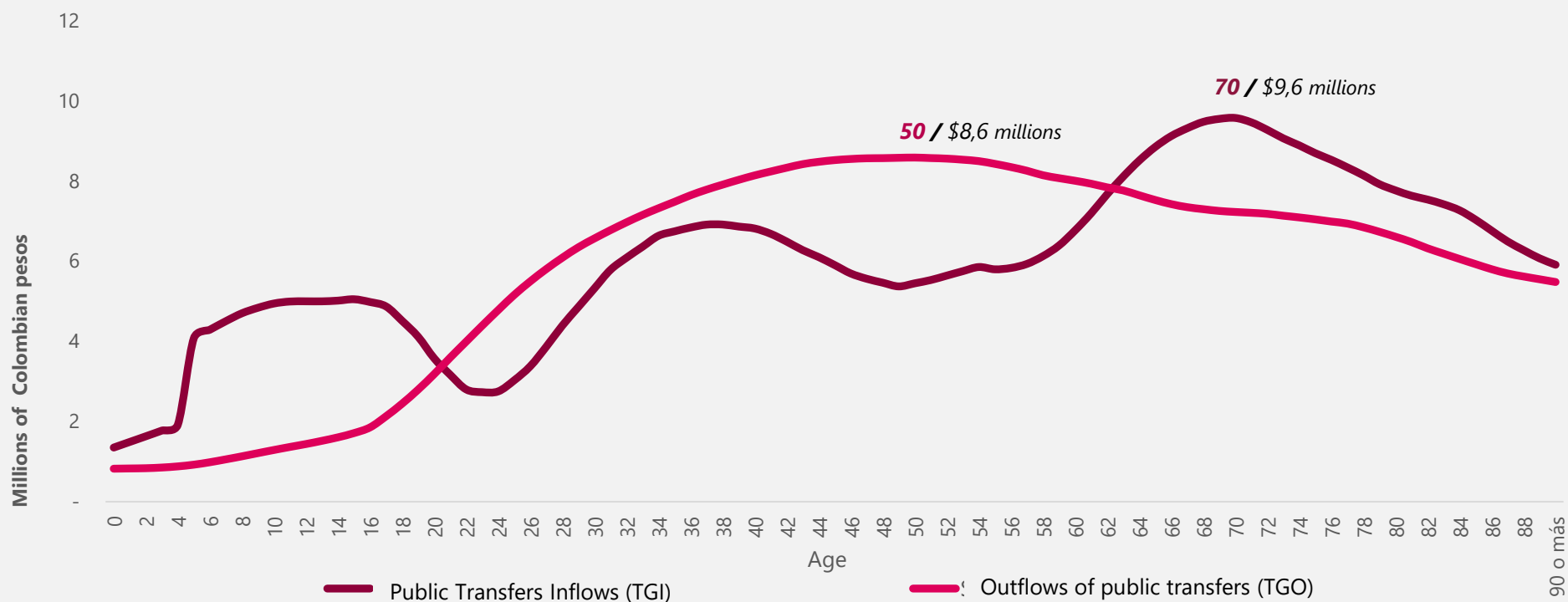




Transferencias públicas per cápita

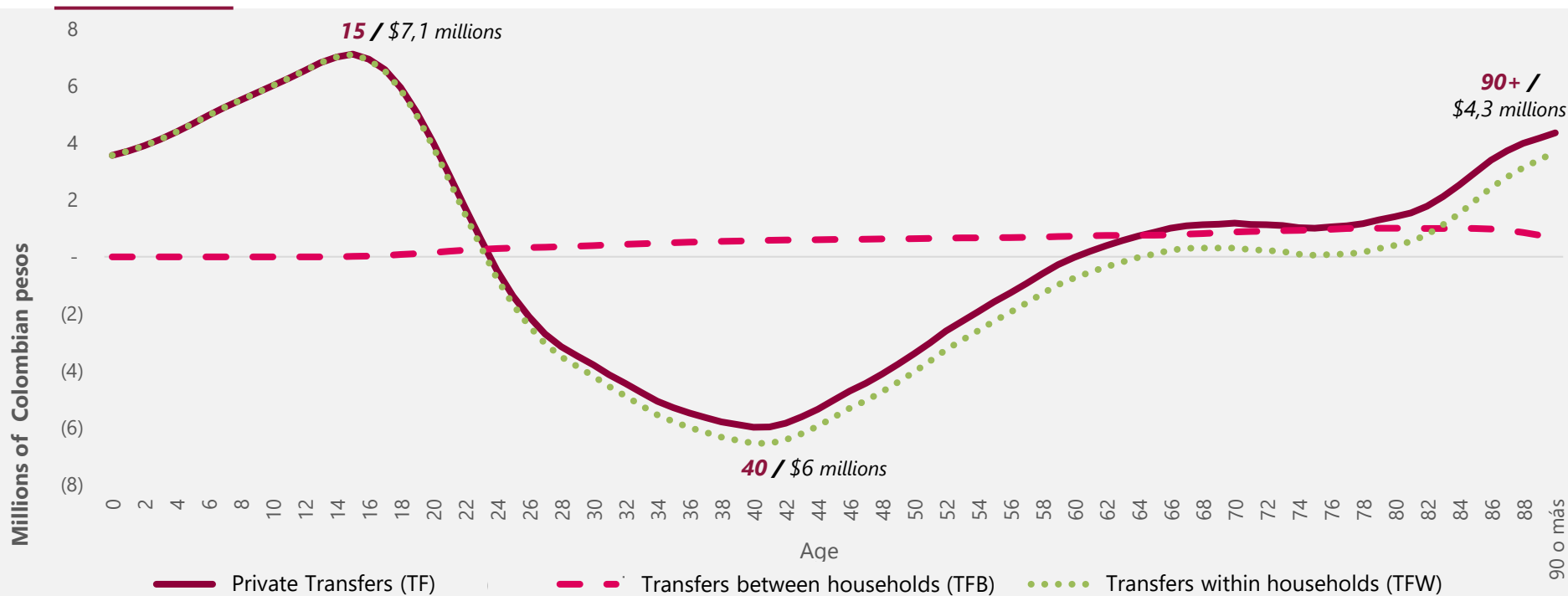
Perfiles promedio por edad de las entradas y salidas de las transferencias públicas

2017



Private Transfers per capita

Average profiles by age of the private transfers, between households and within households 2017



4.

Main Highlights & Conclusions



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Insights of the Colombian Experience

1.

The NTA's require detailed statistical information on income and expenses at the individual level; thus, it is ideal to guarantee a **higher frequency of income and expense surveys** or to have a statistical operation to meet this information need.

2.

The importance of the institutional framework for the elaboration of NTA's as a responsibility of the NSO's gains further relevance given the on-going demographic transitions .

A strong institutional framework is an enabler for **ensuring the continuity of the measurement of NTA's**.

3.

Dissemination and literacy campaigns associated with the NTA's for decision makers on the health sector, social protection, education and public finance, remains as a significant challenge that needs to be addressed in order to enable a wider use.

Insights of the Colombian Experience

4.

One of the remaining challenges with the statistical production of the NTA's **is the disaggregation of results** to allow analysis at the regional, urban and rural levels, with a differential and intersectional approach. This is due to the aggregation and limitations of the data sources used (administrative records, coefficients of variation of the surveys).

5.

With the elaboration of the NTAs, DANE has contributed contributed to the generation of an official statistic that constitute an important input for the analysis of the generational economy, in view of the demographic phenomenon faced by the country and the region in terms of population aging.

3.

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