Never Ending Issue Contribution? or Tax?

Comment on "Social Pension and Public Finance" by Alain Jousten

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1. Approaches for Integration in OECD

	Income smooth Safety net	Public, Social Insurance	Private, mandatory or voluntary
Public assistance	General	Japan	
	Specialized for the old	Germany France	UK USA
Universal pension	Minimum guaranteed	Sweden	
	Basic flat	Canada	Australia, NZ, Netherlands

2. Resources and Performances (1)

	65+ 2000 %	65+ 2050 %	GDP per cap 2005 US$	P. exp Public,2003 %o of GDP	P. exp Priv&Vol %	P. exp Total %
Australia	12.4	25.7	34,240	4.752	3.030	7.782
Canada	12.6	26.3	34,058	4.835	4.190	9.025
France	16.1	26.2	30,266	12.378	0.611	12.989
Germany	16.4	29.6	30,777	12.335	0.792	13.127
Japan	17.4	38.2	30,842	8.543	3.140	11.683
Netherlands	13.6	21.8	35,120	7.555	3.666	11.229
New Zealand	11.8	26.2	29,950	5.498	0.0	5.498
Sweden	17.3	23.6	32,111	10.202	2.355	12.557
UK	15.8	25.3	32.860	7.533	5.235	12.768
USA	12.4	28.8	41,789	6.882	4.071	10.953
OECD Av.	13.0	25.5	30,065	-	-	-

3. Resources and Performances (2)

	Relative Income65+ 2000,%	Poverty rate65+ 2000	Net replacement rates		
			0.5× mean	1.0× mean	2.0× mean
Australia	59.3	23.6	83.5	56.4	40.8
Canada	86.0	4.3	89.2	57.4	30.8
France	86.5	10.5	78.4	56.6	55.4
Germany	85.7	8.5	53.4	58.0	44.4
Japan	84.3	21.1	52.5	39.2	31.3
Netherlands	81.3	1.6	97.0	96.8	94.8
New Zealand	69.1	0.4	81.4	41.7	23.2
Sweden	73.0	7.8	81.4	64.0	73.9
UK	67.5	14.4	66.1	41.1	24.0
USA	79.3	17.1	67.4	52.4	43.2
OECD Av.	76.9	-	83.8	70.1	60.7

4. Arguments in Japan

Public Assistance

National Pension

Employed Pension

Government Officials

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Financed by tax

Basic Pension Scheme (1985)
to share burden equally, but in reality
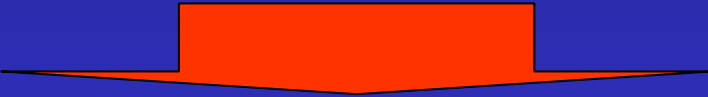transfer from EP and GO to National Pension

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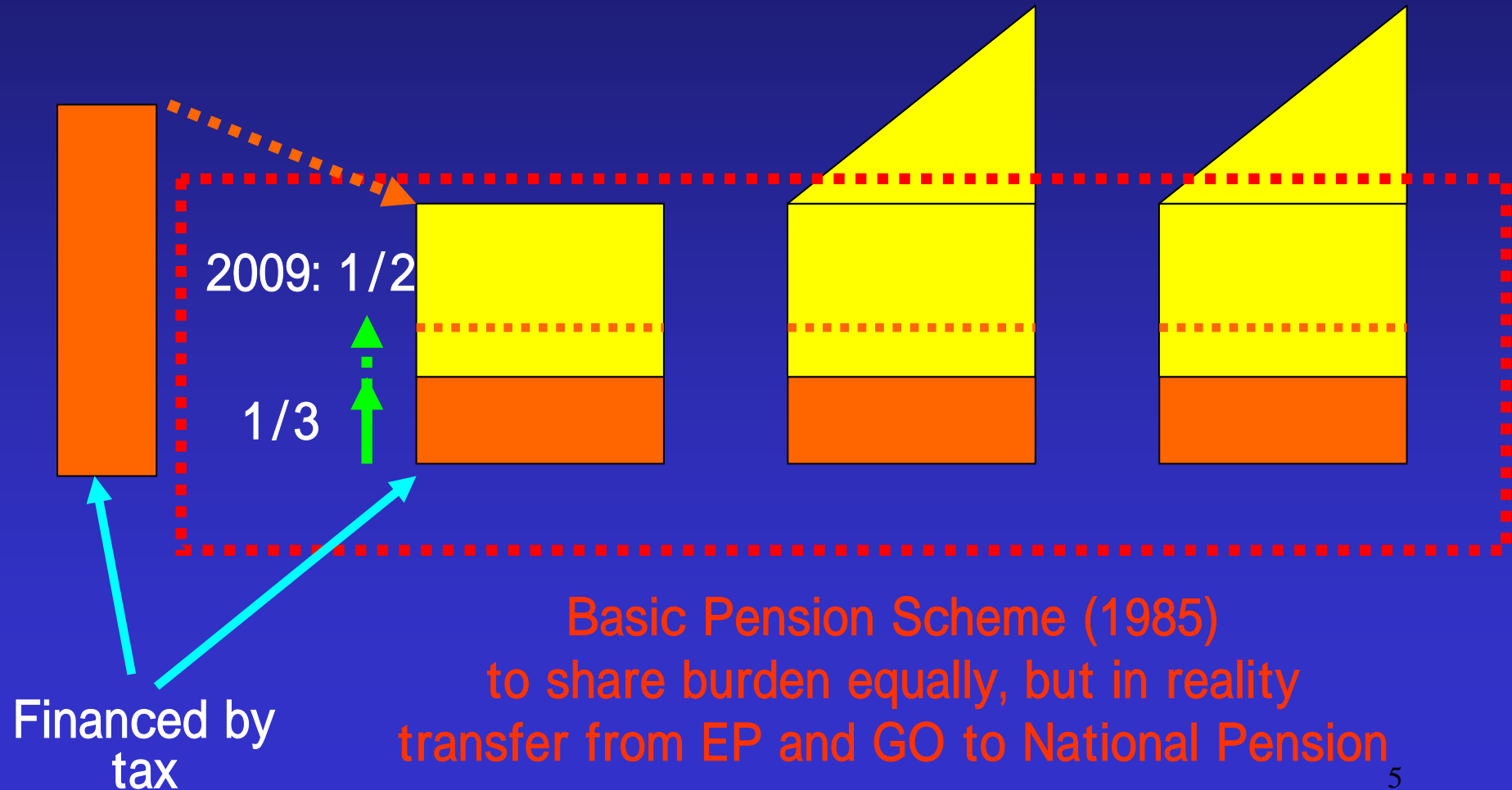
5. Questions and Comments

Public assistance vs Social pension

Social insurance vs Private, voluntary

Social provision vs Family support

1. All provisions take costs if society wants to ensure old-age income security.
2. Tax is often used even if private insurance.
3. Which arrangement is the most efficient?