

Preface

The main observation of the book is that unfunded, pay-as-you-go pension systems require a well-balanced ratio of members of different generations, old and young, in order to distribute costs and benefits in a mutually advantageous way. Financially self-reliant, individual accounts are per definition inconsistent with the nature of an unfunded pension system; on the contrary, interactions across generations are a basic condition for unfunded old-age security to function.

In this respect, it is interesting to note that the process of writing this book is not so different from the main insights laid down in it. For a book project to be successfully completed, a well-balanced ratio of one's own ideas and input from outside is essential. Interaction with colleagues, family and friends and their valuable help and constant encouragement are indispensable prerequisites.

Thus, I am indebted in different ways to many people who have accompanied me over the last years. This book was completed in July 2003 at the faculty of Economics of the University of Munich. I am particularly grateful to Hans-Werner Sinn for his continuous guidance and constant support at each stage of my work. Special gratitude goes also to Andreas Haufler and Dalia Marin for valuable discussions. This book has greatly benefited from the very productive academic atmosphere at the Center for Economic Studies (CES) and in the economics department where economic research flourishes and new ideas can grow and develop and where a constant process of discussing, rethinking and optimising the arguments and models takes place.

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Silke Uebelmesser
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