

Pensions, Education, and Growth: A Positive Analysis*

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Abstract

This study presents an overlapping generations model to capture the nature of the competition between generations regarding two redistribution policies, public education and public pensions. In addition, we investigate the effects of population aging on these policies and economic growth from a political economy viewpoint. We show that two aging factors, longevity and the political power of the old, have opposite effects on redistribution policies and economic growth. The relative strength between the two factors is negative for pensions, but hump-shaped patterns appear for public education and economic growth.

- Keywords: economic growth; population aging; public education; public pensions
- JEL Classification: D78, E24, H55

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