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Review of *Social Security and Retirement Around the World.*
Jonathan Gruber and David A. Wise (Eds.). Reviewed by Martin B. Tracy, Southern Illinois University.

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movement. Roger Goodman in Chapter 6 looks at minseiiin system in Japan which represents a compromise between professional and voluntary institutions. Next, Nelson Chow examines Hong Kong's social security and surmises that a provident fund will be introduced by the new government. Finally, Gordon White looks at China's pension reform and concludes that China seems to converge toward the East Asian welfare system which emphasizes self-sufficiency, personal savings and hard work.

Moreover, while some contributors blend comparative literature with their country studies, other supplies no more than an insider's cursory look at his own social welfare development. Overall, labor welfare, a key element which carries much political connotations in Asia, is not sufficiently explored. Despite these shortcomings, there are two chapters which are thought-provoking. White breaks new ground in his discussion of China's social security reform by linking this issue up with the social development perspective. Tremewan's analysis of Singapore is a fine example of how critical thinking is applied to examine welfare development of an Asian city-state.

Overall, this is an important addition to the field of comparative social policy. It is the best one on East Asia that is available. A theoretical introduction to comparative social policy analysis and discussion of the various models of social welfare would make it more readable. A spate of comparative reports on Asian welfare is on the horizon. The quality of this volume will ensure that it will be an essential reader for many years to come. As the leading text, it will provide insights to researchers who examine the nature and development of East Asian welfare.

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Jonathan Gruber and David A. Wise (Eds.), Social Security and Retirement Around the World. Chicago, University of Chicago Press, 1999. $62.00 hardcover. [June 1, 1999].

The relationship between social security programs and labor participation rates of older persons has been a subject of considerable attention in cross-national research for the past several
decades. The literature has lent credibility to a number of plau-
sible causal relationships between labor force activity and social 
security benefit provisions. However, none has been conclusive. 
There continues to be debate and dialogue on exactly how much 
of a role benefit provisions in social security systems, particularly 
old-age pensions, play in an individual’s decision to stop or re-
duce their work activity when they become eligible for benefits.

The debate often centers around a number factors that seem 
to influence decisions and, consequently, labor force participation 
rates: the level of the benefit amount; health care coverage; early 
retirement options based on age or disability; monetary penalties 
assessed against the pension for continuing work; job satisfaction 
in the place of employment; health conditions of the individual 
or family members; working conditions; auxiliary sources of in-
come that enhance the value of a public pension; and a range 
of quality of life issues (more time with family, care of a family 
member, hobbies, etc.). Determining which of these factors or mix 
of multiple factors has the most influence is a daunting task. The 
challenge is made all the more formidable by the difficulty of 
developing an analytical framework that does more than merely 
describe predominant trends and patterns on a case by case basis 
in selected countries.

There is no general agreement on suitable analytical com-
parative models that tend to reflect the biases of professional 
disciplines and government policy analysts with backgrounds in 
economics, sociology, or public policy. Nevertheless, almost any 
empirical evidence of how individual decisions are influenced 
by particular program provisions is welcomed by policy makers 
who seek to make informed decisions that are likely to impact 
retirement decisions. Such information is particularly timely in 
today’s political and economic environment given the pressures 
of government in all industrialized countries to explore mea-
sure to reduce expenditures for old-age pension programs (and 
health benefits) in the face of unfavorable demographic shifts 
that have been accompanied by early entitlement provisions for 
benefits.

This text approaches the challenge by relating the documented 
decline in labor force participation rates to social security provi-
sions in eleven industrial nations. Each country study provides an
overview of historical trends and a description of the institutional aspects of the social security old-age pension. The analytical framework used to provide a comparative context to the study is a detailed examination of the inherent social security program incentives that appear to influence retirement behavior. The analysis for each country is partially based on a simulation model using economic variables to calculate social security wealth in the country. In general, social security wealth is a reference to benefit accrual minus taxes or payroll contributions paid in partial retirement.

The discussion in each chapter provides an abundance of very valuable descriptive and explanatory information in a historical context. Graphs and charts are used to illustrate trends and patterns related to specific public and private program provisions. The data clearly show that options for early retirement and a generous benefit package have influenced choices about working and receiving old-age benefits over the past several decades, contributing to a significant decline in labor force participation rates among older men.

The comparative analysis framework has an economic orientation giving heavy weight to economic determinants in decisions about work and full or partial withdrawal from the labor force. Some consideration is given to the influence of related social and health factors that may impact decisions, but there is sparse attention to a large body of literature that suggests health and quality of life issues have a major impact on retirement decisions. Another limitation in the study to understanding overall retirement trends is that there is insufficient comparative analysis of data on women labor force participation rates and retirement patterns. Most of the cross-country data and analyses are based on the experiences of men due to logistical difficulties in interpretation for similar data on women in the labor force.

Despite these shortcomings, the book is highly recommended for the serious student of retirement age trends and social security old-age pension policies of industrial nations in a cross-national context.

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