Three Essays in Financial Economics

In the past several decades, pension plans have become one of the most significant institutional influences on labor and financial markets in the U.S. In an effort to understand the economic effects of this growth, the National Bureau of Economic Research embarked on a major research project in 1980. Issues in Pension Economics, the third in a series of four projected volumes to result from this study, covers a broad range of pension issues and utilizes new and richer data sources than have been previously available. The papers in this volume cover such issues as the interaction of pension-funding decisions and corporate finances; the role of pensions in providing adequate and secure retirement income, including the integration of pension plans with social security and significant drops in the U.S. saving rate; and the incentive effects of pension plans on labor market behavior and the implications of plans on labor market behavior and the implications of plans for different demographic groups. Issues in Pension Economics offers important empirical studies and makes valuable theoretical contributions to current thinking in an area that will most likely continue to be a source of controversy and debate for some time to come. The volume should prove useful to academics and policymakers, as well as to members of the business and labor communities.

The Problems and Prospects Faced by Pay-as-you-go Pension Systems

This 2006 book introduces and develops the basic actuarial models and underlying pricing of life-contingent pension annuities and life insurance from a unique financial perspective. The ideas and techniques are then applied to the real-world problem of generating sustainable retirement income towards the end of the human life-cycle. The role of lifetime income, longevity insurance, and systematic withdrawal plans are investigated in a parsimonious framework. The underlying technology and terminology of the book are based on continuous-time financial economics by merging analytic laws of mortality with the dynamics of equity markets and interest rates. Nonetheless, the book requires a minimal background in mathematics and emphasizes applications and examples more than proofs and theorems. It can serve as an ideal textbook for an applied course on wealth management and retirement planning in addition to being a reference for quantitatively-inclined financial planners.
The Pension Crisis concerns the changing demographic profile of the economy: an increasing number of elderly persons supported by fewer young people. Governments around the world are responding to this impending crisis by shifting their pension policies away from pay-as-you-go systems towards individual savings schemes. These savings need to be converted into a pension at retirement, and annuities provide this function. This book is a comprehensive study of annuity markets. The book starts by outlining the context of public policy towards pensions, and explains the different types of annuities available, focusing on the UK which has the largest annuity market in the world. It examines how annuities are priced, and describes the techniques of mortality measurement. As a background, it provides a history of annuities, and the experience of annuity markets in a number of other countries. The book outlines the economic theory behind annuities, and explains how annuities insure consumers against longevity risks. It goes on to describes how annuities markets function: how they work, and whether they are efficient, leading onto a discussion of the annuity puzzle. The book concludes by discussing the regulatory framework, assets available to back annuity liabilities, and recent developments in annuity markets.

Pension Finance

"As a respond to economic and demographic changes, social security systems, all over the world, have been or are being reformed. Many countries have legislated and/or implemented measures to enhance the sustainability of their social security system. The main theme of this thesis revolves around such reforms. First, it presents and discusses a new and comprehensive dataset of pension reforms throughout the world. It further empirically and theoretically explores the determinants of pension reform measures. We find substantial evidence that the current state of the economy drives the likelihood of reform measures, and not the expected long-term demographic developments. Furthermore, we find that these determinants differ between OECD and non-OECD countries. Moreover, it empirically investigates the effects of pension systems and their reforms on voluntary household savings."---Samenvatting auteur.

Pension Economics

For anyone with an interest in pensions—workers and employers, personnel directors, accountants, actuaries, lawyers, insurance agents, financial analysts, government officials, and social scientists—this book is required reading. Now, without the aid of a pension specialist, anyone can determine how their particular pension plan stacks up against the average. Using virtually all available government sources (including computerized data unavailable in print) and their own extensive surveys, the authors present a comprehensive description of the structural features and financial conditions of U.S. private, state, city, and municipal pension plans. The introductions to the hundreds of tables explain and highlight the information. The picture that emerges of the "typical" plan and its significant variations is crucial to all those with a financial stake in pensions. The reader can compare pension vesting, retirement, and benefit provisions by plan type, plan size, industry, union status, and many more characteristics. With this information, workers can evaluate just how generous their employer is; job applicants can compare fringe benefits of prospective employers; personnel directors can judge their competitive edge. The financial community will find especially interesting the analysis of the unfunded liabilities of private, state, and local pension funds. The investment decisions of private and public pension funds and their return performances are described as well. Government officials and social scientists will find the analysis of pension coverage, the receipt of pension income by the elderly, cost-of-living adjustments, and disability insurance of special importance in evaluating the proper degree of public intervention in the area of old age income support. Pensions in the American Economy is comprehensive and easy to use. Every reader, from small-business owners and civil servants to pension fund specialists, will find in it essential information about this increasingly important part of labor compensation and retirement finances.
The Calculus of Retirement Income

