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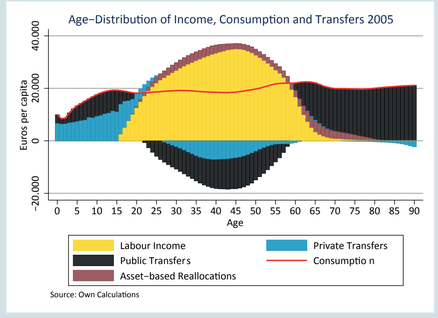
"National Transfer Accounts and intergenerational redistribution in European institutional settings"

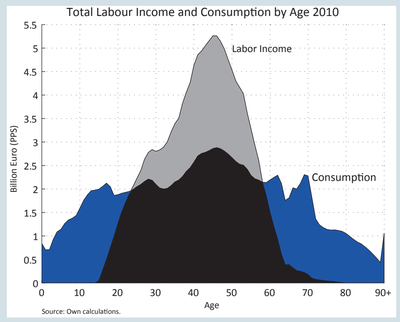
Motivation ⇨ There is a strong relation between age and economic activities. Demographic changes require therefore corresponding changes in the economic behaviour of individuals and in the organization of the transfers between age-groups. National Transfer Accounts provide important information about flows between age-groups as a basis for sensible decisions regarding the design of transfer systems.

Objective ⇨ Measuring the relation between age and economic activity, in particular economic flows between age groups consistently with the System of National Accounts.

Data ⇨ National Transfer Accounts data contain age-specific averages of labour- and asset income, public and private consumption, savings as well as the contributions and benefits to public and private transfers.

Findings ⇨ The average economic life course in Austria is characterized by an early entry as well as an early exit from the labour market. The low retirement age and generous public pension system requires a high share of public transfers directed to the elderly and leads to a high tax-burden on the active population.





Reference ⇨ Sambt, J. and Prskawetz, A. (2011) National Transfer Accounts for Austria: low levels of education and the generosity of the social security system, in Population Aging and the Generational Economy, (Eds) Lee R. and Mason A., Edward Elgar Publishing.

Project ⇨ FWF Project I 347-G16

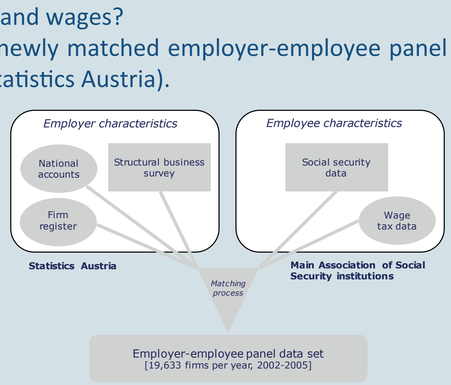
Project Staff ⇨ A. Fürnkranz-Prskawetz, J. Sambt, B. Hammer

"Productivity, Wages and Training in Ageing Societies - An Analysis Based on an Austrian Employer-Employee Panel Dataset"

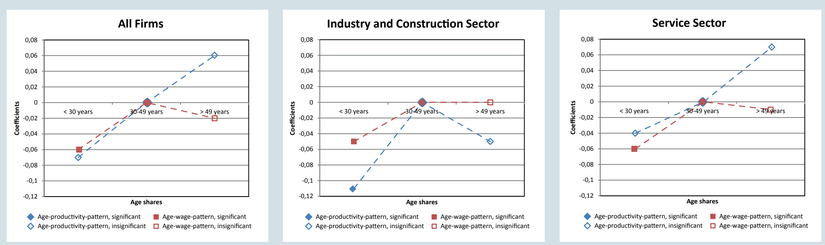
Motivation ⇨ The ongoing demographic development implies workforce shrinkage and ageing.

Objective ⇨ How is the age structure within an average Austrian firm interconnected to labour productivity and wages?

Data ⇨ We make use of a newly matched employer-employee panel data set for the years 2002-2005 (Statistics Austria).



Findings ⇨ Neither do our results indicate a negative relationship between the share of old aged employees and labour productivity nor an overpayment of old employees within an average Austrian firm.



Currently ⇨ Do regional or sector-specific multi-level effects play a role within the age-productivity framework?

Reference ⇨ Mahlberg, B., I. Freund, J. Crespo Cuaresma and A. Prskawetz. 2012. "Ageing, productivity and wages in Austria." Labour Economics (Forthcoming).

