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978-0-521-87740-4 - Uncertain Demographics and Fiscal Sustainability

Edited by Juha M. Alho, Svend E. Hougaard Jensen and Jukka Lassila

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Uncertain Demographics and Fiscal Sustainability

There is widespread acceptance that much of the developed world faces a potential pensions and welfare crisis as a result of declining birth rates and an ageing population. However, there is considerable uncertainty about the specifics of demographic forecasting and this has significant implications for public finances. *Uncertain Demographics and Fiscal Sustainability* addresses the economic consequences of uncertainty and, with particular reference to European economies, explores the impact of demographic risks on public finances, including pension systems, health care and old-age care expenditures. Covering a spectrum of theoretical and empirical approaches, different types of computational models are used to demonstrate not only the magnitudes of the uncertainties involved but also how these can be addressed through policy initiatives. The book is divided into four parts covering demographic, measurement, policy and methodological issues. Each part is followed by a discussion essay that draws out key elements and identifies common themes.

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Preface

This book arose from two research projects, ‘Demographic Uncertainty and the Sustainability of Social Welfare Systems’ (DEMWEL) and ‘Uncertain Population of Europe’ (UPE).

DEMWEL was carried out between January 2003 and March 2006 by research teams from the following nine institutes: CEBR, the Centre for Economic and Business Research, Copenhagen, Denmark; CEPIL, Centre d’Etudes Prospectives et d’Informations Internationales, Paris, France; CEPS, the Centre for European Policy Studies, Brussels, Belgium; CPB, the Netherlands Bureau for Economic Policy Analysis, The Hague, The Netherlands; ETLA, the Research Institute of the Finnish Economy, Helsinki, Finland; FEDEA, Fundacion de Estudios de Economia Aplicada, Madrid, Spain; FPB, the Belgian Federal Planning Bureau, Brussels, Belgium; NIESR, the National Institute for Economic and Social Research, London, UK; and the University of Würzburg, Germany.

DEMWEL utilized results produced in UPE. The latter ran from September 2001 to August 2004 and was carried out by researchers from the Central Bureau of Statistics, The Netherlands; the Central Bureau of Statistics, Norway; NIDI, The Netherlands; Statistics Finland; and the University of Joensuu, Finland.

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