

## “Altruism and Intergenerational State Education and Pensions”

*(in English)*



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### **Abstract**

Altruism is an important issue affecting savings and human capital investment. This paper links suboptimality of human and physical capital accumulation to altruism in a three-period overlapping-generations model. We find that the extent of altruism determines the accumulation regime of suboptimality. Regarding the policy to restore optimality, under a large extent of altruism and thus operative bequest motives, it is optimal to subsidize both education and bequests financed by lump-sum taxes of the working-aged if the altruism factor is smaller than the social weight, but to tax both if otherwise. This case does not need public pensions. By contrast, under a small extent of altruism and thus inoperative bequest motives, it is optimal to subsidize education and to transfer the retirees a lump sum, financed by taxing the working-aged a lump sum. In this case, education subsidies and public pensions are necessary. Our quantitative exercise suggests that inoperative bequest motives are more in line with the data, supporting public education financing and public pensions.

### **Biography**

CHEN Been-Lon is Research Fellow with tenure at Institute of Economics, Academia Sinica, Adjunct Professor at Department of Economics, National Taiwan University, and Research Fellow at Research Institute for Economics and Business Administration, Kobe University. He was professor at University of Tsukuba, and board members of H&Q Taiwan, Dragon Investment Fund, and Asia Global Venture Capital II Co. His research area is on economic development, economic growth and macroeconomics.

He held 2017 Outstanding Scholarship Awards (3-yr awards), Foundation for the Advancement of Outstanding Scholarship, 2014 Academic Award for Publication in Social Sciences, Dr. Sun Yat Sen Academic and Cultural Foundation (「孫中山學術著作獎」), 2014 Investigator Award of Academia Sinica (5-year award), 2013 Outstanding Research Award, Taiwan Ministry of Sciences and Technology (3-year award) and 2010 Outstanding Research Award, Taiwan National Science Council (3-year award). He is elected Asian Standing Committee Member of the Econometric Society (2019-2022). He was ranked 154 of 5810 economists, top 3% in Asia, in Research Paper in Economics (RePEc). He holds Ph.D. in economics, UCLA, 1991, with MA and BA degrees, National Taiwan University, in 1985 and 1983, resp.

**All Are Welcome**

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