1989), pp. 37–56. (Reprinted with permission of North-Holland Publishing Company).

Social Security as Trade Among Living Generations, by Ingemar Hansson (Ministry of Finance, Stockholm, Sweden) and Charles Stuart (University of California, Santa Barbara).

We study Social Security legislated endogenously by altruistic, overlapping generations. Starting from a steady-state equilibrium without Social Security, both generations living in a period can gain from legislation that mandates transfers from young to old in that and all subsequent periods. The Social Security allocation is Pareto-optimal. Later living pairs of generations may lose, but do not amend the law. *The American Economic Review*, Vol. 79, No. 5 (December 1989), pp. 1182–95. (Reprinted with permission of *The American Economic Review*).

A Median Voter Model of Social Security, by Robin W. Boadway (Queen's University, Kingston, Ontario) and David Wildasin (Indiana University).

This paper presents a theoretical median voter analysis of the determination of the level of social security. The framework for the analysis is a continuous-time, overlapping-generations model with nonaltruistic households facing borrowing constraints in the capital market. A majority voting equilibrium is shown to exist in which the median voter is liquidity-constrained. The desired level of social security for each voter is a declining function of the preexisting level of social security. As a consequence, in a sequence of votes on social security beginning with a zero level, the program initially overshoots its steady state value. *International Economic Review*, Vol. 30, No. 2 (May 1989), pp. 302–28. (Reprinted with permission of the *Journal of Economic Literature*).

The Growth of Social Security: Electoral Push or Political Pull?, by Roger D. Congleton (George Mason University) and William F. Shugart, II (University of Mississippi).

The social security program has grown more than a thousand-fold since its inception. Even after the increased number of retired persons and inflation are accounted for, average real social security benefit levels more than tripled from the late 1940s to the early 1980s. What accounts for this growth? This paper finds that increased retirement benefit levels are generated by changes in the constraints faced by the median voter rather than by changes in the political power of special interest groups. The results suggest that the median voter has a finite planning horizon. *Economic Inquiry*, Vol. 28, No. 1 (January 1990), pp. 109–32. (Reprinted with permission of *Economic Inquiry*).