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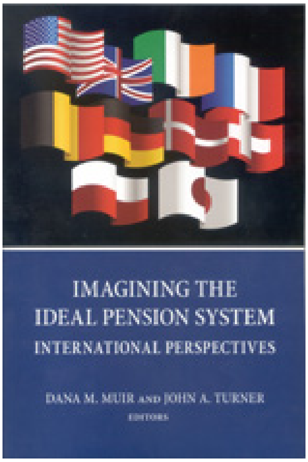
Constructing the Ideal Pension System: The Visions of Ten Country Experts



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Constructing the Ideal Pension System

The Visions of Ten Country Experts

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At a time when many countries have aging populations and economies continue to struggle in the aftermath of the global financial crisis, the improvement of pension systems is especially important. Pensions often are critical in preventing retirees from living in poverty. Pensions enable older workers to retire. In order for retirees and workers to rely on pensions, the funding and administration of those pensions must be affordable and sustainable for workers, business, and society.

The theme of the 2010 conference of the European Network for Research on Supplementary Pensions (ENRSP or the Network) was an exploration of how and why the image of the ideal pension system differs across countries. The organizers recognized that views on the ideal pension system for a country may evolve in reaction to changes in the economic and demographic environment. The conference recognized the importance of the various long-run goals that different actors have for the pension system. The conference focused on country-by-country studies. It was expected that the conference authors would have very different approaches to thinking about the characteristics of the ideal pension system, and the authors did not disappoint.

This introductory chapter begins with a brief overview of the country studies. By necessity this overview omits much of the nuance of the chapters—the goal is to provide a short explanation of each country's pension system and summarize the reforms proposed by the author of the country study.

The summaries are intended to establish some background for the second section of this chapter in which we address some broad themes drawn from the country studies. We consider the authors' views on the importance of culture in explaining differences in approaches to pension issues. We also reflect on four primary goals for any pension system:

1) coverage of the population so that pensions are broadly available,
2) risk sharing so that the many risks inherent in any pension system are appropriately shared,
3) adequate benefits to meet the country's goal of sufficient retirement standards, and
4) approaches to respond to increases in longevity.

Given our backgrounds, we view the complex pension systems described in this chapter through a U.S. lens.

To decrease the confusion that results from using different terms for essentially similar pension concepts, we adopt U.S. terminology in this chapter and throughout the rest of the book, even when different terminology would typically be used elsewhere in the world. So, for example, pension schemes (British terminology) are referred to here as pension plans or pension systems. And the government-administered portion of a country's pension system is typically referred to as social security.

NORTH AMERICA

United States, John A. Turner and Dana M. Muir

The U.S. pension system is the only North American system covered in this book because, given the focus of the Network, the emphasis is on European pension systems. The U.S. and Japanese systems are included in the volume as points of comparison and discussion.

The U.S. pension system requires nearly all workers to participate in the social security system, which provides a defined benefit pension to workers who meet minimum criteria. In addition, the U.S. provides tax incentives for employer-sponsored pension plans, which may be defined benefit or defined contribution plans, and for individual retirement savings in accounts such as Individual Retirement Accounts (IRAs). The social security plan is the only mandatory plan. Sponsorship of defined benefit or defined contribution plans by employers is voluntary, as are individual savings accounts. Employer-sponsored plans have been heavily regulated since 1974. In spite of various incentives intended to increase coverage of employer-sponsored plans, however, coverage rates have never exceeded much more than 50 percent.

Numerous interest groups recognize that planned and potential reductions in the social security system, limited coverage of employer-sponsored plans, poor uptake of individual plans, and the transition from defined benefit to defined contribution plans means that the U.S. pension system needs reform. Turner and Muir briefly discuss some of those proposals, which advocate very different approaches. Turner and Muir conclude that the importance of individual freedom in U.S. culture means that the voluntary nature of the employer-sponsored pension system should be retained. Still, Turner and Muir believe that the current system can be modified to enhance coverage, better allocate risks, and increase adequacy of benefits. As an example, they advocate measures, including changes in tax and funding rules, that would help equalize the attractiveness to employers of defined benefit and defined contribution plans. One example is a recommendation to permit employee tax-deductible contributions to defined benefit plans. They also suggest that the demographic issue of an aging population that is so costly to employer-sponsored defined benefit plans could be addressed in part by reallocating some of the demographic risks. The plans could retain the idiosyncratic risk of longer than average life expectancies for individual workers, while the cohort risk could be shifted to plan participants as a group.

