ENDNOTES

[1] Barr, Nicholas 1998 explains this in the third edition of *The Economics of the Welfare of the State*, Stanford University Press, Stanford, California

[2] Asher, Anthony**.**2001:1 in Old Age and Insurance Paper (fifth draft) researched for the Committee of Inquiry into a Comprehensive Social Security System for South Africa (Data from Codoni C (2000)**.** World insurance in 1999: soaring life insurance business published in SIGMA, Swiss Reinsurance Company, P O Box CH-8022, Zurich)

[3] See for instance Smith (1990)

[4] SAIRR 356 – cf 346

[5] See footnote 4 above

[6] Yakoboski et al (2001)

[7] SARB QB 12/2000 S-129. Income from investment appears however to be overstated as it includes significant informal sector business "profits" more properly classified as remuneration.

[8] cf Economic Trends Annual Supplement, National Statistics, London shows a ratio of this order on page 29

[9] See for instance the Myners (2001)

[10] Myners reports this as a requirement of the US Employment Retirement Income Security Act ERISA (14)

[11] see http://www.zafinance.com/sections/features/equities/feature000606.asp?CiRestriction=aimr

[12] http://www.iassa.co.za

[13] Data from the SARB QB. James *et al* (1999) suggests that US mutual funds offer the best international benchmark on costs. They report investment costs of between 0,1 per cent to 0,6 per cent annually depending the activity of the managers, and annual administration charges of $20. The average self-administered fund appears to come in at a lower level than this

[14] This is a rough guess from inspection of the numbers. There are many alternative ways of allocating and measuring expenses. It is not thought that further sophistication is warranted here

[15] The breakeven point will vary as different technologies are used, but David Gluckman of Oracle Employee Benefits suggests that a minimum of 500 members would be required to justify a separate fund. This suggests that over 99 per cent of employers should participate in some multiple-employer type arrangement.

[16] http://www.sars.gov.za/cgt/NationalTreasury24Jan2001.pdf

[17] See Glass (2001) and Ferris (2000) for instance.

[18] Polachek and Siebert (1995)

[19] Financial Advisory and Intermediary Services Bill (http://www.fsb.co.za/intermediary.htm)

[20] Disclosure rules (http://www.fsb.co.za/rules.htm) were introduced in February 2001 to ensure that policyholders are informed about new policy conditions.

[21] See Wadsworth *et al* (2001) 13-15 for a discussion

[22] The FSB estimates that R450 million is held in respect of those already over normal retirement date who have not claimed.

[23] See discussion at http://www.irf.org.za/irf/pdf per cent20files/16-03-01 per cent20S37C per cent20Discussion per cent20Paper.pdf

[24] In his opening address to the Pensions Lawyers Association, February 2001

[25] See Willets (1999)

[26] Personal communication from Peter Asher, board of The Association for the Aged, Durban