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| Inequality by Demographic Factors  Findings from Individual-Level Cantonal Tax Data  Rudolf Farys  University of Bern  [**rudolf.farys@soz.unibe.ch**](mailto:rudolf.farys@soz.unibe.ch)  Oliver Hümbelin  Bern University of Applied Sciences  [**oliver.huembelin@bfh.ch**](mailto:oliver.huembelin@bfh.ch)  Extended Abstract prepared for the International Conference,  The Evolution of Economic and Social Inequalities in Switzerland (and Beyond): Exactly How and Why Inequality has Changed and with what Impacts,  University of Neuchatel, Switzerland  23-25 October 2014 |
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# Introduction

This paper examines how income inequality is affected by demographic factors or demographic change. A lot of inequality-research is done on processes affecting unequal wages (economic factors) or on redistribution (institutional factors), but there is little work on the effect of demographic change on income distribution, although this field is gaining increasingly attention.

Indeed the population of Europe is in change. The demography report 2010 published by EUROSTAT (2011) notes that Europe is becoming older, more numerous and more diverse. In Switzerland the picture is similar. Over the last 30 years population grew by 1.8 Million (STATPOP)[[1]](#footnote-1) and a central part of growth is due to Migration. On average the annual net migration since 1980 was ~28’000 (PETRA/STATPOP).[[2]](#footnote-2) At the same time there is a trend of people living more and more alone. The share of people living in one-Person Household tripled since 1980 (12%) (2012: 36% (VZ)).[[3]](#footnote-3) Furthermore like many Western Societies Swiss population is ageing. Indeed the share of people over 65 rose from 14% (1980) only to 17% (2012)(ESPOP/STATPOP) but estimating predict this share the be 24% in 2030 (SCENARIO).[[4]](#footnote-4) All this developments can be theoretically related to income inequality.

In particular the increase of one-Person household seems to increase inequality (Daly and Valleta 2006, Peichl et al. 2011, Grabka and Kuhn 2012). Because people live more often alone (marry later and divorce more often) people have to rely on their own earnings and don’t profit from within household sharing’s. But not only the rise of one-Person households matters. Fritschi and Bannwart (2013) show, that differences between households with and without children are raising, which can be a sign of new poverty risks. By doing that, they show the importance of subgroup inequality analyses.

Furthermore, the ageing of soceity is expected to lead to greater inequality. Already Mincer (1958) linked age to wages by showing, that the quality of performance on the job (and hence wages) is a function of formal training plus experience. Because both are measured in time unit’s wages are a function of age. Schellenbaur (2013) argues therefore, that in world where wages depend only on the age and are otherwise completely evenly, annual cross-section results lead to substantial inequality due to age differences within society. Von Weizsäcker (1996) goes a step further and argues that the ageing of a population is potential associated with increasing inequality by many potential channels. Kaufmann (2005), in turn, warns of raising between age-group differences by saying that the ageing of the population leads to a conflict between generations. He argues that this is a problem because the financial feasibility of social security is being tested.

Also migration can affect the distribution of income while no general mechanisms are identfied (Morris and Western 1999). We assume that it matters especially which segments and qualification Levels are affected. Immigration in low wages sectors can put additional pressure on low wages and therefore increase inequality, also Immigration of top earners from global businesses can lead to more inequality, but how immigration of general working population affects inequality is not easy to say.

When linking demography to inequality two inequality-relevant processes must be separated. (1) Demographic change can affect overall distribution. (2) Demographic change can lead to segregation, which fosters the need of between group analyses.

While we think that all three areas (age structure, household, migration) are worth of more investigations, we focus in this paper on the age structure and the change of households. Our central research questions are: Is overall inequality affected by demographic change? Do between group differences change over time, when looking at age groups and household types

# Data and Method

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## Überschrift 2

# Results

## Überschrift 2

### Überschrift 3

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##### Überschrift 5

# Summary and Discussion

# Literaturverzeichnis

**Literatureintrag**

*Autorname, Autorvorname, Buchtitel, Verlag, Ort, Ausgabe, Jahr* 7

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1. http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/07/blank/data/01.html [↑](#footnote-ref-1)
2. http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/07/blank/data/01.html [↑](#footnote-ref-2)
3. http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/04/blank/01/02/01.html [↑](#footnote-ref-3)
4. http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/02/blank/key/alter/gesamt.html [↑](#footnote-ref-4)