

| | |
|------------------------|---|
| 1. Record Nr. | UNINA9910788239403321 |
| Autore | Hoffmaister Willy |
| Titolo | Global Aging and Declining World Interest Rates : : Macroeconomic Insurance Through Pension Reform in Cyprus // Willy Hoffmaister, Jaime Guajardo, Mario Catalan |
| Pubbl/distr/stampa | Washington, D.C. : , : International Monetary Fund, , 2008 |
| ISBN | 1-4623-5479-3 1-4527-8642-9 1-282-84053-3 9786612840531 1-4518-6959-2 |
| Descrizione fisica | 1 online resource (42 p.) |
| Collana | IMF Working Papers |
| Altri autori (Persone) | GuajardoJaime CatalanMario |
| Soggetti | Interest rates - Cyprus - Econometric models Population aging - Cyprus - Econometric models Pensions - Cyprus - Econometric models Labor Public Finance Demography Social Security and Public Pensions Nonwage Labor Costs and Benefits Private Pensions Wages, Compensation, and Labor Costs: General Economics of the Elderly Economics of the Handicapped Non-labor Market Discrimination Pensions Labour income economics Population & demography Pension spending Wages Pension reform Aging Population aging Cyprus |

| | |
|-------------------------|--|
| Lingua di pubblicazione | Inglese |
| Formato | Materiale a stampa |
| Livello bibliografico | Monografia |
| Note generali | "April 2008." |
| Nota di bibliografia | Includes bibliographical references (p. 39-40). |
| Nota di contenuto | Contents; I. Introduction; II. The Model; A. Model Overview; B. Households; C. Firms; D. The Government; E. Equilibrium; F. Balanced Growth Equilibrium and Calibration; G. Demographic Transition; III. Baseline Simulations; A. Scenario 1: Constant World Interest Rates; B. Scenarios 2 and 3: Declining World Interest Rates; IV. Pension Reform Simulations; A. Description of Pension Reforms; B. Simulation Results for Constant Interest Rates; C. Pension Reform as Macroeconomic Insurance; V. Conclusions; Tables; 1. Variable Definition and Notation; 2. Household's Optimization Problems 3. First Order Conditions-Private Household's Optimization Problem 4. First Order Conditions-Public Household's Optimization Problem; 5. Calibration of the Model; 6. Pension Expenditure Reductions from Reforms; Figures; 1. Labor Skills Profile by Age; 2. Health Care Expenditure by Age Group; 3. Dependency Ratio in Model: Retired over Working Population; 4. Macroeconomic Results-Baseline Scenarios under Constant and Variable Interest Rates.; 5. Macroeconomic Results-Reform Scenarios under Constant and Variable Interest Rates .. 6. Decomposition of Pension Expenditure-to-GNI-Ratios-Pension Reform and Interest Rate ScenariosReferences |
| Sommario/riassunto | How will the world-wide decline in real interest rates associated with global aging affect small open economies (SOEs) with aging populations? Lower interest rates will result in higher capital-labor ratios and increased wages; higher wages, in turn, will be passed on to pension benefits, exacerbating aging-related fiscal pressures. The pass-through effect will be stronger if pensions are indexed to nominal wages rather than prices. Using an overlapping generations model, the paper illustrates the interest rates transmission mechanism and its interaction with pension indexation for the case of Cyprus. In addition, the paper evaluates the capacity of pension reforms to insure the economy against long-run movements in world interest rates. It concludes that pension reforms, particularly those that change the indexation of pensions from wages to prices, provide substantial macro-insurance and shock absorption benefits. |