
The Role of Tax System in the Efficiency of Social Security System

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Summary

Nowadays pension system as one of the important pillars of social security system has encountered a considerable number of challenges, the most important of which pertains to financial imbalance. Accordingly, reforming the pension systems has become one of the major challenges that policymakers more or less in all the countries around the world are struggling with. One type of structural reforms introduced by the World Bank is developing a “multi-pillar social security system”.

The most important operational infrastructure of reforms is developing an efficient tax system is the one in which the income of different people is regarded as the basis for dividing the social security system into different pillars.

The multi-pillar system has already been introduced in Iran; however, it seems that its operational requirements have been neglected or even misunderstood in this context. In other words, in a multi-pillar social security system, the matter of privatization of mandatory social security insurance and efficient tax system seem to be missing in the approach. Therefore, the major aim of this book is to analyze the connecting dimensions of social security system and tax system.