This book, first published in 1997, offers up-to-date research about publicly regulated pensions for old age.

European Pensions & Global Finance

This book is an abridgement of Barr and Diamond's Reforming Pensions: Principles and Policy Choices (OUP, 2008). It begins with the introduction to the earlier book, includes the concluding chapters to the sections on principles and on policy choices and the concluding policy chapter to the book. It summarizes the Chile and China chapters into a section of five pages. It presents material from some of the boxes of the longer book. While the longer book remains as a definitive and detailed analysis of pension reform, this new, shorter book conveys the message and conclusions to policy makers, journalists writing for the general public, and students being introduced to social security and other pension policy. The topic being condensed and summarized here is described at length in the earlier book. It stems from rapidly changing economic conditions and dramatic increases in life expectancy. Newspaper headlines across the globe anticipate again and again a massive rupture of social security and retirement systems. With public fears on the rise, officials in many countries under pressure to solve problems quickly are turning their backs on traditional pay-as-you-go systems in favor of privately financed retirement plans. Barr and Diamond demonstrate that in the age of globalization these problems are no longer simply domestic problems. Because trade borders are becoming increasingly open and digital transactions are hastily erasing national economic boundaries, countries are no longer able to act independently in setting pension policies. These problems are particularly exacerbated in China, a state where massive restructuring of state-owned enterprises and comparatively recent dynamic entry into global markets have already taxed a system whose enormous burden is to support the retirement of the world's largest national population. The authors address these issues comprehensively in a thorough survey of pension economic principles and application to China.

Public Pension Economics

This book provides a secure grounding in the theory and practice of finance insofar as it deals with pension matters. By using it, the reader will understand the various types of investment assets; * the allocation of personal wealth to different asset classes * corporate pension finance * the financial aspects of defined contribution pension plans during both the accumulation and distribution phases * the financial aspects of defined benefit pension plans * the role of pension funds and pension fund management * pension fund performance measurement and attribution * risk management in pension funds

The Economics of Pension Reforms

Mortality improvements, uncertainty in future mortality trends and the relevant impact on life annuities and pension plans constitute important topics in the field of actuarial mathematics and life insurance techniques. In particular, actuarial calculations concerning pensions, life annuities and other living benefits (provided, for example, by long-term care insurance products and whole life sickness covers) are based on survival probabilities which necessarily extend over a long time horizon. In order to avoid underestimation of the related liabilities, the insurance company (or the pension plan) must adopt an appropriate forecast of future mortality. Great attention is currently being devoted to the management of life annuity portfolios, both from a theoretical and a practical point of view, because of the growing importance of annuity benefits paid by private pension schemes. In particular, the progressive shift from defined benefit to defined contribution pension schemes has increased the interest in life annuities with a guaranteed...
annual amount. This book provides a comprehensive and detailed description of methods for projecting mortality, and an extensive introduction to some important issues concerning longevity risk in the area of life annuities and pension benefits. It relies on research work carried out by the authors, as well as on a wide teaching experience and in CPD (Continuing Professional Development) initiatives. The following topics are dealt with: life annuities in the framework of post-retirement income strategies; the basic mortality model; recent mortality trends that have been experienced; general features of projection models; discussion of stochastic projection models, with numerical illustrations; measuring and managing longevity risk.

The Political Economy of Pension Policy Reversal in Post-Communist Countries

Without further reforms, pay-as-you-go pension systems throughout most of continental Europe face unsustainable financial imbalances as their population ages. Though this paper describes the Greek pension system, which will face especially severe financial strains, it sheds light on the pension problems of other continental European countries, as these countries' systems share many common features. The main focus of the paper is on the factors of the Greek pay-as-you-go system which result in its future unsustainability. Exacerbating the deteriorating demographics, the system is characterised by very generous pensions relative to contributions for the pre-1993 generation of workers, as well as other incentives/provisions to retire early. To highlight these facets, the study provides simulations of the generosity of different categories of individual pensions under different scenarios as well as projections of aggregate pension expenditures and revenues. It concludes with options.