Project ⇨ FWF Project P21475

Project Staff ⇨ A. Fürnkranz-Prskawetz, B. Mahlberg, I. Freund

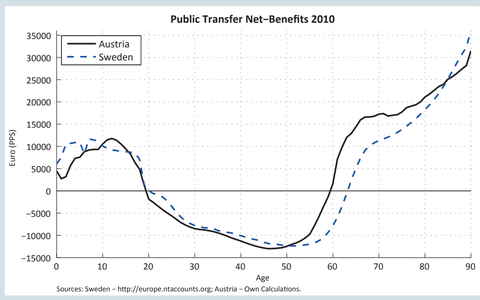
"Indicators of Generational Fairness and Sustainability of Social Transfer Systems"

Motivation ⇨ Sweden is, not unjustified, regarded as a forerunner regarding the design and the coverage of its welfare system.

Objective ⇨ In this study we compare the economic life course and the public age-reallocation of resources in Austria and Sweden with a focus on the sustainability under population ageing.

Data ⇨ The comparison is mainly based on data from the National Transfer Accounts Project which measures age-specific incomes and consumption as well as the reallocation of resources between age-groups.

Findings ⇨ The most remarkable difference is the higher labour force participation of older age-groups in Sweden as compared to Austria. The funding of the public transfers is consequently distributed over more age-groups and transfers to the elderly are lower. In Sweden more public resources are used to finance education, for health services, for child- as well as elderly care and for public investments. The period of labour force participation is more compressed in Austria, leading to a high tax-burden for the active population. Although in Sweden there is a larger share in the age-group 60-plus, economic dependency ratios illustrate that the economic dependency of the elderly is lower; in combination with a much less pronounced population ageing the current design of public transfer system in Sweden is more sustainable than in Austria.



Reference ⇨ Hammer, B., A. Prskawetz. 2012. "The Public Reallocation of Resources across Age: A Comparison of Austria and Sweden" ECON WPS 05/2012. Institute of Mathematical Methods in Economics, Vienna University of Technology.

Project ⇨ Wirtschaftskammerpreis 2011

Project Staff ⇨ A. Fürnkranz-Prskawetz, B. Hammer

"Quantifying the role of alternative pension reforms on the Austrian economy"

Motivation ⇨ Population ageing (in particular also the fact that the baby boomers start to retire) requires an adjustment of our social security system, in particular so also the pension system.

Objective ⇨ We assess the effect of the recent pension reforms implemented in Austria on the sustainability of its social security system and economic growth.

Contribution ⇨ We develop a General equilibrium OLG model with realistic demography (heterogeneity by: household structure, longevity, educational attainment, labour market history, and capital accumulation).

Simulations ⇨
- Baseline
- Experiment 1: Human capital investment
- Experiment 2: Lower disability hazard rates
- Experiment 3: Closed- vs. open-economy
- Experiment 4: No pension reform

Findings ⇨ Sustainability of the Social Security System:
- Pension reforms are expected to increase by 2 years the retirement age and decrease the contribution rate by more than 20 percentage points.
- Delaying the retirement in turn will tighten the disability law.

Economic Growth:
- Increasing the educational attainment positively affects the sustainability of the pension system and economic growth.

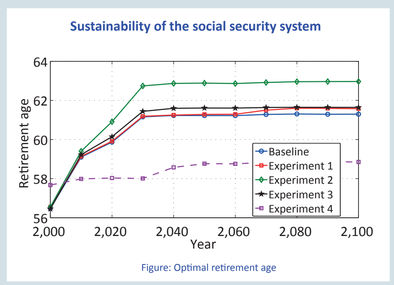


Figure: Optimal retirement age

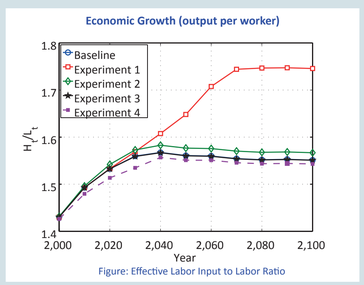


Figure: Effective Labor Input to Labor Ratio

Reference ⇨ Sánchez-Romero, M., J. Sambt and A. Prskawetz. 2012. "Quantifying the role of alternative pension reforms on the Austrian economy." ECON WPS 04/2012. Institute of Mathematical Methods in Economics, Vienna University of Technology.

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