

A confusion arises where the name BPJS, which stands for *Badan Penyelenggara Jaminan Sosial*, is written incorrectly as *Badan Pengelola Jaminan Sosial* in page 104, and *Badan Penyelenggaraan Jaminan Sosial* in page 105. These errors are repeated again in the Subject Index on page 187.

In Chapter Five, the authors fail to state the source of the assumptions listed in Table 5.10. The assumption of annual growth of GDP (11%) seems high relative to current Indonesian GDP growth of slightly more than 5 percent. The text doesn't clarify why the nominal GDP growth becomes an assumption. The assumption amount of 12% for the poor pensioner is also debatable. The reader can make a comparison between the assumptions presented in Table 5.10 and the one presented in Table 3.4 about China, or Table 7.3 regarding Japan, where the source of the assumptions is given. In addition, for the projection basis in Table 5.12, the authors don't explain how they calculated the number for the informal sector in 2020–2030, and it is unclear whether Table 5.12 presents data on the informal production sector or informal labor sector.

The suggestions regarding informal sector pension contributions in Table 5.16 and Sub-section 3.12 do not recognise that Labor BPJS does not take provident funds nor pension contributions from the informal labor sector. This policy has run since 1999 when the name of the institution was PT Jamsostek. In terms of action, it is very difficult to draw long term pension contributions from the informal labor sector because the characteristics of this sector are low income, lack of job continuity, and job site uncertainty.

Chapter Six deals mainly with Healthcare in Indonesia, which is certainly part of Indonesian Social Security, although tangential to the main focus of the book. Since the topic of the chapter is about Indonesian Social Security, the Healthcare BPJS should be included. The authors could have made clearer the transformation of functions from PT Askes and PT Jamsostek into Healthcare BPJS and Labour BPJS, and the divisions and the transfer of tasks between the two. Again in Chapter 6, better sourcing of assumptions would have helped.

Chapter Seven discusses the public pension program in Japan, including projections of Japan's public pension expenditure. After an introduction, in section two the author nicely elaborates on the four reforms in Japan's pension system. The author also introduces the so-called "Macroeconomy Indexation system" in Japan's pension reform. Section three discusses Government projection. Further, Chapter Four discusses the assumptions applied when making the projections. While the projection result is analysed in section five, the conclusion follows in section six. In Chapter Seven, the movement from one section to another is smooth and logical. The forecasting method used is also appropriate and applicable. The projections are also nicely done.

In conclusion, this book provides a good explanation of the relationship between public pension expenditure and fiscal space, especially in the four countries discussed. However, the editing of the book could have been improved to provide more complete and accurate content in some sections, and to improve readability.

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Insights in the Economics of Aging. David A. Wise (Ed.) National Bureau of Economic Research, The University of Chicago Press, 2017, ISBN: 978-0-226-42667-9, 388 pages. doi:10.1017/S1474747217000415

Given the importance of aging in all societies, and especially its economic consequences in nearly all spheres of life, the number of books published on the economics of aging is surprisingly low. One of the few institutions to put out several titles on this topic in the past three decades is the NBER, and specifically its program on aging. The program's latest publication, *Insights in the Economics of Aging*, edited by David A. Wise, is a work that will appeal equally

to both academics and policymakers working in this field. A collection of 11 papers by prominent scholars, the book is organized into three sections: financial well-being, health and disability, and life satisfaction or happiness.