Retirement, Pensions, and Social Security

Recently, policy debate and comparative research on old-age pensions have focused on the financial sustainability of pension systems in the face of demographic change. This study, however, also takes into account distributional effects involved in pension system structures. Theoretical, institutional and empirical analyses are combined to form a comprehensive framework for evaluating financial sustainability and distributional effects of the pension systems implemented in Germany and the United Kingdom. Along with projections of demographic trends and future public pension expenditure, the empirical results on old-age incomes and their distribution allow for identifying a number of reform options for each pension system to improve their financial or distributional results.

Modelling Longevity Dynamics for Pensions and Annuity Business

The book is the first of its kind to attempt to deal with the economics of pensions and ageing on the basis of a rigorous theoretical framework alternative to neoclassical economics. Sergio Cesaratto breaks the dominant conformism in the current pension debate and explains that the strength of the various reforms proposed depends on the validity of the economic theories on which they are respectively based. He also illustrates the relevance of the Sraffian criticism to undermine the theoretical core of the mainstream proposals. Academics and practitioners interested in the pension debate, welfare state, income distribution and institutions will find Pension Reform and Economic Theory of great interest, as will demographers, political scientists and mainstream economists open to dissenting views in economic analysis and interested in understanding the economic foundations of pension reform proposals.

Pension Design and Structure

This Palgrave Pivot provides a concise overview of pension systems which, whether
paid by governments or by private companies, are the sole source of income for millions of people around the world. By 2050, two billion elderly people will have to be ensured some form of income while, at the same time, the prospect facing younger generations is of a gloomy future. This book breaks down the jargon, investigates different designs and analyses these designs' effects on financial sustainability, their adequacy when it comes to level and replacement rates, and their effects on intra- and inter-generational distribution. The author provides also an overview of the historical, demographic and political issues connected with the pension debate. This book will be of interest to students and academics, and professionals involved in the pensions industry.

Pension Strategies in Europe and the United States

Mandatory pensions are a worldwide phenomenon. However, with fixed contribution rates, monthly benefits, and retirement ages, pension systems are not consistent with three long-run trends: declining mortality, declining fertility, and earlier retirement. Many systems need reform. This book gives an extensive nontechnical explanation of the economics of pension design. The theoretical arguments have three elements: * Pension systems have multiple objectives--consumption smoothing, insurance, poverty relief, and redistribution. Good policy needs to bear them all in mind. * Good analysis should be framed in a second-best context-- simple economic models are a bad guide to policy design in a world with imperfect information and decision-making, incomplete markets and taxation. * Any choice of pension system has risk-sharing and distributional consequences, which the book recognizes explicitly. Barr and Diamond's analysis includes labor markets, capital markets, risk sharing, and gender and family, with comparison of PAYG and funded systems, recognizing that the suitable level of funding differs by country. Alongside the economic principles of good design, policy must also take account of a country's capacity to implement the system. Thus the theoretical analysis is complemented by discussion of implementation, and of experiences, both good and bad, in many countries, with particular attention to Chile and China.

Essentials of Pension Economics

A crisis is looming for baby boomers and anyone else who hopes to retire in the coming years. In When I'm Sixty-Four, Teresa Ghilarducci, the nation's leading authority on the economics of retirement, explains how to confront this crisis head-on, revealing the causes behind the increasingly precarious economics of old age in America and proposing a bold plan to guarantee retirement security for every working citizen. Retirement is one of the hallmarks of a prosperous, civilized market economy. Yet in America today Social Security is on the ropes. Government and employers are dismantling pension security, forcing older people to work longer. The federal government spends billions in exemptions for 401(k)s and other voluntary retirement accounts, yet retirement savings for most workers is falling. Ghilarducci takes an unflinching look at the eroding economic structure of retirement in America--and what she finds is alarming. She exposes the failures of pension regulators and the false hopes of privatized Social Security. She tells the ugly truth about risky 401(k) plans, do-it-yourself retirement schemes, and companies like Enron that have left employees without any retirement savings. Ghilarducci puts forward a sweeping plan to revive the retirement-income system, a plan that will ensure that, after forty years of work, every American will receive 70 percent of their preretirement earnings, guaranteed for life. No other book makes such a persuasive case for overhauling the pension and Social Security system in order to provide older Americans with the financial stability they have earned and deserve.

