

Bismarck, Beveridge and the Rest of the World

A comparative analysis of the effects of globalisation on pension systems



Universiteit Leiden

Buddy J.M. Janssen
Student no. 1418742
Haarlemmerstraat 54 A
2312 GC Leiden
Buddyjanssen@Hotmail.com

Supervisor: Dr.ir. A.A.H.E. Van Reuler
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I advise you to go on living solely to enrage those who are paying your annuities. It is the only pleasure I have left.

—Voltaire, letter to marquise du Defant, 1768

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Introduction

Globalisation, the welfare state and old age

The ageing of Europe is increasingly becoming a problem for the future of the welfare state. People live longer, healthier lives while birth-rates have been dropping for decades. As a result, the old age dependency ratio (i.e., the ratio of citizens above age 65 compared to the number of citizens aged 15-64) keeps increasing and it is expected to more than double between 2008 (25.4%) and 2060 (53.5%) (Eurostat, 2018). In other words, by 2060, there will be only two workers per retiree as opposed to the current three (31.1% in 2017). At the same time, increasing globalisation makes it harder for states to collect taxes in order to provide for their citizens (Genschel, Kemmerling & Seils, 2011).

While the problem of population ageing for pension welfare is well known and documented, the relationship between old age pensions and globalisation has gotten less attention. Moreover, much of the existing literature oftentimes only focus on aggregate social welfare expenditure. But such a limited focus can lead to misleading results as different parts of the welfare state react in a different way to the increasing globalisation. This study, therefore, is an attempt to shed light on the relationship between economic globalisation and pension policy reform in different types of pension systems: the Bismarckian and the Beveridgean pension system. It does so by comparing German and Irish old-age pension policy reform over the last two decades. Apart from contributing to the academic debate on globalisation and pension policy reform, this study also bears a social relevance. In an age of growing populism and anti-international sentiment, the need for knowledge on as to what extent globalisation actually disrupts our society seems to be more relevant than ever. This study contributes to charting that impact.

This thesis is structured into six sections. The first section provides a review of existing literature on the topic and explains how a disaggregate approach, employed in this study, to the welfare state can add to the debate. The second section deals with the theoretical framework upon which this study was built and explains the expected outcome. The third section clarifies the necessary concepts. The fourth section explains the used methods and elaborates on the research design, case selection, operationalisation and method of data collection. The fifth section analyses the study's

results and the sixth and final section provides a discussion of the results and concluding remarks.

Economic globalisation is defined as the international integration of the flow of goods, services and capital and as the internationalisation of production (Brady & Denniston, 2006, p. 299; Fervers, Picot & Oser, 2016, p. 198). There is a consensus among scholars that globalisation is taking place, although there are different opinions on the intensity and the exact effects it has on society and politics (Genschel, 2004, p. 616). The effect globalisation has had on the welfare state is, however, a more contested subject. Some scholars support the view that governments are pushed into a position that leaves no other alternative than welfare retrenchment, a view also popular in public discourse (Genschel et al., 2011; Schwartz, 2001; Tanzi, 2000). Yet, others have shown that governments might actually enlarge their welfare effort, in order to protect their citizens from economic insecurities (Cameron, 1978; Garrett, 1998; Katzenstein, 1985; Rodrik, 1998) and a third group of scholars points out that globalisation might not have any significant effects on the welfare state at all (Swank, 2010).

In the first view, globalisation exerts pressure on the welfare system which leads to retrenchment. This strand of thinking has been labelled the 'efficiency theory'. The theory holds that globalisation pressures governments into a situation where they no longer have the resources and ability to sustain their current levels of welfare expenditure. According to Swank (2010, pp. 319-322), there are three mechanisms at play here. Firstly, capital holders will seek higher return abroad as it becomes easier and less costly to do so. States will then compete to provide the most attractive investing climate (lowering labour costs and taxes). Secondly, investors may pressure governments, threatening with capital flight, into efficiency-oriented policy reforms. Thirdly, more openness empowers the neo-liberal rhetoric used by the liberal parties and business economists, strengthening their demands for efficiency policies. These effects are arguably stronger within the EU since the occasional devaluation is also no longer possible (Tanzi, 2000, p. 15).

