Pension Policy: An International Perspective John A. Turner and Lorna M. Dailey, Eds. (U.S. Department of Labor, Pension and Benefits Administration, 1990).

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The international perspective in pension provision is important not only in terms of mobility of labor and the multinationalization of enterprises but also to provide contrasts and comparisons to assist with the formation of policy in financial provision for retirees.

Urbanization is one of the direct effects of industrialization and has resulted in an increased number of wage earners. This, in turn, has led to a diminution of the protection provided within the extended family for the older members. All countries are faced with the need to provide for the older population and this is tackled in varying degrees depending on a country's stage of development and acceptance of benefit policy. One essential feature that helps to influence policy is the knowledge of what can be provided and of the practices in other countries.

In providing detailed information of the policies and practices in a selection of countries, this book will be a valuable source of information and reference to those interested in the development of pension policies and the design and implementation of new pension practices. It will also be a valuable textbook for those interested in pension education, particularly in the less developed areas of the world.

The book is primarily based on papers presented at the U.S. Department of Labor-Organization for Economic Cooperation and Development Conference on Private Pension Policy and Statistical Analysis which was held in Washington, D.C., in February 1990. The stated intention of the book is to provide "a detailed examination of three pension policy issues: the portability of pensions for job changers, the inflation protection of pension benefits after retirement and the funding of pension plans." Only private pensions are considered; social security and pensions provided by governments for their employees are not analyzed. The authors of the papers have impeccable qualifications to write about their subjects and include the United Kingdom Government Actuary and the Secretary of the Insurance Supervisory Board of the Netherlands.

Comparisons are made of pensions policies and pension systems in Canada, Japan, the Netherlands and the United Kingdom with the policies and systems in the United States and, to a lesser extent, comparisons are made concerning the pensions systems in Australia, France, West Germany and Switzerland.

A considerable amount of statistical information is provided with 90 statistical tables ranging from the number of active participants in private pension plans in the nine countries to country specific statistics for the four main countries studied (Canada, Japan, the Netherlands and the United Kingdom).

Most tables are comprehensive in their data; some tables comparing all nine countries are inconclusive in drawing comparisons and trends over a number of years, due to the lack of recording or reporting systems as, for example, in the United Kingdom. However, in that country this will be remedied in the future to some extent with the recent establishment of a Central Registry for private pensions.

The first two chapters provide comparisons of international pensions policies and the role of pensions in the Labor Market and in the Capital Markets, with reference to benefits, beneficiaries, contributions, and types of plans.

Chapters three, four and five address the three stated policy issues of portability, inflation protection, and funding, respectively. At this stage the comparisons are now restricted to the five principal countries indicating, for example, that Japan and the United Kingdom have similar two-tier state pensions with contracting-out facilities. As far as inflation-proofing is concerned, the Netherlands and the United Kingdom tend to be more generous than Japan and North America.

The major part of the book (eight chapters) is devoted to country studies of pensions policies and statistics of Canada, Japan, the Netherlands and the United Kingdom. In each case one chapter discusses the pension policies while a second chapter (by a different author) examines the relevant pensions statistics and lists the various references. The same information is not provided for the United States, but since this is a U.S. Government publication, presumably its intended readers should be conversant already with these details. This is disappointing because the book is valuable outside the United States for pension policy studies and the full comparison is incomplete without the relevant U.S. information.

These eight chapters contain much detail concerning private pension provision in the respective countries and it is possible to compare how specific aspects are dealt with in each of the countries. For example, ownership of pension fund surpluses is always a contentious subject between employer and employees. It seems that the controversy over the ownership persists in Canada, Japan and the United Kingdom with only the Netherlands appearing to accept that "the surplus due to favorable conditions is seen by the pension funds as a temporary actuarial surplus for financing future cost increases" (p. 175).

In the combined publication of these papers, the editors have achieved a cohesive and fluent publication which is understandable without excessive use of pensions jargon. This has been made possible by the clear and concise writing of the authors of the individual papers.