EUROPE

Although the eight European countries studied in this volume (except Switzerland) all are members of the European Union (EU), the pension systems vary considerably in terms of structure, coverage, risk sharing, adequacy, and approach to increasing longevity.

United Kingdom, Bryn Davies

The United Kingdom (UK) has a two-part mandatory pension system administered by the government (social security) that in combination applies to all employees, is earnings related, and provides a defined benefit pension. A move is under way to transform the earnings-related benefit to a flat-rate benefit (not related to earnings but increasing with years of contributions) and to increase the retirement age. The United Kingdom also has a system of voluntary employer-sponsored pension plans, which may be either defined benefit or defined contribution plans. Beginning in 2001, most employers that do not offer a pension plan meeting minimum standards must designate what is known as a "stakeholder" plan to receive employee contributions from those employees who wish to contribute, although neither employers nor employees are required to contribute to these plans. The UK pension system, other than the social security pension, essentially remains a voluntary system of defined benefit or defined contribution plans where risks are borne almost completely by the employer or the employee depending on the type of plan.

Davies advocates a four-part system. The first two parts would be mandatory systems administered by the government (social security). Together they would provide a flat-rate benefit at 60 percent of median household income for a single person and an additional amount depending on the individual's lifetime earnings. In addition, Davies proposes an incentivized pension at the occupational or other collective level. The combination of this collectively based earnings-related pension and the social security benefits would provide individuals with a pension that would meet the target replacement ratio. Finally, Davies's proposal calls for a fourth component for individuals who desire a more generous pension. The government would facilitate that component through regulation but would not necessarily encourage savings into that component.

Ireland, Gerard Hughes and Jim Stewart

Ireland's pension system has a mandatory government-administered pension (social security) that is paid as a flat-rate defined benefit. It has an additional two-part system for private sector employees. Employers may provide either defined benefit or defined contribution plans for their employees. The trend has been for employers to shift their sponsorship from defined benefit to defined contribution plans. Individuals not covered by an employer-sponsored pension plan may establish an individual pension plan. Over the past 10 years, the pensioner poverty rate has been volatile. In recent years, the social security benefit has increased more quickly than workers' earnings, and the at-risk-of-poverty rates for pensioners decreased to slightly more than 11 percent in 2008.

Hughes and Stewart propose a universal social security system that would further decrease or eliminate the risk of poverty for pensioners in Ireland. They show that the current social security system provides most of the income for most pensioners, and only those in the top quintile of the income distribution derive a significant portion of their total pension income from an employer-sponsored or individual pension plan. Hughes and Stewart advocate decreasing the tax relief for employer-sponsored and individual pension plans and suggest reallocating those resources into the social security system to improve that system's ability to support pensioners in an equitable and sustainable manner.

Denmark, Finn Østrup

The government of Denmark administers a universal social security pension system that provides defined benefits. Also, the Danish pension system includes employment-based defined contribution plans that cover nearly all employees. These plans arise from centralized wage agreements or company policies and have guaranteed minimum rates of interest. In addition, workers are encouraged to participate in personal pension plans by tax incentives.

In addressing risks to pensioners, Østrup observes and criticizes the political uncertainty in the Danish pension system. He explains multiple instances where the government of Denmark has changed the taxation of plan benefits and sought to use pension plan assets to fund business enterprises, including troubled financial institutions in 2008. Østrup points out that, compared to other industrial countries, Denmark has a very low household savings rate. Østrup also concludes that the complexity of the Danish pension system results in a lack of transparency. After detailed analysis comparing funded and unfunded pension systems as well as defined benefit and defined contribution benefit structures, Østrup concludes that there is no single optimal pension system. In his view, optimality in a pension system depends on the broad spectrum of goals of the pension system, including not just income replacement after retirement but also effects on labor supply and financial markets.

Germany, Markus Roth

Germany has the oldest social security system in the world. It provides an income-related defined benefit. It also has a voluntary system of pensions that is made up of employer-sponsored plans and individual pensions, but that system is moving from an employer-sponsored system to one that has elements of employee financing. The voluntary system covers approximately 60 percent of the German workforce but often provides only a small benefit. New forms of plans have been introduced in Germany, such as a defined benefit with a guaranteed return.