In line with this theory, Schwartz (2001) argues that the pressure exerted by the international market simply cannot be contained, even stating that one should wonder how the welfare state has persisted up until now. Through qualitative research and an analysis of existing literature, she concludes that the erosion of the welfare state should be understood as the erosion of politically based property rights and their related streams of income, and also as a reaction to that erosion. Furthermore, she argues that

the continental welfare states, a term derived from Esping-Andersen's (1990) work, responded to higher unemployment by shifting those who lost their jobs into early retirement and disability programmes, magnifying the fiscal stress. Interestingly, these countries have also seen the fewest cutbacks as of 2001 (Schwartz, 2001, pp. 24–25).

The effects of globalisation in the European Union are magnified due to structural tax competition, further increasing the need to adapt. The integration and enlargement effect hold that tax competition has become ever more fierce and Europe's counter mechanisms (labelled the ordination- and judicialization effect) do not seem to have been strong enough to prevent a race to the bottom (Genschel et al., 2011). This is important for this study, as both observed countries are EU-members.

The second view, the 'compensation theory', contrasts the first view described above. Its foundations lie in the works of Katzenstein (1985) and Cameron (1978). The main argument is that governments will react to the challenges of globalism by expanding the welfare state to protect its citizens. One of the most thorough works from this perspective comes from Rodrik (1998). His findings imply that there is a positive correlation between an economy's exposure to international trade and the size of its government. However, openness does not directly affect government consumption: it is the risk that exists as a consequence of the openness that produces an increase in government consumption. Countries try to lessen the risk by increasing government consumption or through an increased spending on social security and welfare programmes (though the latter applies more to developing countries). Rodrik also finds that government size has no significant correlation to country/population size.

Garrett (1998) has shown that globalisation has not triggered a policy race to the bottom among OECD countries. Instead, a wide range of different reactions in different states has occurred, but the governments still are of vital importance in promoting trade liberalization through cushioning the short-term dislocations brought about by globalisation. The methods and policies that governments employ to this end are, however, increasingly divergent and depend on domestic factors such as the partisan balance of political power and the organized labour movements (Garrett, 1998, p. 93).

Moreover, Walter (2010) provides empirical evidence for the compensation theory at the micro-level, which is necessary to make a distinction between the supply and demand sides of the globalisation-nexus. Studies that do not find a macro-level relationship between globalisation and welfare state expansion cannot tell us whether

this is because there is no globalisation-induced demand for compensation, or whether those demands fail to induce actual policy change because of the pressure of globalisation. Walter concludes that the 'losers of globalisation', those suffering a globalisation-induced economic insecurity, are more inclined to oppose openness and embrace government provided safety. They are also more likely to vote left-wing parties. The compensation theory thus holds at the micro level.

Very similar to Walter's study, Hays, Ehrlich and Peinhardt (2005) found micro-level foundations for the 'embedded liberalism' thesis. First mentioned by Ruggie (1982), the thesis posits that governments committed to free trade provide insurance and other transfers to compensate those who lose economically from expanded trade in order to maintain support for trade liberalization, which is very similar to the compensation theory. The main difference is that the aim of the government's compensation in this thesis is twofold. Not only does it protect its citizens from the forces of the open market, but it does also to protect the open market from the forces of its citizens.

The third and final view opposes the other two by stressing that there is no clear one-way relationship between globalisation and changes within the welfare state. For example, Rudra and Haggard (2005) suggest that the effects of globalisation can and should only be adequately measured in the context of the consideration of the domestic political situation. Alternatively, Iversen and Cusack (2000) argue that the main driver of welfare state expansion since the 1960s has not been globalisation, but deindustrialization (understood as the long-term structural labour shedding of both agriculture and industry). The reason that this dynamic has been overlooked for so long is that we have 'outgrown' the notion that the rise of the welfare state had been strongly linked to the working class.

These are the three views that dominate the debate on the effects of globalization on the welfare state. This thesis will focus mostly on the two opposing views, the efficiency theory and the compensation theory, as the main assumption is that globalisation will have had an effect on pension policy reform to some extent.

