This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: Social Security Programs and Retirement around the World: The Relationship to Youth Employment

Volume Author/Editor: Jonathan Gruber and David A. Wise, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 978-0-226-30948-4; 0-226-30948-7

Volume URL: http://www.nber.org/books/grub08-1

Conference Date:

Publication Date: February 2010

Chapter Title: Front matter, preface, table of contents

Chapter Author: Jonathan Gruber, David A. Wise

Chapter URL: http://www.nber.org/chapters/c12541

Chapter pages in book: (i - x)



National Bureau of Economic Research SOCIAL SECURITY PROGRAMS AND RETIREMENT AROUND THE WORLD The Relationship to Youth Employment

> Edited by Jonathan Gruber and David A. Wise

# Social Security Programs and Retirement around the World



A National Bureau of Economic Research Conference Report Social Security Programs and Retirement around the World The Relationship to Youth Employment

Edited by

Jonathan Gruber and David A. Wise

The University of Chicago Press

Chicago and London

JONATHAN GRUBER is professor of economics at the Massachusetts Institute of Technology and director of the Program on Health Care at the National Bureau of Economic Research, where he is a research associate. DAVID A. WISE is the John F. Stambaugh Professor of Political Economy at the Kennedy School of Government, Harvard University. He is area director of the Health and Retirement programs, director of the Program on the Economics of Aging, and a research associate at the NBER.

The University of Chicago Press, Chicago 60637 The University of Chicago Press, Ltd., London © 2010 by the National Bureau of Economic Research All rights reserved. Published 2010 Printed in the United States of America

19 18 17 16 15 14 13 12 11 10 1 2 3 4 5 ISBN-13: 978-0-226-30948-4 (cloth) ISBN-10: 0-226-30948-7 (cloth)

Library of Congress Cataloging-in-Publication Data

Social security programs and retirement around the world : the relationship to youth employment / edited by Jonathan Gruber and David A. Wise

p. cm.— (National Bureau of Economic Research conference report)

Includes bibliographical references and index.

ISBN-13: 978-0-226-30948-4 (alk. paper)

ISBN-10: 0-226-30948-7 (alk. paper)

 Social security. 2. Old age pensions. 3. Older people— Employment. 4. Youth—Employment. 5. Labor supply.
 Retirement—Government policy. 7. Early retirement incentives.
 Gruber, Jonathan. II. Wise, David A. III. Series: National Bureau

of Economic Research conference report. HD7091.S67 2010

368.4'3—dc22

2009025779

The paper used in this publication meets the minimum requirements of the American National Standard for Information Sciences— Permanence of Paper for Printed Library Materials, ANSI Z39.48-1992.

### National Bureau of Economic Research

#### Officers

John S. Clarkeson, *chairman* Kathleen B. Cooper, *vice-chairman* James M. Poterba, *president and chief executive officer* Robert Mednick, *treasurer* 

#### **Directors at Large**

Peter C. Aldrich Elizabeth E. Bailey Richard B. Berner John H. Biggs John S. Clarkeson Don R. Conlan Kathleen B. Cooper Charles H. Dallara George C. Eads Jessica P. Einhorn Mohamed El-Erian Jacob A. Frenkel Judith M. Gueron Robert S. Hamada Karen N. Horn John Lipsky Laurence H. Meyer Michael H. Moskow

Kelly Horak, controller and assistant corporate secretary Alterra Milone, corporate secretary Gerardine Johnson, assistant corporate secretary

> Alicia H. Munnell Rudolph A. Oswald Robert T. Parry James M. Poterba John S. Reed Marina v. N. Whitman Martin B. Zimmerman

#### **Directors by University Appointment**

George Akerlof, California, Berkeley Jagdish Bhagwati, Columbia Glen G. Cain, Wisconsin Ray C. Fair, Yale Franklin Fisher, Massachusetts Institute of Technology Mark Grinblatt, California, Los Angeles Saul H. Hymans, Michigan Marjorie B. McElroy, Duke Joel Mokyr, Northwestern Andrew Postlewaite, Pennsylvania Uwe E. Reinhardt, Princeton Nathan Rosenberg, Stanford Craig Swan, Minnesota David B. Yoffie, Harvard Arnold Zellner (Director Emeritus), Chicago

#### **Directors by Appointment of Other Organizations**

Jean-Paul Chavas, Agricultural and Applied Economics Association Gail D. Fosler, The Conference Board Martin Gruber, American Finance Association Timothy W. Guinnane, Economic History Association Arthur B. Kennickell, American Statistical Association Thea Lee, American Federation of Labor and Congress of Industrial Organizations William W. Lewis, Committee for Economic Development
Robert Mednick, American Institute of Certified Public Accountants
Angelo Melino, Canadian Economics Association
Harvey Rosenblum, National Association for Business Economics
John J. Siegfried, American Economic Association

#### **Directors Emeriti**

Andrew Brimmer Carl F. Christ George Hatsopoulos Lawrence R. Klein Franklin A. Lindsay Paul W. McCracken Peter G. Peterson Richard N. Rosett Eli Shapiro Arnold Zellner

#### Relation of the Directors to the Work and Publications of the National Bureau of Economic Research

1. The object of the NBER is to ascertain and present to the economics profession, and to the public more generally, important economic facts and their interpretation in a scientific manner without policy recommendations. The Board of Directors is charged with the responsibility of ensuring that the work of the NBER is carried on in strict conformity with this object.