Roth observes that the German law on both individual and occupational pensions needs to be systematized. His view is that defined benefit plans are not categorically more appropriate than defined contribution or hybrid plans for individual and occupational pensions. Roth advocates use of a pension protection triangle and a loyally administered separate fund to model protective principles. Roth's pension protection triangle is formed by consideration of exit (termination of a pension contract), voice (consultation), and guarantees. He makes a number of specific suggestions to improve Germany's occupational pensions, including recommending the use of automatic enrollment in defined contribution occupational pension plans.

Belgium, Kim De Witte

Belgium's pension system has a mandatory government-administered component (social security) that covers all workers, is income-based, and is paid as a defined benefit. In addition, employers may, but are not required to, sponsor defined benefit or defined contribution plans for their workers. Approximately 60 percent of workers are covered by a work-related pension plan. Many of these plans are industry-wide plans that arise from collective bargaining rather than plans that are sponsored by individual employers. One somewhat unusual provision of Belgium's pension regulation is a requirement that defined contribution pensions include a minimum guarantee rate, currently 3.25 percent for employer contributions and 3.75 percent for employee contributions. Finally, in addition to the social security and work-based pension plans, Belgium permits voluntary individual pension savings arrangements on a defined contribution basis.

After discussing the shortcomings of the current pension system in Belgium, De Witte explains the reform proposals advocated by the main social and political groups. De Witte then develops a comprehensive set of criteria to evaluate the reform proposals and evaluates various approaches to pension accrual against the broad categories of

- degree of redistributive solidarity,
- scope of risk sharing, and
- protection of pension rights.

Each of these broad categories is defined by subcategories. So, for example, longevity is an explicit factor in the scope of risk sharing category and an implicit factor in the protection of pension rights category through subcategories that differentiate between lump sum and annuitized benefit entitlements. De Witte advocates an ideal system for Belgium that would include a social security benefit of 60 percent of final salary and an additional amount of up to 15 percent (for a maximum total of 75 percent of final salary) from tax-incentivized individual or work-related pensions.

France, Lucy apRoberts and Pierre Concialdi

The French pension system is a government-administered mandatory system that covers all private sector workers by providing a means-tested minimum pension and work-related pensions as defined benefits (social security). Fewer than 8 percent of retirees receive the minimum means-tested benefit. Mandatory work-related supplementary plans provide about one-third of the pension benefits received by the average retiree. The supplementary work-related plans are organized along occupational lines, but the plans have been increasingly consolidated. The replacement rate achieved by the French system is among the highest in Europe.

apRoberts and Concialdi preface their discussion of prospective changes in the French social security system with a concise history of the development of the current system. They then take issue with the French government's projections for the future of the country's pension system and state that the government believes that it is not possible to increase pension contributions. apRoberts and Concialdi believe that the cumulative nature of the many changes that have taken place in the French pension system will, if left unchanged, result in drastically reduced pensions in the future. They argue that the French social security system can and should be reinforced to receive increased revenues and pay appropriately generous benefits. They also point out the linkage between full and well-paid employment and levels of retirement income security. In any pension system with a work- and income-based pension component, unemployed and underemployed individuals will not earn the pension benefits they would in a system of full employment with well-paid jobs.

Switzerland, Matthieu Leimgruber

Switzerland has two mandatory components to its pension system and a voluntary third component. The Swiss government administers a mandatory social security plan that covers all workers and pays earnings-related defined benefits. In addition, the mandatory work-related benefit plans cover approximately 90 percent of the workforce and constitute an increasingly large proportion of the expenditure in Switzerland on pensions. Coverage by this component of the Swiss system is less than universal because there is a wage floor, which results in the exclusion of low-wage and temporary workers. The work-related plans are required to provide a minimum guaranteed return on invested assets. The third component of the Swiss pension system is made up of voluntary individual pensions.

Leimgruber engages in a historical analysis of the Swiss pension system, concentrating on the work-related pensions that have attracted significant controversy in recent years. He argues that specific pension reforms that may appear merely technical matters must be understood in the larger context of the multiple components of the Swiss pension system and the dynamics that affect that system. In early 2010, Swiss voters rejected a proposal that would have reduced those benefits. Leimgruber observes that the development of the mandatory work-related pension system was designed in part to improve the levels of pension benefits and in part to discourage the enhancement of the social security system. He explains the important role he believes that business forces, including the providers of pension investments and services, such as life insurers that provide group pension contracts, have played in the structure of the Swiss pension system. Leimgruber expects that the work-related component of pensions will become increasingly important in debates over the provision of pensions.