The disaggregate approach

Most of the studies mentioned above use changes in the state's aggregated expenditure on social welfare as evidence to substantiate their arguments. However, such a sole focus on aggregate numbers leads to an incomplete picture. Different aspects of the

welfare state may react in entirely different ways to the increasing globalisation. It seems to constrain some elements, spur others, and leave still others unaffected (Burgoon, 2001; Fervers et al., 2016; Kaufman & Segura-Ubiergo, 2001). Globalisation and openness thus have to be seen as consisting of distinctive parts, not as a whole.

To see how the different parts of the welfare state react, Burgoon (2001) analysed panel data of 18 OECD countries for the period 1961-94, with more disaggregated data for 1980-94. The independent variables are openness, operationalized as Trade openness (import/export as percentage of GDP), Low-wage imports from Non-OECD countries (excluding OPEC), Foreign Direct Investment (FDI) exposure (inflows/outflows of FDI as percentage of GDP) and Portfolio flows (assets and liabilities of international bonds, and equities as percentage of GDP). The dependent variables are the welfare efforts and government spending as a percentage of GDP, which consists of the total government spending, including outlays, land purchases and intangible assets and gross capital formation, government consumption, including education and healthcare and social security transfers (old age, health-care, family, unemployment insurance and social assistance grants).

Burgoon predicts four different effects on different parts of the welfare state. His analysis of these effects indicates that the overall outcome will still lead to welfare expansion, but asymmetrically. The healthcare sector and programmes that provide family benefits or support elderly citizens will see the most retrenchment. Expenditures in these areas are the only ones that meet high opposition from the producers/investors, but low demands for compensation from the group vulnerable to the effects of globalisation. One of the implications of the study is that Conservative welfare states (such as Germany and France) will be hit the hardest by the effects of globalisation, due to their relatively heavy reliance on these programmes.

With much of the work depending on the analysis of spending levels of the welfare state as a whole, more insight into the individual parts of the welfare state is needed. This study, therefore, is an attempt at shedding light on the interplay between economic globalisation and one of the distinct parts of the welfare state: old-age pensions. This sector of the welfare state has been chosen because it is the sector that should see most retrenchment according to Burgoon's theory and because expenditures in this sector are typically far larger in Conservative welfare states than in the other types of welfare states, making it a defining aspect. Because of this it should lead to clear results. Moreover, old-age pensions directly relate to everyone unlike

healthcare programmes and family benefits, which are only relevant to those who make use of their healthcare benefits or have a family respectively.

Theory

Theoretical framework

This study follows the approach suggested by Burgoon (2001), Fervers et al. (2016) and Kaufman and Segura-Ubiergo (2001), meaning that the effect on globalisation should be measured separately for each welfare programme. Esping-Andersen (1990, p. 19) already offers a critique of aggregate social spending as a measure for comparing the different welfare states, arguing that not all spending counts equally. Castles (2008) elaborates on this and shows that the determinants of social spending are not the same across spending types.

Following Burgoon's theory (2001), there are two main determinants that push welfare programmes either into expansion or retrenchment. First, citizens suffering from economic insecurity due to globalisation will demand compensation from their government. This vulnerable group tends to consist of less-skilled workers who are at risk of losing their job or owners of specific assets in the labour-intensive exposed sectors, who are at risk of losing their money (Burgoon, 2001, p. 521). These groups will focus on programmes that offer the most direct solution to the problems posed by globalisation, meaning that they will mostly favour active and passive labour market policies. Second, the investors have preferences for specific types of welfare, based on cost and possible increases in productivity. Investors will thus favour welfare aspects such as active labour market policies (Burgoon, 2001, p. 526). This reasoning is along the lines of neo-functionalism, a theory in which policy changes are primarily seen in the light of socio-economic change and 'problem pressure' (Starke, 2006, p. 4). In this case, the pressure is exerted by the vulnerable group and the investors domestically and by increasing globalisation internationally.