The first section comprises four articles focused on financial well-being in later life, with a strong emphasis on asset accumulation. The first two papers address preretirement pension withdrawal, an issue of paramount importance in determining postretirement financial well-being. One particularly astute observation in Chapter 1, “Trends in Pension Cash-Out at Job Change and the Effects on Long-Term Outcomes” (M.D. Hurd and S. Rohwedder), is that those who withdraw their pension balances early experience worse outcomes than those who do not cash out, although the cause for this difference appears to be the shocks that lead to early withdrawal. Chapter 2, “Liquidity in Retirement Savings Systems: An International Comparison” (J. Beshears et al.), is an analysis of different international policies on preretirement that tests the novel hypothesis that liquidity differences across DC regimes may be welfare neutral, equalizing the benefits of illiquidity and flexibility. Chapter 3, “House Price Volatility and the Housing Ladder” (J. Banks et al.) then shows that in housing markets with higher price risks, people become homeowners at an earlier stage of their lives. Chapter 4, “What Determines End-of-Life Assets? A Retrospective View” (J. Poterba, S. Venti, and D. Wise) is a highly innovative analysis of the determinants of asset balances at death, which reconstructs the evolution of individual assets by following HRS respondents from time of death backwards. Although the asset trajectories produced are actually quite flat, they appear to depend on educational levels and certain events or disruptions (e.g., in health status).

The second and largest section of the book addresses issues related to aging and health, beginning with Chapter 5, “Understanding the Improvement in Disability-Free Life Expectancy in the U.S. Elderly Population” (M. Chernew et al.). Among the several important contributions made by this excellent paper is the interesting finding that significant gains in disability-free life expectancy are primarily attributable to improvements in heart disease and vision impairment. Chapter 6, “Are Black-White Mortality Rates Converging? Acute Myocardial Infarction in the United States, 1993–2010” (A. Chandra, T. Hoppenfeld, and J. Skinner) then examines racial disparities in U.S. health care based on 90-day mortality rates associated with acute myocardial infarction. The authors not only provide evidence of racial differences in hospital treatment that changed little between 1993 and 2010 but blame lower quality hospital treatment for the much higher risk-adjusted mortality rates experienced by Blacks. Chapter 7, “Measuring Disease Prevalence in Surveys: A Comparison of Diabetes Self-Reports, Biomarkers, and Linked Insurance Claims” (F. Heiss et al.) compares three different diabetes measures—self-reports, biomarker data, and Medicare insurance claims—to ascertain the best method for measuring disease prevalence using survey data like the HRS. Because all three approaches have disadvantages, the authors recommend a combination of several methods to obtain the most reliable results. In an insightful discussion of this paper, James Smith argues that, where possible, panel data could further improve measurements. He also correctly points out that biomarker information and self-reports in essence measure two different things. Next, Chapter 8, “Challenges in Controlling Medicare Spending: Treating Highly Complex Patients” (T. MaCurdy and J. Bhattacharya), identifies several effects on Medicare spending of multiple comorbidities, demonstrating in particular that just a handful of medically complex patients suffering from several comorbidities are responsible for most Medicare spending. Chapter 9, “Movies, Margins, and Marketing: Encouraging the Adoption of Iron-Fortified Salt” (A. Banerjee, S. Barnhardt, and E. Duflo) assesses the effectiveness of distributing double-fortified salt as an intervention to reduce the anemia suffered by over 67% of older Indian women. Their main conclusion is that without a strong communication campaign, policy interventions of this kind remain to a large extent ineffective, with most participants unaware of their benefits.

The last section, containing only two chapters, takes a more general look at aging and well-being, beginning with the crucial relation between life satisfaction, suicide, and pain (Chapter 10, “Suicide, Age, and Well-Being”, by A. Case and A. Deaton). In addition to showing that in

general, suicide has little to do with life satisfaction, these authors illustrate how age patterns of suicide differ among populations and across time. David Cutler, in his insightful commentary on this chapter, also points to the influence on suicides of strong socioeconomic changes. Finally, Chapter 11, “Does Retirement Make You Happy? A Simultaneous Equations Approach” (R. Fonseca et al.) throws new light on an old topic by using an SE model to demonstrate that retirement has no strong effect on either life satisfaction or depression.

Overall, this collection, while not intending to cover all aspects of aging, can definitely claim that the issues covered represent “hot topics” in the field. The quality of the papers (and most of the perspective pieces) is impressive and the empirical evidence, thought provoking. Moreover, even though the papers are primarily aimed at an academic audience, most are written to be equally accessible to the less technically well versed.

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