Poland, Marek Szczepański

The pension system in Poland underwent significant reform in 1999, resulting in two side-by-side systems. Szczepański addresses only the structure of the pension system as it applies to individuals who were below age 30 at the time of the reform. The government of Poland administers a mandatory notional defined contribution system (social security). A second component provides funded defined contribution benefits and a third component that is voluntary also is defined contribution. The pension system is made up of both work-based pension plans and individual pension plans. The voluntary third component covers only about eight percent of the workforce. Szczepański concentrates his analysis on the problems associated with the voluntary defined contribution component of the Polish pension system. He establishes an analytic framework that divides the barriers for development of the occupational portion of the voluntary component into exogenous and endogenous factors. He further divides exogenous factors into variables of institutional or noninstitutional character. Szczepański divides the endogenous factors into employer- and employee-related variables. He concludes with specific recommendations for improving pension coverage, improving adequacy of pension benefits, and mitigating both financial market and longevity risks. For example, he suggests that workers could be automatically enrolled, with an opportunity to opt out, into voluntary work-based plans to increase coverage. To increase the adequacy of pension benefits, he suggests equalizing the statutory retirement age of women with the retirement age for men, which currently is 65. Finally, he observes the importance of limiting fees and charges in a defined contribution system.

ASIA

Japan, Noriyasu Watanabe

Understanding the Japanese pension system provides context for the views of the European contributors to this volume. Japan administers a compulsory earnings-related pension plan paid as a defined benefit that supplements the basic pension, also provided through the government (together forming social security). Two different types of work-related pension plans may be established by employers. Both types are defined benefit and played an important role until 2001, when pension reform first permitted defined contribution plans, amended work-related pension systems, and introduced a new corporate defined benefit plan. The new defined contribution plans may be either work related or set up by an individual.

Watanabe's analysis shows a number of weaknesses in the 2001 reform. For example, he notes two problems with defined contribution plans. First, Japan does not have the strict fiduciary responsibility regulations that are important in maintaining the integrity of any defined contribution system. Second, the lack of transparency and fairness in the Japanese financial markets is dangerous for defined contribution plans. Watanabe particularly criticizes the past approach to corporate pension policy for its concentration on addressing minor technical issues instead of the broader structural issues. His recommendations include a call for greater understanding of the importance of strong employee welfare systems in contributing to profitable corporations and the role for pension plans in those systems. Among other recommendations, he also calls for a full review and reconstruction of all social security systems in Japan.

BROAD THEMES DRAWN FROM THE COUNTRY STUDIES

Although the country studies are intended to stand alone, in this section, we draw some broad themes from the country studies. One of the many advantages of the Network is the ability to exchange ideas on common approaches, issues, and solutions. Similarly, the Network provides a forum for respectful professional debate and disagreement.

Importance of Culture in Explaining Differences in Approaches

Underlying pension systems is a complex web of cultural considerations. Those considerations may affect the technical choices of a pension system, and they may also affect the broader policy goals that are inherent in the structure of pension systems. A careful reader will see, sometimes explicitly, but more often implicitly, the effect of culture on the various country systems studied here.

For example, Turner and Muir believe that the high priority placed on individualism in U.S. culture should constrain the mandates imposed on U.S. employment-based and individual retirement plans. In contrast, in Watanabe's study of Japan, he observes the importance of the large number of companies that have been in business for hundreds of years. This pattern of business longevity is often attributed to harmony between a company and its employees (as well as between the company and its customers and society) and a history of lump-sum severance payments that dates from the seventeenth century. The importance placed on the relationship between a company and its current and past employees can be seen in Watanabe's recommendation that stable employee welfare systems, particularly pension plans, contribute to corporate profitability.

These cultural norms of individualism in the United States and of corporate responsibility in Japan stand in stark contrast with the current and ideal systems discussed in some of the European country studies in which government programs are recognized as being the primary route to reliable and reasonably generous pensions. In France, the government plays the primary role in the provision of pension benefits. The mandatory defined benefit pensions provided through the programs of the French government, combined with marginal employer-provided and individual pensions and property income, provide a standard of living for pensioners equivalent to that of other French households. apRoberts and Concialdi argue that the French system of governmental pension provision should be retained and cutbacks that have occurred over time should be rescinded.

Similarly, Hughes and Stewart show that the government-provided social security pension in Ireland provides the largest share of income for households headed by a person aged 65 and over. Not only are government-provided pensions viewed as an acceptable source of pension income in Ireland, Hughes and Stewart argue that resources from the current tax support of nongovernmentally provided pensions should be shifted to government pensions because it would result in a fairer and sustainable pension system.