Out of these dynamics, four different patterns of compensation emerge. First, the programmes that are supported or accepted by investors and in strong demand by vulnerable groups will expand (e.g. relocation assistance and job training). Second, elements that are not seen as a solution to economic insecurity and do not impose fear on investors will not change much (e.g. education and infrastructure). Third, policies that are highly opposed by investors and in high demand with the vulnerable group,

such as unemployment insurance and public employment, will create conflictual politics. Lastly, welfare elements that are not perceived as a direct solution by the vulnerable group but foster high investor concern will be most vulnerable to retrenchment politics. In sum, healthcare, family benefits and elderly- and retirement programmes will be subject to most retrenchment, according to this logic, as the vulnerable groups will not see these programmes as essential solutions to their insecurities, while investors see them as a potentially avoidable expense (Burgoon, 2001, p. 524).

In this study, old age pensions – one of the largest items on the social policy bill – are closely examined. According to Burgoon's theory, these pensions will be subject to retrenchment whenever there is an increase in globalisation. The group that experiences economic insecurity as a direct result of globalisation will not tend to this sector for answers. Investors, however, will try to get old age policies retrenched. A major reason behind this is the sheer size of the government's expenditure on this sector. The average public expenditure level on pensions (old age and survivors) in the OECD in 2013 was 8.2 per cent of the GDP, ranging from 2.0 per cent in Iceland to 16.3 per cent in Italy. While Burgoon's theory in sum compromises both the compensation and the efficiency theory, this particular dynamic relates most to the latter.

However, as stated before, most studies conducted on the impact of globalisation have solely focussed on aggregate social spending. The studies that have dissected the welfare state before analysing it, such as the aforementioned studies, still only focus on spending levels. But the changes in policy that have led to the changes in spending levels might have had little to do with globalisation. To get a true understanding of whether and how globalisation affects the welfare state, more thorough analysis of the distinctive parts is needed. In this study, therefore, legislative proposals for pension reforms are analysed. This way, the motives behind certain reforms can be clarified and the effect of globalisation on different pension systems can be uncovered.

Theoretical expectation

The expected result for a comparison between Germany and Ireland, according to Burgoon's theory, is that there have been more or larger changes that retrench German pension welfare than there have been in Ireland. This is because Germany is a Conservative welfare state and Ireland a Liberal welfare state. More importantly,

Germany employs a Bismarckian pension system, which puts more stress on the system than the Irish Beveridgean pension system does. The concepts section elaborates further on this link between welfare state type and pension system. This expectation does, however, not necessarily mean that there have been more changes (or proposals to change) overall, but that the number of changes driven by necessity to adapt to the effects of globalisation has been relatively more numerous or have had more profound effects than in other welfare regimes. It is thus more a matter of the rhetoric in favour of change than of the actual amount of changes, since change can also be enacted on the basis of very different motives. The theory thus stands if there have been more changes, or if there have been less but more profound changes to counteract the effects of globalisation in Germany. Other possible outcomes are that globalisation was taken more into consideration in Irish than in German proposals, or that globalisation has not played any significant role in pension policy change in both countries.

Concepts

Globalisation

Some concepts will have to be clarified. The first one is globalisation, which is defined as the international integration of the flow of goods, services, technology and capital and as the internationalisation of production (Brady & Denniston, 2006, p. 299; Fervers et al., 2016, p. 198). This definition has an economic focus and incorporates all important aspects of globalisation at the economic level and entails the same as the United Nations' working definition (Shangquan, 2000). It is also very similar to Burgoon's (2001) definition of economic openness. It should not be confused with political or social globalisation. The former refers to matters such as the increase in the number of embassies in a state or the number of international organisations states are a part of, and the latter refers to increases in tourism or personal cross-border contacts. For this study, the economic definition has been chosen because it is the only one that relates directly to the issue. It is mainly the increased competition at an economic level that poses problems for the welfare state. Of course, political globalisation plays a role in this as institutions like the EU might impose laws that lead to more openness, but the resulting increase in economic openness is also a part of the economic globalisation.

Pension policy reform

According to Hinrichs & Lynch (2010), there are two types of reforms: parametric reforms and structural reforms. Parametric reforms are incremental adjustments to the equation within the systems that decide the balance of contribution and reward. They are a tool to counter rising pension contributions by changing the worker/pensioner-, and wage replacement ratios or by generating funding from new sources. To achieve this, several basic alterations are used. First, altering the link between contribution and benefit rates. This determines what percentage over what timespan of one's career will be given as pension. Second, changing the retirement age. The third is the alteration of the indexing formulae, which can be used for adjustments based on several things (e.g. linking the system to life expectancy or inflation rates). Finally, systems that operate on a 'pay as you go' (PAYG) basis have to hold reserves, which can be temporarily augmented. Structural reforms are broader and change the entire pension systems structure (e.g. adding new agencies) (Hinrichs & Lynch, 2010, pp. 362–365).

