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PETER DRUCKER'S PENSION LEGACY:

A VISION OF WHAT COULD BE

Two Hand-Shakes to Remember

The two of us stood huddled together on a pier overlooking the windy Wellington NZ harbour a few weeks ago. Suddenly the grizzled old-timer turned to me, shook my hand, and announced that he had been a steward on the Cunard liner *Queen Mary* during WWII, and had personally served Winston Churchill his morning coffee many times. He said: "You have just shaken a hand that shook Churchill's hand 60 years ago". Two months prior, I was one of three visitors to the Drucker household in Claremont, CA., where a 96-year old Peter Drucker himself had also greeted me with a hand-shake. Two hand-shakes to remember! When I arrived back home from my NZ-AUS trip, Drucker's obituary was waiting for me. I read there that Drucker's first book "The End of Economic Man" (1939) had been favorably reviewed in the *Times Literary Supplement* by none other than...Winston Churchill. The past had miraculously touched the present.

As examples of her observation that he "had a good eye for things to come", Kathryn Harris noted in her obituary that Drucker predicted the coming importance of computers in the

1950s, foresaw the rise of Japan as an economic power in the 1960s, and warned against the coming backlash against executive pay practices in the 1990s. As have most other Drucker-watchers, Harris missed his prescient observations in the 1970s about the coming 'pension revolution'. About his 1976 book "The Unseen Revolution: How Pension Fund Socialism Came to America", Drucker himself would write 20 years later "No book of mine was ever more on target, and no book of mine has been ever more totally ignored". Two *Letters* earlier this year revisited the messages of Drucker's 1976 book. Here, we expand on our earlier assessment, and evaluate how some of the globe's major retirement income systems rate today relative to the Drucker pension vision set out 30 years ago.