Even in the United Kingdom, which perhaps has the closest historical and cultural position to the United States among the countries considered in this book, the Pension Commission suggested in 2005 that the government should provide a flat-rate pension at a level that would prevent pensioner poverty. The Pension Commission then suggested an opt-out earnings-related pension for the next supplemental tier of the pension system. The findings to date of behavioral economics teach us that in operation an opt-out system comes very close to being a mandatory system. Davies goes even further and argues that second tier earnings-related pensions should be mandatory.

In contrast with these other European countries, Szczepański argues that Poles do not want to rely on the government of Poland exclusively for pension provision in part because of historical experience. In 1999, Poland put into effect a complicated new pension system, leaving in place the old system for individuals who were aged 50 or older on the date of implementation. The new individual and work-related pensions authorized and encouraged by that reform have not resulted in significant rates of coverage by those plans. The Polish people, thus, appear to have become skeptical of relying too heavily on government involvement in the pension system.

In addition to the European cultural acceptance of a larger role of government in pension provision than in the United States, solidarity is also an important norm in many European countries. This norm can be seen in the Belgian system. Solidarity across workers is reflected in the industry-wide pension plans that cover approximately 60 percent of the workforce in Belgium. De Witte identifies three types of redistributive solidarity and categorizes alternative types of pension accrual, in part, according to the type of redistributive solidarity provided. Ultimately, redistributive solidarity is one of the evaluative criteria De Witte suggests be used in identifying an ideal pension system for Belgium. Davies states that some redistribution is appropriate for pension systems and that it plays an especially important role in pensions for women because of their lower average wages.

Insights on Specific Topics

Improving coverage

Although widespread pension coverage through nongovernmental pension programs is not unheard of, most of the countries studied in this book have voluntary employment-based pension systems that achieve only moderate levels of workforce coverage. Switzerland, however, mandates work-based pension systems and has achieved coverage of about 90 percent of its workforce. The exceptions are low-wage and part-time workers because the Swiss mandate has a wage floor. Belgium also appears to have one of the strongest systems of workplace pension provision. De Witte attributes its high coverage rate at least in part to the fact that many of the plans are industry-wide collectively bargained plans.

In contrast to Switzerland and Belgium, less than half of Irish retirees over age 65 reported receiving a work-related pension. Poland is an even more extreme example of the low end of the coverage spectrum—only 2 percent of workers are covered by work-related pension plans. The country experts appear to be in general agreement that there are three ways to increase coverage rates in work-related pensions. Pension systems could do three things:

1) make work-related pension provision mandatory,
2) make participation in work-related pensions the default with an opt-out opportunity, or
3) increase the incentives for sponsorship and participation in work-related pensions.

A number of countries, including Ireland and the United States, have tried the third approach (i.e., tax incentives) for a number of years. The problems observed with this approach include that tax incentives are of less value to lower paid workers than to higher paid workers and that lower paid workers have less disposable income to contribute to retirement plans.

Not surprisingly, then, given the cultural norms against mandates in some countries, multiple country experts suggest that the second approach, that of coverage defaults with opt-out opportunities, could be an appropriate way to increase pension coverage. Interestingly, this approach is suggested in countries that have quite different pension systems and cultural histories. For example, Szczepański believes that defaults may be useful in Poland, and Turner and Muir make a similar suggestion for the United States. Turner and Muir also acknowledge, though, that there is a danger in defaults in the United States because the system permits distributions from plans for hardships or when workers change employers. If individuals are not committed to pension savings, they may decide to take early distributions, even though they are penalized by the U.S. tax system.

Sharing risks

The global financial crisis reinforced the importance of risk in pension systems. All of the country experts raised concerns about a broad spectrum of risks. The global financial crisis highlighted the risk that an employer might voluntarily, or upon its bankruptcy, terminate a defined benefit plan, resulting in reduced benefits for current or future retirees. In defined contribution plans, the decline of financial markets has resulted in lower account asset levels and dropping interest rates.

Financial market risks and reform proposals related to the benefits provided by defined benefit and defined contribution plans are somewhat difficult to categorize because, in part, they are specific to the details of a country's pension system. Nuances that are important in a given country are lost as this summary becomes quite general. As an example, the United States, the United Kingdom, Germany, and Japan are the only countries with a formal insurance program for defined benefit plans, and those programs decrease the employee risk of employer bankruptcy in those countries. But other countries widely use insurance contracts that are quite stable to prefund work-based defined benefit plans, and these contracts also reduce plan risks. Roth discusses the use of book reserves recorded on a company's balance sheet in lieu of a separate fund for occupational pensions in Germany. This is changing as German companies, especially large ones, revise their approach to meet international accounting standards.

