also increasingly uncertain—two features that are undesirable for expected utility-maximizing consumers. Based on this observation he develops a new tontine arrangement which gives constant payouts and thus allows investors to smooth consumption over time. This chapter also contains a valuable literature review of alternative longevity risk sharing mechanisms proposed in the literature such as group self-annuitization, pooled annuity funds, mortality-index annuities and participating life annuities, and provides references to several media reports on the topic. The chapter concludes with a description of the longevity risk sharing mechanism embedded in the U.S. Teachers Insurance and Annuity Association pension fund (TIAA, formerly TIAA-CREF).

The last chapter, Chapter 8, summarizes the evidence for why tontines should be introduced in today's markets and explains how this should be best done. Milevsky reviews problems of existing retirement income products (including conventional life annuities and variable annuities) and of alternative self-annuitization strategies such as the so-called 4% rule. He concludes that tontines would be a valuable addition to the menu of available financial and insurance products for retirement. The final pages provide suggestions for the design of these new tontines.

It was a pleasure to follow Milevsky on this vivid journey through the history of the tontine. Written in a personal, humorous tone and full of interesting facts, his book is both very informative and quite entertaining. I highly recommend this book to readers of the *Journal of Pension Economics and Finance*.

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Towards a New Pensions Settlement: The International Experience. Gregg McClymont and Andy Tarrant (eds). Rowman and Littlefield International, 2016, ISBN 978-1-78348-748-6, 84 pages. doi:10.1017/S1474747217000087

Population ageing and changing employment patterns are challenging the future of traditional unfunded social security systems around the world. Many countries have already reformed or are in the process of reforming their traditional pension system into a new retirement-saving system with reduced reliance on public income and increased self-funding in retirement. In this book, Gregg McClymont and Andy Tarrant have assembled an interesting collection of chapters that reflect on recent experiences of pension reforms in the United Kingdom and six other countries: Australia, Canada, Germany, the Netherlands, Poland and Sweden. As pointed out by the editors, the six countries have all been regarded as international pioneers in pension reform at different times in the last 15 years, and as such the developments in these countries offer important lessons for the United Kingdom in relation to its own current pension reform process.

The book focuses on reforming occupation or private pensions, and the role of government in limiting the risks which individuals face in saving for these pensions. In the introduction, the editors point to information asymmetries prevalent in these pensions as the main justification for government intervention in private pension markets. A reference is made to George Akerlof's paper "The Market for Lemons" published in 1970 in which the Nobel laureate showed that poor value cars - "lemons" - would drive out good quality cars as a result of asymmetries of information between sellers and buyers in the absence of any counteracting institutional guarantees of quality. To prevent such failure in private pensions, the editors outline key international "lessons learned" in relation to costs and charges, transparency, economies of scale, governance and the drawdown phase of private pension schemes.

The following chapters then provide further details on both the successes and in particular the failures of the recent reforms of occupational or private pensions in each of the aforementioned countries. These reforms that led to the rise of funded "second" and "third" pillar pension schemes in retirement income provision have increased the exposure of individuals to a number of risks, including adequacy, longevity and market risks. The book shows that among the countries examined, there are large differences in funded pension schemes and in government interventions to mitigate the risks that individuals face in these schemes. For example, in Australia the second pillar defined-contribution scheme, known as the Superannuation Guarantee, is compulsory with required minimum employer contributions, whereas the UK workplace private pensions are semi-compulsory with auto-enrolment and in Germany private pensions are voluntary with large state subsidies. To minimize costs and charges, in Sweden, the Netherlands and Canada, pension administration is separated from fund management, but in Australia where vertical integration is permitted the requirement is to have trustees with a high standard of expertise and a duty to demonstrate value for money. At retirement, some countries require full annuitization of private pension savings (Sweden, Canada, Germany), while other countries do not impose such requirement (Australia and now the United Kingdom). As a result, lump-sum withdrawals are popular and demand for annuities is low among Australian retirees.

The book concludes by reiterating the critical dual role of the government as both the regulator of any new retirement-saving system with increased private retirement income and as the provider of basic pay-as-you-go state pensions. Drawing on lessons from international pension reform examples, the editors argue that the government needs to deliver effective regulation that promotes strong governance and economies of scale to ensure that best quality, low-cost pension products are being provided for both savers and retirees. In relation to this objective, their final words criticize the current regulation and policy setting around retirement income products in the United Kingdom as being inadequate to drive value for money for all savers in the defined-contribution workplace pension market.

To conclude, this short book is unlikely to make the reader a pension expert but it provides a great starting point for understanding the challenges that countries face when reforming their systems towards sustainable (pre-funded) pensions. I found the book enjoyable and interesting to read and would strongly recommend it to JPEF readers.

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Pensions at a Glance: Latin America and the Caribbean. OECD, IDB and The World Bank. OECD Publishing, 2014, ISBN 978-92-64-22496-4, 176 pages.

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The developing world is aging fast. *Pensions at a Glance: Latin America and the Caribbean*, an OECD publication, reports that old-age support ratios in Latin America will catch up to OECD countries' by 2050. Most countries in the region are expected to have converged to OECD levels of fertility by 2035, despite very different current levels. Life-expectancy is also increasing rapidly through most of the continent, with notable exceptions such as Bolivia and Paraguay.

Despite their growing demographic similarities to aging OECD economies, countries in Latin America and the Caribbean face very specific challenges, which the pension policy debate has only recently started addressing. As longitudinal data on employment histories have been collected throughout the region, it has become clear that most South and Central Americans contribute intermittently or even sporadically to national pension schemes, and fail to accumulate significant rights to contributory pension benefits over their work lives. As documented in this OECD publication, the fraction of contributing workers, which mirrors the high rates of informal employment, varies considerably across the subcontinent but has remained stubbornly stagnant through decades of economic growth.