2. The President shall establish an internal review process to ensure that book manuscripts proposed for publication DO NOT contain policy recommendations. This shall apply both to the proceedings of conferences and to manuscripts by a single author or by one or more co-authors but shall not apply to authors of comments at NBER conferences who are not NBER affiliates.

3. No book manuscript reporting research shall be published by the NBER until the President has sent to each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the above principles of the NBER. Such notification will include a table of contents and an abstract or summary of the manuscript's content, a list of contributors if applicable, and a response form for use by Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied and the main conclusions reached.

4. No volume shall be published until forty-five days have elapsed from the above notification of intention to publish it. During this period a copy shall be sent to any Director requesting it, and if any Director objects to publication on the grounds that the manuscript contains policy recommendations, the objection will be presented to the author(s) or editor(s). In case of dispute, all members of the Board shall be notified, and the President shall appoint an ad hoc committee of the Board to decide the matter; thirty days additional shall be granted for this purpose.

5. The President shall present annually to the Board a report describing the internal manuscript review process, any objections made by Directors before publication or by anyone after publication, any disputes about such matters, and how they were handled.

6. Publications of the NBER issued for informational purposes concerning the work of the Bureau, or issued to inform the public of the activities at the Bureau, including but not limited to the NBER Digest and Reporter, shall be consistent with the object stated in paragraph 1. They shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The Executive Committee of the Board is charged with the review of all such publications from time to time.

7. NBER working papers and manuscripts distributed on the Bureau's web site are not deemed to be publications for the purpose of this resolution, but they shall be consistent with the object stated in paragraph 1. Working papers shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The NBER's web site shall contain a similar disclaimer. The President shall establish an internal review process to ensure that the working papers and the web site do not contain policy recommendations, and shall report annually to the Board on this process and any concerns raised in connection with it.

8. Unless otherwise determined by the Board or exempted by the terms of paragraphs 6 and 7, a copy of this resolution shall be printed in each NBER publication as described in paragraph 2 above.

## Contents

	Preface	ix
	<b>Introduction and Summary</b> Jonathan Gruber, Kevin Milligan, and David A. Wise	1
1.	The Effects of Early Retirement on Youth Unemployment: The Case of Belgium Alain Jousten, Mathieu Lefèbvre, Sergio Perelman, and Pierre Pestieau	47
2.	The Interaction of Youth and Elderly Labor Markets in Canada Michael Baker, Jonathan Gruber, and Kevin Milligan	77
3.	Social Security, Retirement, and Employment of the Young in Denmark Paul Bingley, Nabanita Datta Gupta, and Peder J. Pedersen	99
4.	Labor Force Participation by the Elderly and Employment of the Young: The Case of France Melika Ben Salem, Didier Blanchet, Antoine Bozio, and Muriel Roger	119
5.	Early Retirement and Employment of the Young in Germany Axel Börsch-Supan and Reinhold Schnabel	147

6.	Youth Unemployment and Retirement of the Elderly: The Case of Italy Agar Brugiavini and Franco Peracchi	167
7.	Does Social Security Induce Withdrawal of the Old from the Labor Force and Create Jobs for the Young? The Case of Japan Takashi Oshio, Satoshi Shimizutani, and Akiko Sato Oishi	217
8.	Early Retirement and Employment of the Young in the Netherlands Arie Kapteyn, Klaas de Vos, and Adriaan Kalwij	243
9.	Social Security Incentives, Exit from the Workforce, and Entry of the Young Michele Boldrin, Pilar García-Gómez, and Sergi Jiménez-Martín	261
10.	<b>Incentives to Retire, the Employment of the Old, and the Employment of the Young in Sweden</b> Mårten Palme and Ingemar Svensson	295
11.	<b>Releasing Jobs for the Young? Early Retirement</b> <b>and Youth Unemployment in the United Kingdom</b> James Banks, Richard Blundell, Antoine Bozio, and Carl Emmerson	319
12.	<b>Do Elderly Workers Substitute for Younger</b> <b>Workers in the United States?</b> Jonathan Gruber and Kevin Milligan	345
	Contributors Author Index Subject Index	361 365 367

### Preface

This is the fourth volume presenting results of an ongoing project on social security and labor supply organized through the Program on the Economics of Aging at the National Bureau of Economic Research.

Funding for the project was provided by the National Institute on Aging, grants P01-AG05842 and P30-AG12810 to the National Bureau of Economic Research. Funding for individual papers is noted in specific chapter acknowledgments.

Any opinions expressed in this volume are those of the respective authors and do not necessarily reflect the views of the National Bureau of Economic Research or the sponsoring organization.