Pension Reform

Europeans are living longer, and fewer now remain in the labour force as they grow older. Many European countries have responded to the ensuing financial pressure by
reforming their public pension systems and health care programmes. There is considerable uncertainty as to the effects of these reforms – as they typically do not alter the unfunded nature of public welfare arrangements and this uncertainty is itself costly. Not only does it undermine the credibility of public welfare programmes, but it may also distort labour supply behaviour, decisions regarding savings and capital accumulation. More generally there is uncertainty about the overall impact of ageing on welfare and society and the multiple domains in which its effects may develop. Pensions: More Information, Less Ideology builds on the existing evidence – mostly in the field of public pensions – and highlights the advantages that would be obtained by: harmonising methodologies used in the various countries to report pension outlays and forecast future pension liabilities or more generally public spending; defining common standards as to the frequency of expenditure forecasts and the length of the forecast horizons for welfare expenditures; developing European longitudinal survey of persons pre- and post retirement age, providing timely information on a wide array of decisions by individuals and household related to the ageing process and the ongoing trends.

Pension Systems

Pension fund benefits are crucial for pensioners' welfare and pension fund savings have accumulated to huge amounts, covering a major part of world-wide institutional investments. However, the literature on pension fund economics and finance is rather limited, caused, in part, to limited data availability. This book contributes to this literature and focuses on three important areas. The first is pension fund (in)efficiency, which has a huge impact on final benefits, particularly when annual spoilage accumulates over a lifetime. Scale economies, pension plans complexity and alternative pension saving plans are important issues. The second area is investment behavior and risk-taking. A key question refers to the allocation of investments over high risk/high return and relatively safe assets. Bikker investigates whether pension funds follow the life-cycle hypothesis: more risk and return for pension funds with young participants. Many pension funds are rather limited in size, which may raise the question how financially sophisticated the pension fund decision makers are: rather professionals or closer to unskilled private persons? The third field concerns two regulation issues. How do pension fund respond to shocks such as unexpected investment returns or changes in life expectancy? What are the welfare implications to the beneficiary for different methods of securing pension funding: solvency requirements, a pension guarantee fund, or sponsor support? This groundbreaking book will challenge the way pension fund economics is thought about and practiced.

The Economics of Pensions

Providing an overview of the future research challenges for economists and social scientists concerning population ageing, pensions, health and social care in Europe, this book examines how scientific research can provide cutting-edge evidence on income security and well-being of the elderly, and labour markets and older workers.

Suggestions for Research in the Economics of Pensions

Oliver Pamp analyzes the likelihood and extent of pension reforms from a political-economy perspective. It is shown that voters' preferences for or against reforms are influenced by a societies' demographic development, the generosity of its existing public pension scheme and its electoral system. The author extensively reviews existing formal models of pension systems, discusses their merits and limitations, and develops a three-period overlapping generations model. The model's insights regarding individual reform preferences are then put into the context of different electoral systems, thus emphasizing the important role of electoral institutions in the aggregation of societal preferences. Finally, using cross-national survey data, logit and ordered-logit analyses tentatively confirm some of the model's main
implications.

Ageing, Health and Pensions in Europe

First published in 1998, this volume was developed as part of the Stockholm Initiative and sets out to assess the situation of providing for retirement and pensions. In the wake of intense debate over pay-as-you-go pensions, Lawrence Thomson for the most part leaves social and cultural issues for subsequent analysis, instead examining the economic

Pensions in the American Economy

Handbook of the Economics of Population Aging, Volume 1B provides the economic literature on aging and associated subjects, presenting comprehensive portraits of both social and theoretical issues. As the second of two volumes in this series on the economics of population aging, it continues the discussion, delving deeper into topics such as the labor market and human resource issues, gerontology, history, and the sociological and political ramifications of this fascinating topic whose inception dates back to the late 1970’s. This volume includes literature that has appeared in general economics journals, in various field journals in economics, especially, but not exclusively, those covering labor market and human resource issues, information from interdisciplinary social science and life science journals, and data presented in papers by economists published in journals associated with gerontology, history, sociology, political science, and demography, amongst others. Presents comprehensive portraits of social and theoretical issues that can be used by both policymakers and scholars. Readers receive diverse perspectives on subjects that can be closely associated with national and regional concerns. Chapters offer comprehensive, critical reviews and expositions on the essential aspects of the economics of population aging.