Welfare typology and pension systems

The theoretical expectation holds that Conservative welfare states will see more retrenchment in their pension welfare system than other types of welfare states. The Conservative welfare state is one of three regimes that Esping Andersen (1990) expounds in his seminal work, the other two being Liberal (e.g. Ireland, U.K.) and Social Democratic (e.g. Nordic countries). Liberal welfare regimes, on the one hand, provide modest universal transfers and modest universal plans. The limits of this type of welfare equal the marginal propensity to opt for such welfare instead of work. In other words, it guarantees a minimum income, but not much more. Private schemes are subsidized and tax burdens are relatively low. Social Democrat regimes, on the other hand, are universalistic and promote equality of high standards, instead of just focussing on the minimal needs. De-commodification of welfare is important in this type of regime and tax burdens are relatively high. Finally, the Conservative regimes are based on traditional family values, only intervening when a family's capacity is exhausted. Redistribution is negligent, unlike in Social Democrat regimes, as the preservation of financial status or class is important. The state is also ready to displace

the market and private insurance is only marginal, unlike in the Liberal regimes (Arts & Gelissen, 2002).

With regard to pension systems, different regimes employ different policies. Some rest on a single national pension scheme and others use a ‘multi-pillar’ system. Historically, the two opposing pension systems have come from the Bismarckian and the Beveridgean approaches (Hinrichs & Lynch, 2010, pp. 355–356). The Bismarckian system, named after the German chancellor Otto von Bismarck, was founded on one main pillar that is public and financed through contribution. Benefits come from work, making it an occupationally based system. Its focus is mainly on maintenance of citizen’s status and less on reducing poverty. This largely correlates with the aims of the Conservative welfare states; the list of states that have adopted Bismarckian pension schemes (Hinrichs & Lynch, 2010, p. 358) is virtually equal to the list of states that have employed a Conservative welfare regime (Arts & Gelissen, 2002, pp. 138–140). The only misfit is the Netherlands, because of its hybrid pension regime.

The Beveridgean approach, named after British economist William Beveridge, is based on tax-financed, flat-rate pensions. The system itself thus focuses mainly on poverty alleviation, which correlates with the aims Liberal welfare regimes. The aspect of status maintenance is privatized, with employers or individuals responsible for supplementary pension schemes. Overall, Bismarckian style welfare states reserve a much larger portion of their total social expenditure on pensions than Beveridgean states do. Most countries that started off as Beveridgean states, however, have become hybrids somewhere in between the two. Examples are the Nordic countries, the UK and the Netherlands. Only two states, New-Zealand and Ireland, are still strictly Beveridgean (Hinrichs & Lynch, 2010, pp. 357–360).

Methods

Research design and case selection

This thesis is a theory testing study that answers the question as to whether globalisation has induced more or more profound changes in old age pensions in states with a Bismarckian pension system than in states with a Beveridgean pension system. To answer this question, a qualitative comparative analysis was conducted. The two independent variables are economic globalisation and type of pension system. The dependent variable is globalisation induced pension policy reform. The logic of the

‘pathway case’ (Gerring, 2008, pp. 664-668) has been followed in the case selection, a method that is particularly useful for elucidating causal mechanisms. The pension system employed in both cases must be different, while developments in economic globalisation levels should be the same. A comparison of the cases should then point out which of the two pension systems has seen more globalisation induced pension policy reform.

The two states that best fit these requirements are Germany and Ireland. Germany employs a Bismarckian pension system and Ireland a Beveridgean pension system thus fulfilling the first requirement. Ireland was selected because, of all the existing pension systems, the Beveridgean system differs the most from the Bismarckian system and should thus lead to the clearest results. Other states that originally had a Beveridgean pension system have seen gradual amendments to their original system over time and are now categorised in between the two systems. (Hinrichs & Lynch, 2010, p. 358). The only other state that employs a Beveridgean system is New-Zealand, which leads to the second requirement: equality in economic globalisation. While not one hundred per cent equal, Ireland and Germany have had similar developments in their economic globalisation level due to their shared position in the Eurozone, which makes them more suitable for comparison than New-Zealand and Germany. The choice for Germany is mostly based on the fact that it is the country of origin of the Bismarckian pension system and that it is representative of the group of Conservative welfare states, which links the research to Burgoon’s (2001) theory. Other states such as France or Austria would have been suitable for comparison as well.

