



Conference on Upgrading Lebanon's Economic Analytical Capacity

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Crowne Plaza Hotel, Hamra, Beirut

The Case for Universal Minimum Old Age Pension **Prof. Pierre Pestieau (University of Liege)**

Presentation Abstract

This paper advocates the adoption of a universal minimum pension as an effective way of alleviating old age poverty in both developing and developed countries. It first discusses the design of minimum pension schemes, means-tested or not, as well as the disincentive effects that they are expected to have on the economic and social behavior of households including labor supply, saving and family solidarity. It then examines the impact on old age poverty and the fiscal cost of such universal minimum pensions in Latin America and in Europe using recent household survey data. Such schemes have much to be commended in terms of poverty alleviation but have a non negligible fiscal cost. This cost is a function of the age at which benefits are awarded, the prevailing longevity, the generosity of benefits, the efficacy of means testing, and naturally the fiscal capacity of the country concerned.

Biographical note

Since receiving his B.A and M.A degrees in economics from the University of Louvain and then his PhD from Yale, Pierre Pestieau has had over thirty years of experience teaching and conducting research in public economics and population economics first at Cornell and then at the University of Liege. Since 2008 he is Professor Emeritus at the University of Liege. He is member of CORE, Louvain-la-Neuve and associate member of PSE, Paris. He is also CEPR, IZA and CESifo Fellow. He is currently coeditor of the Journal of Public Economics and associate editor of *Economica*, *Finanzarchiv*, *Public Economic Theory* and *CESifo Economic Studies*.



Professor Pestieau's major interests are pension economics, social insurance, inheritance taxation, redistributive policies and tax competition. His articles have been published in such leading journals as *Econometrica*, the *Journal of Economic Theory*, *Economica*, the *Journal of Public Economics*, the *Journal of Population Economics* and the *Scandinavian journal of Economics*.

His most recent book with Robert Fenge "Social Security and Retirement" has been published by the MIT Press. He has also published at Oxford University Press "The Welfare State in the European Union". Prior books were devoted to the performance of public enterprises, inheritance and the underground economy. Professor Pestieau has held visiting positions at the University of Cornell, London School of Economics, the University of Toulouse, Montreal, Marseille, Paris (1 and 10), Le Mans and Louvain. He has been a consultant to various national and international agencies, including the IMF, the World Bank, the OECD and the European Commission.

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