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 labor 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.

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The Future of Multi-Pillar Pensions

Edited by

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