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[Review of the book *Private Pension Policies in Industrialized Countries: A Comparative Analysis*]

Abstract

[Excerpt] John Turner and Noriyasu Watanabe have written numerous articles and books on pensions and employee benefits. In this collaborative effort, they synthesize a great deal of institutional and analytical material on a wide range of countries, including those typically regarded as industrialized (most of the OECD countries are the subjects of case studies and illustrations) and those that would probably be happy to learn that they now fall into that category (in particular, Chile and Argentina). The book is both accessible (there are no equations in sight) and analytical.

Keywords

pensions, employee benefits, retirement, income, policy

Disciplines

Labor Relations

Comments

Suggested Citation

Fields, G. S. (1996). [Review of the book *Private pension policies in industrialized countries: A comparative analysis*] [Electronic version]. *Industrial and Labor Relations Review* 49(4), 768-769.

Required Publisher Statement

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Private Pension Policies in Industrialized Countries: A Comparative Analysis. By John Turner and Noriyasu Watanabe. Kalamazoo, Mich.: W.E. Upjohn Institute for Employment Research, 1995. 169 pp. ISBN 0-88099-150-X, \$24 (cloth); 0-88099-149-6, \$14 (paper).

John Turner and Noriyasu Watanabe have written numerous articles and books on pensions and employee benefits. In this collaborative effort, they synthesize a great deal of institutional and analytical material on a wide range of countries, including those typically regarded as industrialized (most of the OECD countries are the subjects of case studies and illustrations) and those that would probably be happy to learn that they now fall into that category (in particular, Chile and Argentina). The book is

both accessible (there are no equations in sight) and analytical.

The authors take an issue-based as opposed to a country-based approach. Because of an exceptionally comprehensive index, which is organized not only by subject but also by country, this approach works quite well. For instance, the reader interested in Japan will find more than 40 index entries on various aspects of that country's pension system. This makes for a bit of page-flipping, but that inconvenience is unavoidable in a broad-based comparative analysis.

The book considers eleven principal issues: To what extent should retirement income be privatized? Should the private pension system be voluntary or mandatory? If private pension plans are voluntary, should the government encourage them or simply permit them? Who is best able to bear the inherent financial risks in pension plans? Should there be mandatory insurance for pension benefits? Who should pay for pension plans? Should benefits be funded in advance? To what extent should pension portfolios be regulated? What types of organizations should be allowed to sponsor pension plans? Should individual plans be allowed? What types of institutions should be allowed to manage pension funds? Readers looking for answers to these questions will be disappointed, because the authors do not give them. They do, however, present an appropriately broad range of possible institutional arrangements and public policy approaches, from which readers can draw their own conclusions.

Certain parts of this book are likely to be particularly informative and interesting to readers of this journal. These include case studies in Chapter 3 of privatization of pensions in Chile, the United Kingdom, and Japan; an analysis of various sources of pension risk in Chapter 5; and a consideration of labor market issues such as pension coverage, portability of pension benefits, and effects of pensions on retirement ages in Chapter 7.

However, the book is not without its lapses. One is the consideration of adverse selection based on age but not on income. Another is the treatment of adequacy in most countries in terms of pension benefit amount but not in terms of pension coverage. (This is corrected, though, in a particularly illuminating discussion of these issues in the United States.) And then there is this statement about contracting out (that is, allowing firms to voluntarily privatize part of the social security system by paying a reduced contribution to social security when

they provide a replacement private pension plan of sufficient generosity): "Attractive features of contracting out include reduced reliance on the government and greater reliance on the private sector." Beauty is in the eyes of the beholder, but I wonder how many beholders living beyond Hyde Park see much attractiveness here.

We at Cornell have already adopted sections of this book in our required Economic Security course. For policy makers, policy advisors, and ordinary citizens considering reforms of existing pension systems or designs of new ones, this is a "must" read.

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Historical Studies

The Struggle for the Breeches: Gender and the Making of the British Working Class. By Anna Clark. Berkeley: University of California Press, 1995. xv, 416 pp. ISBN 0-520-08624-4, \$35.00 (cloth).

This extraordinary study of the formative period of the British working class will jolt many historians with its challenge to the central premises of E. P. Thompson's 1968 analysis, which profoundly influenced Anglo-American labor historiography. By closely studying the interplay between men and women during the process of class formation, Anna Clark brilliantly illuminates the reasons for what she terms the tragic loss of a genuine radical politics for British workers. Following up on the distinguished work of Barbara Taylor, Dorothy Thompson, Joan Scott, Sally Alexander, Deborah Valenze, Sonya Rose, Leonora Davidoff, Catherine Hall, Carol Morgan, Ellen Ross, and others, Clark explodes Thompson's version of male artisans as the radical vanguard in the making of the working class. Gender analysis reveals these skilled workers to have been fundamentally and consistently conservative, manipulative, masculinist, exclusive, misogynistic, violent, and stubborn. Far from challenging the power of early nineteenth-century industrial capitalism, they thus continually undermined the potential for such a challenge.

Clark examines three regions of early industrialization: London, Lancashire, and Scotland.

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