



Network for Studies on Pensions, Aging and Retirement

Mission

Netspar aims to build a strong network of academic researchers, financial institutions and government agencies in the Netherlands for the purpose of addressing the social and economic challenges of an aging population. Netspar draws on the expertise of both Dutch and international researchers to examine issues pertaining to pensions and retirement. The fundamental goal is to maintain and strengthen those institutional structures that support life-cycle planning, build and protect human resources and engender intergenerational support and cooperation.

A societal top institute

What is Netspar?

Netspar is a network for research and education in the field of pensions, aging and retirement. It is an independent network of academics and practitioners in the field, supported by universities and private and public institutions that share an a keen interest in Netspar's research topics.

In 2003, the renowned Dutch economist, Lans Bovenberg, won the Spinoza Prize, the most important Dutch science prize. This prize included a monetary award of €1.5 million. Using this award as seed money, Bovenberg and other like-minded researchers founded Netspar in 2005. A private foundation, Stichting Instituut Gak, matched the original sum, which marked the beginning of a groundswell of support from private and public institutions with a strong interest in the issues surrounding retirement and pensions.

The Innovation Platform selected pensions and social insurance in 2005 as an 'emerging key area' – and later as a 'key area'- slated for innovation in the Netherlands. Subsequently the Ministry of Education acknowledged Netspar's critical role in innovation by designating Netspar as a 'societal top institute'. This honor recognizes both Netspar's excellent scientific research and its active involvement in the crucial questions facing Dutch society. In addition, the Ministry granted €5 million to the National Science Foundation (NWO) to support Netspar's efforts.

A strong network of outstanding academic researchers



Netspar's goals

1

Social innovation

Netspar stimulates social innovation in the Netherlands by linking the social sciences with the financial sector and the public sector. Various developments, such as the aging of the population, the feminization of the work force, and the proliferation of information technology call for changes in the way society is organized. Through social innovation, helps to ensure social and financial protection for the elderly, to develop and exploit the talents of younger and older workers to stimulate rational financial planning throughout the entire life cycle. At the same time, these innovations should ensure an equitable distribution of risks and rewards throughout society.

2

A balanced education program

Netspar provides a balanced education program for international students, staff of participating institutions, and other professionals in the field. The program focuses on pensions and social insurance. It consists of a Master's program in Economics and the Finance of Aging, as well as an academy that offers tailor-made courses for employees and board members of pension funds, insurance companies and other private and public institutions with a particular interest in retirement and pensions. The academy is an initiative of Netspar in cooperation with University of Maastricht *Business School*.

3

Multidisciplinary research

Netspar draws researchers in diverse disciplines from all over the world to share their expertise on matters pertaining to retirement and pensions. Researchers from various fields, such as economics, econometrics, sociology and psychology, collaborate on a single subject area with the goal of enriching traditional economic models of rational and self-interested individuals. The ultimate objective is to stimulate prudent retirement and savings decisions and to engender cross-generational solidarity.

Netspar's core values

Netspar is built around a set of core values, which define who we are and help explain why we do what we do. Primary among these values is *independence*. Rather than advocating strong positions on any particular topic, Netspar seeks to bring balance to the debate by articulating the key arguments: providing the outline of the fundamental issues, and inviting others to fill in the blanks with their expert analyses, intense discussions, and policy recommendations.

Netspar's independence is closely related to its intellectual interests. We realize that we can maintain our independence only if our analyses are supported by *scientific evidence* that can be reproduced and tested by other experts in the field.

Policy relevance is the third core value and, coupled with that, a willingness to listen to and respect opposing views. Netspar brings people together in an atmosphere of intellectual give-and-take, enabling participants to learn from each others' knowledge, experience and perspectives. Netspar is not committed to any particular point of view. It operates on the assumption that there is intrinsic value in the open exchange of ideas across the entire spectrum. While its central expertise is economics, Netspar also shows a keen interest in the contributions of other fields of study, such as sociology and psychology, in shedding light on pensions, aging and retirement.



Netspar's network

The Netherlands prides itself on its system of 'pillars,' and the pension system is no exception. The three pillars of the Dutch pension system include a publicly provided basic pension to every resident when they reach 65 years of age – the first pillar. The second pillar includes work-related pensions, which are often provided by private pension funds. The third pillar involves individual pensions that are sold by various financial institutions to supplement collective arrangements.

Representatives of all three of these pillars participate in Netspar. As a public-private partnership, Netspar is uniquely positioned to build links within the pension and insurance sectors. By enabling the various participants to network with each other and to discuss longer-term strategic issues, Netspar aims to strengthen mutual trust, open channels of communication, and build common visions.

The Dutch government matched the financial support offered by the private pension and insurance industry, which had supplemented the seed money of the Spinoza award bestowed on Lans Bovenberg.

Universities, as well as private and public institutions with an interest in Netspar's research topics, support Netspar. The following institutions participate in Netspar:

Stichting Instituut GAK; seven Dutch universities (University of Amsterdam, Free University Amsterdam, Erasmus University Rotterdam, University of Groningen, Maastricht University, Tilburg University, and University of Utrecht); pension funds and asset liability management companies (ABP, Cordares, Mn Services, PGGM,); insurance companies (Achmea, AEGON, Fortis ASR, ING, Interpolis); other financial institutions (ABN AMRO); the Dutch government (Ministries of Economic Affairs, Finance, Social Affairs and Employment,); the Dutch Central Bank; and the Social Insurance Bank (SVB).

