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**Let's be frank.** Looking back, the global pension community has not been a world beater on either the innovation or leadership fronts. For example, as major owners of publicly-traded equities, pension funds have not been as active as they could and should have been in the past. In the recent financial crisis, where were pension fund leaders as many major financial institutions they had invested in lost their fiduciary bearings and then their investors' capital? In pension management and delivery, why are so many institutional pension structures still not delivering measurable *value for money*? In pension design, why has the unproductive *defined benefit versus defined contribution debate* lingered for so long? Rather than defending old faulty designs, why haven't pension industry leaders been searching hard for designs better suited to delivering twenty-first century post-work living standards that are adequate, universal, and sustainable?

This issue of the *Rotman International Journal of Pension Management* offers advice on how the pension industry can become more innovative, and hence more effective and efficient. Ed Waitzer points out that pension funds are both suited, and have a fiduciary obligation, to be long-horizon investors. Stephen Davis, Jon Lukomnik, and David Pitt-Watson carry this logic further by arguing that pension fiduciaries must accept responsibility for their actions as shareowners. This stewardship requirement should in turn be buttressed by proactive pension supervision and legislation. In the sphere of pension management and delivery, Joshua Rauh and Irina Stefanescu document the continued retreat of corporations as sponsors of traditional defined benefit plans. At the same time, Joshua Fear and Geraldine Pace document the failure of unfettered choice to produce better results for *consumers* of defined contribution pension services.

So can we build better *mouse traps* in pension management, delivery, and design? Yes we can! Ron Bird and Jack Gray offer an institutional structure proposal that they suspect might be unpopular in some quarters, but which would provide a significant boost to the cost-effectiveness of pension management and delivery. Tim Jones brings us up to date on bold initiatives to enhance pension coverage and delivery efficiency in the United Kingdom. Bill Robson assesses the prospects for similar initiatives in Canada. Teresa Ghilarducci argues that the United States should not rely on its current defined contribution-oriented system, but should embrace a more collective system backed by a government guarantee. Finally, Hans Blommestein, Pascal Janssen, Niels Kortleve, and Juan Yermo demonstrate analytically that pension designs that blend defined benefit and defined contribution elements are most likely to meet joint tests of pension adequacy and sustainability.

We close by stating the obvious. This issue of the *Journal* sets out some of the necessary conditions for creating better pension systems. But on their own, they will not suffice. Effecting real change will require strong leadership too.

## About Rotman International Centre for Pension Management

The mission of the Rotman International Centre for Pension Management (Rotman ICPM) is to be a catalyst for improving the management of pensions around the world. Through its research funding and discussion forums, the Centre produces a steady stream of innovative insights into optimal pension system design and the effective management of pension delivery organizations. Using *Integrative Investment Theory* as its guide, research and discussion topics focus on agency costs, governance and organization design, investment beliefs, risk measurement and management, and strategy implementation. The role of the *Journal* is to disseminate the new ideas and strategies that result from the activities of Rotman ICPM to a global audience. The Research Partners of the Centre believe that this broad dissemination is a win-win proposition for both professionals working in the global pension industry, and for its millions of beneficiaries.

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