Due to the COVID-19 pandemic, the seminar will be held online via Zoom.

WIC Online Colloquium
Redistribution within the tax-benefits system in Austria

Tuesday, November 10th, 2020
15:00-16:00 (CEST)

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This study analyzes redistribution within the Austrian tax-benefit system. We take a comprehensive view and include not only direct taxation and cash benefits but also indirect taxes and in-kind transfers. We look at two kinds of redistribution: between households belonging to different income groups, and between generations, taking a life-cycle perspective.

We find that the inequality-enhancing effect of indirect taxes is more than offset by the inequality-reducing effect of in-kind benefits. The Gini coefficient increases from 0.24 to 0.26 due to indirect taxes, but when adding in-kind benefits, it is reduced to 0.23. The overall effect of both indirect taxes and in-kind benefits is therefore progressive. When looking at the impact of indirect taxes and in-kind benefits by generations, we find substantial redistribution in the current system. Our analysis highlights the importance of considering both indirect taxation and in-kind benefits, in a comprehensive analysis of the welfare state. Since in-kind benefits and indirect taxes can vary substantially across countries, both might have a substantial impact on cross-country comparisons of the redistributional impact of welfare states.

About the presenter
Michael Christl works as an Economic Analyst in the Fiscal Policy Analysis team at the Joint Research Centre (JRC) of the European Commission in Seville. Michael holds a doctoral degree in Social and Economic Sciences from the Vienna University of Business and Economics in the field of Empirical Economic Research. His research focuses on a wide range of topics related to the area of public finance and labour economics.

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