Political Preferences and the Aging of Populations

American workers are retiring earlier, living longer, and receiving greater retirement benefits for each year out of the labor force than ever before, which has created serious financial pressures on the nation's Social Security system and generated an intense and often heated debate. This book places retirement in an economic context, calculating the income opportunities facing older workers at alternate retirement ages, and estimating how responsive retirement ages are to changes in income opportunities. It is the first book length study to combine evidence on private pension and Social Security institutions with econometric evidence on the determinants of retirement behavior, providing new empirical results that shed light on current policy issues. Retirement, Pensions, and Social Security reveals the importance of earnings, private pensions, and Social Security benefits compared to health, mandatory retirement, and other noneconomic factors in determining retirement patterns; the amounts of private pension and Social Security benefits that workers would receive at alternate retirement ages; the prospective budget sets facing potential retirees from ages 60 to 68; and variation across pension plans in the gains or losses from deferring retirement. It describes regression models showing that retirement patterns can be explained in part by the retirement income streams available at age 60 and by the gain in retirement income if retirement is postponed to age 65, and multinomial logit and ordered logit models which formulate the retirement decision in a utility-based framework while accounting for unmeasured preferences of individuals and nonlinearities in income opportunities. The book predicts the responsiveness of retirement ages and retirement incomes to reductions in Social Security benefits, using several different prediction methods including a new one published here for the first time. And it explains the differences in average retirement ages among workers in different pension plans in terms of differences in the economic rewards for deferring retirement and differences in workers' taste for income and leisure. Gary
Handbook of the Economics of Population Aging

"Drawing upon original research, the author considers the dimensions of the pending European retirement income funding crisis, noting the economic and political forces involved in debates over possible solutions; current country-specific models of pensions provision, making the connection between social security and supplementary pensions; the allocation of risks between individuals, markets, and institutions emphasizing the tensions between social solidarity and the market in France, Germany, the Netherlands, and the United Kingdom; and finally, the prospects for a pan-European approach to retirement income provision."--BOOK JACKET.

Older and Wiser

As pension fund systems decrease and dependency ratios increase, risk management is becoming more complex in public and private pension plans. Pension Fund Risk Management: Financial and Actuarial Modeling sheds new light on the current state of pension fund risk management and provides new technical tools for addressing pension risk from an integrated point of view. Divided into four parts, the book first presents the correct measurement of risk in pension funds, fund dynamics under a performance-oriented arrangement, an attribution model for monitoring the performance and risk of a defined benefit (DB) pension fund, and an optimal investment problem of a defined contribution (DC) pension fund under inflationary risk. It also describes a pension plan from a dynamic optimization viewpoint, the optimal asset allocation of U.S. pension funds, the identification of stakeholders’ risks, value-at-risk (VaR) methodology, and various effects on the asset allocation of DB pension schemes. The second section focuses on the effects of uncertainty on employer-provided DB private pension plan liabilities; wage-based lump sum payments by death, retirement, or dismissal by the employer; fundamental retirement changes; occupational pension insurance in Germany; and longevity risk securitization in pension schemes. In the third part, the book examines employers’ risks, accountability rules and regulations, useful actuarial analysis instruments, risk-based solvency regime in the Netherlands, and the impact of the 2008 global financial crisis on pension participants. The final part covers DB pension freezes and terminations of plans, the two-pillar social security system of Italy, the Greek social security system, the effect of a company's unfunded pension liabilities on its stock market valuation, and the returns of Spanish balanced pension plans and portfolio performance. With contributions from well-known, international academics and professionals, this book will assist pension fund executives, risk managers, consultants, and academic researchers in attaining a clear picture of the integration of risks in the pension world. It offers a comprehensive, contemporary account of how to handle the risks involved with pension funds.

