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Edited by Lans Bovenberg, Casper Van Ewijk and Ed Westerhout

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## *The Future of Multi-Pillar Pensions*

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.

LANS BOVENBERG is Professor of Economics at Tilburg University. He founded the research network Netspar (Network for Studies on Pensions, Aging and Retirement).

CASPER VAN EWIJK is Professor of Economics at the University of Amsterdam and Deputy Director of CPB Netherlands Bureau for Economic Policy Analysis.

ED WESTERHOUT is project leader of the Netspar theme “Multi-pillar Pension Schemes and Macroeconomic Performance” at CPB Netherlands Bureau for Economic Policy Analysis.

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*Contributors*

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Roel Beetsma	University of Amsterdam
Leon Bettendorf	CPB Netherlands Bureau for Economic Policy Analysis
Zvi Bodie	Boston University
Henning Bohn	University of California, Santa Barbara
Lans Bovenberg	Tilburg University
Jeffrey Brown	University of Illinois, Urbana-Champaign
Alessandro Buccioli	University of Verona
Richard Hinz	The World Bank
Thijs Knaap	APG Asset Management
Theo Nijman	Tilburg University
Henriëtte Prast	Tilburg University
Casper van Ewijk	CPB Netherlands Bureau for Economic Policy Analysis
Ed Westerhout	CPB Netherlands Bureau for Economic Policy Analysis
Asghar Zaidi	European Centre for Advanced Research in Economics and Statistics (ECARES), Brussels