Financial market risks are not the only pension plan risks observed. Both Szczepański and Watanabe suggest that financial market regulations in their respective countries, Poland and Japan, are insufficient to appropriately protect individuals who depend on defined contribution plans for their pensions. Szczepański and Østrup note that a history of governmental amendment or proposed amendment of pension regulations in Poland and Denmark, respectively, imposes risks on the pension systems. Szczepański explicitly recognizes the skepticism of Poles toward government policymakers and states it is a source of Poles' preference not to be entirely dependent on a government-provided pension system. apRoberts and Concialdi discuss the series of technical changes made by the French government to its pension system that are projected to significantly reduce future pensions. They counter this risk by arguing that the governmental system is the safest and most appropriate choice for France, but that it needs to be restored to prior levels. Relating to the political risks affecting benefit levels, Leimgruber recounts the recent rejection by Swiss voters of provisions that would have decreased pension benefits.

Providing adequate benefits

Most if not all of the country studies discuss the question of how much pension is required to provide adequate benefits. In accordance with traditional concepts in pension policy, most country experts write in terms of replacement income. That, of course, simply rephrases the real question as: what level of replacement income is necessary to provide adequate benefits? The authors consider the answer to that question as a percentage, often relying on policy documents or studies in their home countries to set an approximate appropriate standard. Davies's discussion for the United Kingdom is reasonably indicative. He looks to World Bank policy and a 2004 UK Pensions Commission report to conclude that replacement rates should be between 65 and 75 percent for those earning median incomes. In the proposed system, replacement percentages would be set to provide higher percentages for low-income earners, and there would be a flat-rate floor to prevent pensioner poverty. Østrup, in comparison, approaches the question from the perspective of the goals of the pension system and Danish culture. He points out that consumption goals in retirement may be highly individualized, may depend on a standard of living relative to a reference group such as those who practice the same profession as the retiree, or may depend on the standard of living the retiree enjoyed while employed.

Even to the extent that country experts agree as a general matter with this approach, they do not necessarily agree on how to calculate the replacement percentages and what should happen after the pension begins. Should replacement percentages be determined on the last wage earned, or should there be some averaging of earnings over a preretirement period? And, if the pension is indexed once payments begin, how should that indexation occur? apRoberts and Concialdi argue that France's change from indexing to current wages to indexing to current prices will result in lower pension payments and will deprive French retirees of their fair share of gains in labor productivity.

Responding to increased longevity

Increased longevity may affect pension plans on the previously discussed aspects of dimensions of risk and provision of adequate benefits. From a risk standpoint, in a defined benefit plan where the pensioners outlive the expectations under which the plan was funded, costs will be higher and additional funds will need to be contributed to the plan. In an unfunded defined benefit plan, costs similarly increase, perhaps beyond the ability or willingness of the funding entity to maintain the plan and benefits. In a government-funded plan, this may raise the specter of political risk. And, if indexation is insufficient, pensioners receiving defined benefits will see their pension income whittled away by inflation.

In a defined contribution plan, the risk is that an especially long-lived pensioner might outlive the account assets even if the pensioner is reasonably conservative in making account withdrawals. That, of course, overlaps with adequacy risk. Similarly, since many defined contribution plans permit benefits to be paid as a lump sum, pensioners may have the choice to be the opposite of conservative, resulting in a decreased or completely exhausted pension in later years.

Turner and Muir offer a proposal to help counter the longevity risk of increased defined benefit plan costs. They suggest that U.S. law be amended to permit defined benefit plans to shift the cohort risk to plan participants, who are better able than employers to bear that risk. They observe that the idiosyncratic risk of longer-than-average life expectancies should remain on the plan, which is better able than individuals to bear that particular risk.

CONCLUSION

In this chapter we briefly summarized the pension systems of the countries studied as well as examined some of the most significant themes that we observed in the studies. We provide these summaries not as a digest of all of the important ideas that can be drawn from the individual chapters, because the country experts provide a wealth of insights and thoughts about the ideal pension system for each of their countries. Instead, we hope the themes provide a basis for our readers to delve deeper into this book and a platform to compare the proposals and perspectives of this group of pension experts.

Imagining the Ideal Pension System

International Perspectives

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