

# THE ROLE OF LARGE PENSION FUNDS IN THE ECONOMY

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*Should large pension funds  
(LPFs) play a role in the  
economy apart from securing  
pension financing?*

# *Detour: Pension Funds in Finland*

- Finland's system unique (?) as the statutory *1<sup>st</sup> pillar* occupational pensions are administered and financed by various *providers*, not by the state
- The scene dominated by
  - \* a few big pensions insurance companies
    - *Varma* (> 40 B€), *Ilmarinen* (>30 B€), *Elo* (>20 B€)
  - \* two big public funds
    - *Keva* (munis, >40 B€), *VER* (state, appr. 18 B€)
- The 2<sup>nd</sup> pillar pensions market very small

# LPFs supporting the economy by...

- financing useful projects?
- financing companies?
- providing companies with stable owners?
- financing public deficits?
- increasing the savings ratio?
- improving the stability and/or liquidity of the financial market?

*All of these may sometimes happen but having them as tasks or responsibilities of LPFs is hugely questionable!*