Netspar brings people together

*Primary among these values
is independence*



Netspar's benefits

Research

Netspar has initiated three research programs that examine the micro-, meso- and macroeconomic aspects of pensions and aging. On a micro level, we explore the behavior of individual households in labor and capital markets within the context of the life cycle. On a meso level, we investigate the role of pension funds and insurance companies in facilitating risk sharing within and between generations. On a macroeconomic level, we analyze linkages among labor-, capital- and commodity markets- including the relationship between retirement decisions, the flexibility of the labor market and incentives to accumulate human capital.

Every year, Netspar allocates €1 million to three theme-based projects; the annual awards are given for a three-year period. These theme-based projects are intended to stimulate entrepreneurship, commitment and coherence. Themes include:

- Valuation and Risk Management for Insurance Companies and Pension Funds
- Income, Health and Work across the Life Cycle
- Private Retirement Provision
- Pensions, Savings, and Retirement Decisions
- The Macroeconomics of Pension Reform
- Living longer in good health

Education

Master's program on Economics and Finance of Aging

Netspar builds human capital by educating students in a new Master's (MSc) program on the economics and finance of aging. By attracting foreign students, Netspar not only benefits from the infusion of new academic talent, but also helps other countries to build robust pension systems in the process. The MSc program has been fully accredited by the Netherlands-Flanders Accreditation Organization (NVAO).

Postgraduate tailor-made courses

The Netspar-UMBS Academy is a joint initiative of Netspar and the University of Maastricht Business School. Postgraduate three-day courses are offered to professionals and board members of pension funds, insurance companies, public sector, and supervisory boards. Each module has a central, contemporary theme that is taught in an interactive manner by prominent international professionals and researchers.

Researchers from all over the world

Micro-, meso- and macroeconomic aspects of pensions and aging



Netspar's governance

Sharing knowledge

Netspar organizes a variety of activities to share knowledge with our partners and to stimulate discussions aimed at encouraging social innovation in the pension and insurance sectors.

Netspar's partners play an active role in the research program. For example, by participating in pension days. Foreign academic specialists share the results of their research, and prominent Dutch policymakers present their perspectives on policy issues during bi-annual workshops. At these workshops, organized in cooperation with one of its partners, Netspar brings together leading economists, both national and international, and key policymakers for formal discussions and informal networking.

To encourage in-depth discussions, Netspar organizes brainstorm meetings with its partners. At an annual anniversary meeting key players in the Dutch pension and insurance sectors discuss current issues in the field of aging, pensions and retirement.

Netspar also commissions research papers on a variety of topics. Partners are invited to comment on some of these papers before they are published.

The pension and insurance sectors benefit also from Netspar's education programs. The Master's program and the Academy's three-day modules are open to our partners' qualified employees and other interested parties.

Daily management

Four scientific directors are entrusted with Netspar's daily management. They are responsible for the direction and coordination of the research, education, dialogue with participating institutions, and data acquisition. They also ensure that the quality of the research conforms to the highest scientific standards. Furthermore, they are responsible for the structure and functioning of the boards and for funding Netspar's programs.

Advice

Netspar's Advisory Board consists of a representative of Tilburg's faculty of economics and business administration; a member of Tilburg's faculty of social and behavioral sciences; two representatives from other Dutch universities; and five representatives from the other sponsoring institutions. The Advisory Board, which meets twice a year, evaluates Netspar's activities and determines its operating budget.

A Partners Council, consisting of representatives of all the participating organizations, advises the board of directors and the coordinators on the education and research programs in general, and the exchange of knowledge with the private pension and insurance sectors in particular.

Netspar brings together leading economists and key policymakers



The primary role of the Scientific Council, which is comprised of renowned international scholars, is to evaluate Netspar's education and research programs and to advise the Directors on these and other issues. The members of the Council are:

Prof. Richard Blundell
University College London, Department of Economics

Prof. Axel Börsch-Supan
University of Mannheim, Mannheim Research Institute for the Economics of Aging

Prof. Paul Embrechts
ETH-Zentrum, Department of Mathematics

Prof. Olivia Mitchell
University of Pennsylvania, The Wharton School

Prof. David Wise
Harvard University

Prof. Luis M. Viceira
Harvard University, Graduate School of Business Administration

Netspar also benefits from the knowledge and experience of three scientific advisors – Coen Teulings (CPB Netherlands Bureau for Economic Policy Analysis), Cees Koedijk (Erasmus University Rotterdam) and Arie Kapteyn (RAND) – and five Netspar Fellows – senior pension industry professionals: Dick de Beus (formerly with PGGM), Jean Frijns (formerly with ABP), Jan Nijssen (formerly with ING), Jan Overmeer (formerly with AEGON), and Bert de Vries (formerly Minister of Social Affairs and Employment).

Mailing address

Netspar
P.O. Box 90153
5000 LE Tilburg
The Netherlands

Street address

Tilburg University
Faculty of Economics and
Business Administration
Koopmans building (K403)
Warandelaan 2
5037 AB Tilburg
The Netherlands

Netspar secretariat

E-mail: secretariat@netspar.nl
Phone: +31 (0)13 466 2109
Fax: +31 (0)13 466 3066

For more information about
Netspar, please visit our
Web site: www.netspar.nl or
e-mail us: info@netspar.nl

The photo series in this
brochure was prepared
for Netspar by Anouk Paulissen.

Tilburg, 2006