

10月21日（土）午後の部（1）  
報告セッション「財政改革の経済学」

## Social Security Reform with Heterogeneous Agents and an Aging Japan

Naomi Miyazato\*

*Nihon University*

August 2006

### Abstract

While many advanced countries are struggling with radical reform of their pension systems, Sweden dramatically reformed its public pensions in 1999. The Swedish plan is pay as you go, except that the benefit calculation is based on a public pension system of defined contributions. This system is called “notional defined contribution system.” It is drawing worldwide attention because it incorporates fixed annuity insurance premiums, strongly link between contributions and benefits, and a mechanism to adjust the pension benefits along with economic growth and changing demographic conditions. Accordingly, it suggests a way to reconcile the intergenerational gap and to maintain sound pension financing.

In our country, the pension system was reformed in 2004, and it has some similarities to the pension system in Sweden. Though there are some similarities between the new pension system in our country and that of Sweden, the two systems differ on the strongly connect between contributions and benefits. From the viewpoint of correcting the intergenerational gap, the system of the strongly connect between contributions and benefits is very attractive. But when looking at intragenerational equality, it is unclear if this system enhances social welfare because the benefit levels after retirement vary greatly from person to person.

In this paper, we analyze the strongly connect between contributions and benefits, which is drawing such widespread attention.

*JEL classification:* H55; D30

---

\* Correspondence to: Department of Economics, Nihon University,  
1-3-2 Misaki-cho, Chiyoda-ku, Tokyo, 101-8360 Japan.  
Tel/Fax +81-3-3219-3466 E-mail: [miyazato@eco.nihon-u.ac.jp](mailto:miyazato@eco.nihon-u.ac.jp)