Public Pension Economics

A collection of papers dealing with different aspects of public pension economics presents new approaches and new results from the frontier of economic research on this topic. The main subjects covered by the book are:• Intergenerational redistribution caused by public pension systems• Efficiency of pay-as-you-go schemes under certainty and general assumptions covering the “small open” and the “closed” economy as special cases• Interregional and intertemporal efficiency when harmonization of policies is attempted and

Labor's Capital
This examination of the 120-year-old American system of privatized social insurance reveals that the system fails to provide adequate retirement income security, its most prominent goal, and, in fact, its greatest influence is in supplying funds to U.S. capital markets.

Reforming Pensions: Principles and Policy Choices

"Public old-age insurance schemes in industrialized countries are facing serious financing problems as demographics have changed, retirement ages have decreased and benefits have increased. This book surveys the theoretical, empirical and political issues involved in explaining the evolution of such systems and their reforms, and presents a microeconomic analysis of the determinants of individual retirement decisions when consumers face flexible retirement schemes. A model of induced retirement behaviour (assuming actuarially fair benefit adjustments) is developed and analysed in detail. This model is then used in the analysis of consumer groups exhibiting different characteristics relevant to their retirement decisions."--Back cover.

Pension Reform and Economic Theory

Issues in Pension Economics

Occupational pensions are major participants in global financial markets with assets of well over $30 trillion, representing more than 40% of the assets of institutional investors. Some occupational pension funds control assets of over $400 billion, and the largest 300 occupational pension funds each have average assets of over $50 billion. The assets of UK pension funds are equivalent to UK GDP, and US pension fund assets are 83% of US GDP. These statistics highlight the importance of pension funds as major players in financial markets, and the need to understand the behaviour of these large institutional investors. Occupational pensions also play an important, but neglected, role in corporate finance. For example, US company pension schemes account for over 60% of company market value, and yet they are often ignored when analysing companies. This book is based on the substantial body of evidence available from around the world on a topic that has become increasingly important and controversial in recent years. Written for practitioners, students and academics, this book brings together and systematizes a very large international literature from financial economists, actuaries, practitioners, professional organizations, official documents and reports. The underlying focus is the application of the principles of financial economics to occupational pensions, including the work of Nobel laureates such as Merton, Markowitz, Modigliani, Miller and Sharpe, as well as Black. This book will give readers an up-to-date understanding of occupational pensions, the economic issues they face, and some suggestions of how these issues can be tackled. The first section explains the operation of defined benefit and defined contribution pensions, along with some descriptive statistics. The second section covers selected aspects of occupational pensions. The focus of these first two sections is on the economic and financial aspects of pensions, accompanied by some basic information on how they operate. This is followed by three further sections that analyse the investment of pension funds, the corporate finance implications of firms providing pensions for their employees, and annuities.

What Drives China’s Economy

"Pension systems are under serious pressure worldwide. This pressure stems not only from the well-known trend of population aging, but also from those of increasing heterogeneity of the population and increasing labour mobility. The current economic crisis has aggravated these problems, thereby exposing the vulnerability of many pension schemes to macroeconomic shocks. This book reconsiders the multi-pillar
pension scheme against the background of these pressures. It adopts an integral perspective and asks how the pension system as a whole contributes to the three basic functions of pension schemes: facilitating life-cycle financial planning, insuring idiosyncratic risks and sharing macroeconomic risks across generations. It focuses on the optimal balance between the various pension pillars and on the optimal design of each of the schemes. It sketches a number of economic trade-offs, showing that countries may opt for different pension schemes depending on how they react to these trade-offs"--

The Future of Multi-Pillar Pensions

The Economics of Pensions and Variable Retirement Schemes

This book, part of the Studies in Social Economics series, examines old age pensions in the United States. Alicia H. Munnell explores the factors that have influenced the growth of private pension plans.

