

ABOUT THE PROJECT

The aim of CIRCLE is to provide new empirical evidence of the impact of the interaction between the economic and demographic changes and the welfare systems on the distribution of the resources, rights and responsibilities between generations. In many EU countries, welfare provisions addressed to older people are pay as you go financed and fast population ageing boosts redistribution from the young to the old. However, compensatory mechanisms redistributing resources from the old to the young are often implemented at intra-household level, mainly through inter-vivos transfers and informal care provisions.

The analysis considers both redistributive flows and covers a variety of EU welfare state models, giving a strong base for generalizing the results and deriving useful policy implications.

The team

Partners: Center for Research on Pensions and Welfare Policies (CeRP) - Collegio Carlo Alberto (Italy), *leader*

Centre for Social Policy – University of Antwerp (Belgium)

University of Alcalá (Spain)

Coordinator: Prof. Elsa Fornero

Scientific Committee

Bea Cantillon (University of Antwerp)

Elsa Fornero (University of Turin and CeRP), *chair*

Alain Jousten (University of Liège)

André Masson (Paris School of Economics)

Manos Matsaganis (Politecnico di Milano)

Pierre Pestieau (University of Liège)

RECENT OUTPUT

CIRCLE WP N. 6: “A safety net that holds? Tracking minimum income protection adequacy for the elderly, the working and the non-working of active age” by Sarah Marchal and Linus Siöland

This paper for the first time compares trends in minimum income protection for three different target groups: the working, the non-working (but able to work) of active age and the elderly. It aims to provide an inventory of recent changes in minimum income protection, while at the same time highlighting differences in policy treatment in the latest decennium, offering an exploration of the potential concerns and reasoning behind benefit setting for different target groups. We use new data tracking minimum income protection generosity for the period 2009-2018, with indicators carefully calibrated in order to reflect the legally guaranteed minimum situation in each EU Member State.

The CIRCLE outputs appeared in Scientific Journals:

- The outcome of Task 1.3 (Revenue and distributive effects of pension tax expenditures), “Size and distributional pattern of pension-related tax expenditures in European countries” by S.Barrios, F. Coda Moscarola, F. Figari, L. Gandullia (CIRCLE WP n. 4), is forthcoming in the *International Tax and Public Finance*, doi: 10.1007/s10797-019-09580-7.

- The outcome of Task 2.2b (Cross-generational transfers) “Solidarity between generations in extended families. Direction, size and intensity”, by G. Verbist, G., R. Diris, F. Vandembroucke (CIRCLE WP n. 5) is forthcoming in the *European Sociological Review* doi.org/10.1093/esr/jcz052.

The documents can be found at <http://circle-cerp.carloalberto.org/category/output/>

CIRCLE Policy Brief n. 3

A summary of the research findings and recommendations from CIRCLE WP N. 5

<http://circle-cerp.carloalberto.org/circle-policy-brief-n-3/>

CIRCLE Policy Brief n. 4

A summary of the research findings and recommendations from CIRCLE WP N. 4

<http://circle-cerp.carloalberto.org/circle-policy-brief-n-4/>

Latest Paper Presentations

- The paper “A Simple Subgroup Decomposable Measure of Upward and Downward Income Mobility” has been presented by O. Cantó at the XXVI Encuentro de Economía Pública, Oviedo, January 2019; at an invited Seminar at the University of Vigo, April 2019
- The paper “Size and distributional pattern of pension-related tax expenditures in European countries” has been presented by F. Coda Moscarola at the Workshop “Pensions, housing and entrepreneurship. Hard choices between competing forms of wealth formation”, Collegio Carlo Alberto, Turin, June 2019

WORK IN PROGRESS

Pension reforms and intergenerational conflicts: What is the role of information and education strategies? (TASK 3.1: Information and education strategies to avoid intergenerational conflicts)

The aim of Task 3.1 is to explore the underlying reasons of this evidence and proposing strategies to help European countries avoiding intergenerational conflicts while facing challenging ageing process and weak public finance sustainability.

SHARE data are particularly convenient for this purpose for several reasons: first, focusing on the sample age-span that we want to explore, they ensure a particularly large sample size that is key to allow exploring the presence of heterogeneous effects over subgroups of the population. Furthermore, SHARE data contain important individual characteristics that are fundamental to control for in our analyses, in order to reduce at most the risk of omitted variable bias when estimating our relation of interest. In particular, information about household composition and characteristics, individual socio economic and marital status, labour market history, health status, preferences over retirement make SHARE particularly attractive to answer our research question.

The complexity and multidimensionality of the research question, however, required integrating the standard SHARE questionnaire with an ad hoc drop-off questionnaire to define our variables

of interest. To this purpose, the CIRCLE team, in collaboration with the SHARE central team and the SHARE national teams, devised a new drop-off questionnaire of the SHARE survey in Belgium, Italy and Spain. The drop-off questionnaire was pre-tested over the summer 2018 and refined accordingly.

After the pre-test, SHARE issued a field rehearsal in July 2019, which was analysed by the CIRCLE team. The official fieldwork is expected to end in July 2020, while the first release of the final data will be available by January 2021, with a delay with respect to the original planning. Given this delay, and the relevance of the data for our analysis and for the completion of Task 3, the CIRCLE partners have requested an extension of the project until October 2021.

We will use the SHARE data to produce the last part of the study - an analysis of the perceptions and comprehension that individuals have of the aims of the main welfare provisions and of their implications in terms of intergenerational relationships given the current demographic trends. This output is quite relevant under the policy perspective, as we intend to use it to propose strategies to help European countries avoiding intergenerational conflicts while facing challenging ageing process and weak public finance sustainability.

EVENTS

- **Workshop “Pensions, housing and entrepreneurship. Hard choices between competing forms of wealth formation”** (Collegio Carlo Alberto, Turin, 17-18 June 2019). The workshop, organized by CeRP-Collegio Carlo Alberto, fostered interaction between senior and junior researchers and included the presentation of papers linked with the CIRCLE research topics.
- Francesco Figari discussed (remotely) the progress and impact of the project work as well as the involvement of stakeholders in the meeting of the **JPI Progress Dialogue Meeting** held in The Hague on December 11, 2019.