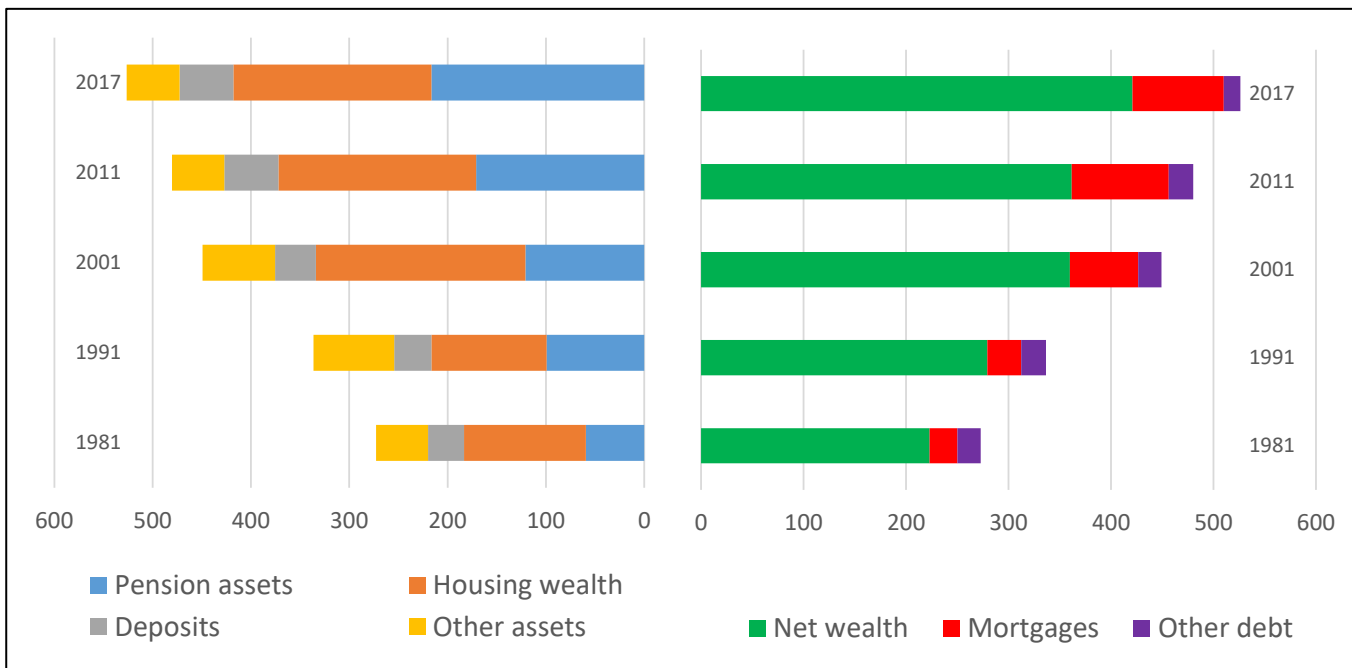


# The policy debate on fiscal sustainability in the Netherlands



**Íde Kearney**  
IFAC conference 22 Feb 2019

# The interaction between policy and “long” household balance sheets



# Policies to “smooth” consumption

## Life-cycle framework

A = early life

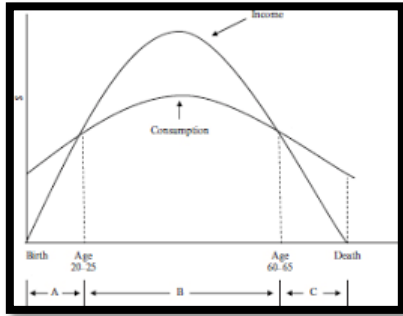
child benefit; childcare subsidies;  
free education; free healthcare

B = working life

mortgage tax relief; compulsory health insurance  
(risk equalisation); compulsory pension  
contributions (employees)

C = post-retirement life

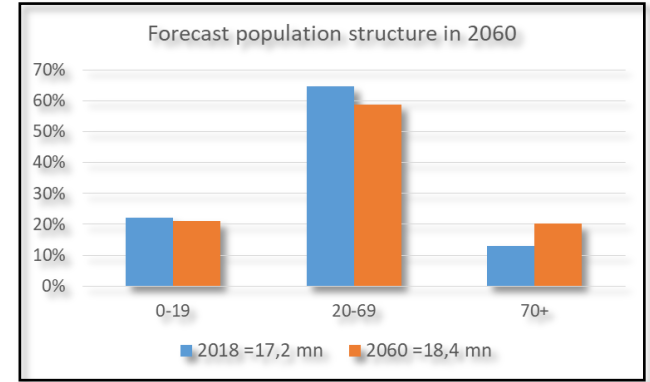
non-contributory pension; healthcare



# The policy debate

## Fiscal sustainability measures:

- Increase retirement age
- Active management of pension funds
- Phasing out of mortgage tax relief
- Labour market reforms – increase participation



## Public debate:

- Bespoke pension plans
- Climate change and the burden of carbon tax
- Intergenerational equity