Pension Fund Risk Management

The spectacular economic growth experienced by China since 1978 has often been hailed as the "China Miracle". Many economists have tried to understand the forces behind China’s phenomenal growth and the explanations can be divided into two broad schools of economic thought — one school of thought which includes Nobel Laureate Paul Krugman explains that market mechanism and deregulation led to China’s success, while the other school of thought which include Justin Yifu Lin, the former Chief Economist and Senior Vice-President of the World Bank, explains that China's growth miracle is a unique model to itself defined by the Chinese government’s prominent role. The Chinese government has been responsible in identifying and investing in industries that have contributed to economic growth. Some economists in the latter school even claim that the China Miracle cannot be explained by mainstream economics. This book examines both schools of thought and attempts to provide a synthesis of the two schools to explain the China Miracle. It looks at the Solow-Swan growth model, the Harrod-Domar model and transaction cost theory. It provides insights into whether and how China can sustain its growth and how developing countries may replicate China’s success.

Finance and Occupational Pensions

Leading economists analyze topical issues in pension policy, including structural reform of pay-as-you-go systems, the political sustainability of pension reforms, and the need for private, funded systems.

Pension Incentives and Sorting Effects

Why do governments backtrack on major policy reforms? Reversals of pension privatization provide insight into why governments abandon potentially path-departing policy changes. Academics and policymakers will find this work relevant in understanding market-oriented reform, authoritarian and post-communist politics, and the politics of aging populations. The clear presentation and multi-method approach make the findings broadly accessible in understanding social security reform, an issue of increasing importance around the world. Survival analysis using global data is complemented by detailed case studies of reversal in Russia, Hungary, and Poland including original survey data. The findings support an innovative argument countering the conventional wisdom that more extensive reforms are more likely to survive. Indeed, governments pursuing moderate reform – neither the least nor most extensive reformers – were the most likely to retract. This lends insight into the stickiness of many social and economic reforms, calling for more attention to which reforms are reversible and which, as a result, may ultimately be detrimental.
Economics and Ageing

This upper level textbook provides a coherent introduction to the economic implications of individual and population ageing. Placing economic considerations into a wider social sciences context, this is ideal reading not only for advanced undergraduate and masters students in health economics and economics of ageing, but policy makers, professionals and practitioners in gerontology, sociology, health-related sciences, and social care. This volume introduces topics in labour economics, including the economic implications of ageing workforces. It covers pension economics and pension systems with their macroeconomic and distributive effects, and the question of risk. Finally, it describes macroeconomic consequences of ageing populations on aggregate saving, inflation, international trade, and financial markets.

Annuity Markets

Employees are increasingly asked to make sophisticated decisions about their pension and healthcare plans. Yet recent research shows that the decisions 'real' people make are often not those of the careful and well-informed economic agent conventionally portrayed in economic research. Rather, decision-makers tend to operate with flawed information and make some of the most critical financial decisions of their lives lacking a full understanding of the options before them and the implications of their decisions. Pension Design and Structure explores the assumptions behind commonly-held theories of retirement decision-making, in order to draw out the consequences of frontier research in behavioral finance and economics for those interested in better design and structure of retirement pensions. Using large datasets newly provided by financial service firms and real-world experiments, this volume tests the hypotheses of this research. This is the first book to explore the implications of behavioral finance research for pensions and retirement studies. The authors blend cutting-edge research from several fields including Finance, Economics, Management, Sociology, and Psychology. The book will be of interest to pension plan participants and sponsors, financial service groups responsible for pensions, and retirement system regulators.

When I'm Sixty-Four

A collection of papers dealing with different aspects of public pension economics presents new approaches and new results from the frontier of economic research on this topic. The main subjects covered by the book are: - Intergenerational redistribution caused by public pension systems - Efficiency of pay-as-you-go schemes under certainty and general assumptions covering the "small open" and the "closed" economy as special cases - Interregional and intertemporal efficiency when harmonization of policies is attempted and

Pension Fund Economics and Finance

The Economics of Private Pensions

While not attempting to train readers as professional economists, this book aims to provide a secure grounding in the theory and practice of economics insofar as it deals with pension matters. From reading this book, the user will understand: * The key types of pension scheme * The role of pensions in maximizing individual lifetime welfare * The role of pensions in individual savings and retirement decisions * The role and consequences of the pension plan from the company's viewpoint * The role of pensions in promoting aggregate savings * The role of pensions and retirement in overlapping generations models * The economics of ageing and intergenerational accounting * The social welfare implications of pensions * The lessons of behavioural economics for pensions