Operationalisation

The first independent variable, globalisation, is operationalised as an increase in international integration of the flow of goods, services and capital and as the internationalisation of production. To measure globalisation in a more concrete manner, the *Konjunkturforschungsstelle* (KOF) Globalisation Index (Dreher, 2006) is used. The calculations are based on both trade flows as well as financial flows. The De jure trade covers customs duties, taxes and restrictions on trade. The De facto trade is determined with reference to the trade in goods and services (Gygli, Haelg, & Sturm, 2018, pp. 14–17). The second independent variable, the pension system, is operationalised through the categorisation of Hinrichs and Lynch (2010, p. 358), that

links the different pension systems to the states that employ them. They identify the German system as a Bismarckian system and the Irish as a Beveridgean system.

The dependent variable is more complex to define, as a simple examination of the number and size of pension policy reforms and proposals thereof does not suffice. They have to be clearly proposed with the aim to counteract the effects of globalisation, instead of other problems such as population ageing. The primary sources analysed in this study are German and Irish legislative proposals and to find out what role globalisation has had in bringing forth these proposals, four different factors are analysed. The first factor is the change that is proposed. This is important, because not every bill was created equal. Some provide major changes, while others only address incremental adjustments. The directions of the bills are also determined, for they can either lead to retrenchment or expansion of pension welfare.

Second, the type of reform will be analysed. These are operationalized in two main parts: parametric and structural reforms. The parametric reforms consist of possible alterations of the contribution/ benefit link, the changing of the retirement age, alterations of the indexing formulae, expanding the income basis and augmentation of reserves (in the case of PAYG systems). The structural reforms are broader than the parametric reforms and overhaul the current system. These are an indicator of the profoundness of a reform. The third factor then is whether the bill was enacted or not, which is another indicator of the profoundness of the reform.

The fourth factor that has to be analysed are the motives behind the proposed change. Motives can range from international factors (increased competition) to domestic and demographic factors (unemployment and population ageing). The motives are derived from the introductory paragraphs within the bills that explain why the bill should be enacted and what problem it aims to solve. The guideline here is that when globalisation is explicitly mentioned or international competition or openness are mentioned as problems that should be solved, the motive behind the bill was based on globalisation. However, all bills should also be seen in their proper context because they might be part of a general wave of legislative proposals that counter globalisation effects without this being explicitly mentioned.

Through the analysis of the motives, the role that globalisation has played in creating the bill becomes clear. Then, together with the type of reform, the nature of the proposed change and the whether the bill has been enacted or not, the weight of

the individual bill can be assessed and thus the extent to which globalisation was an important factor in the overall pension policy reform can be determined.

Data collection

The data used is derived from legislative proposals from the *Dáil* (Irish parliament) and from the *Bundestag* (German parliament). The choice for legislative proposals, or bills (Ireland) and *Gesetzentwürfen* (Germany), is based on the implicit unanimity: when a bill is brought forth it has already been approved by the parliament. This ensures that the motives listed for the policy changes correlate with the country as a whole as much as possible. While an analysis of parliamentary debates can offer various insights as well, the different party opinions would have to be accounted for which is not the aim of this study.

The period in which the states are observed ranges from 1997 to the present. An analysis beginning in the year of Irish accession to the EU (1973) would be preferable, but this would pose several problems. The online archive of Irish bills only goes back as far as January 1997. Prior to that year, only Acts can be found. These are not sufficient for this study because, unlike bills, they do not provide a section that explains the problem and the need for the reform; documented Acts only provide the technical, legislative application of proposals, without explaining as to why there were implemented. The motives behind the proposed changes could be filtered out of antecedent debates, but the scope of a bachelor thesis does not allow for such extensive research.

The data for Germany was found using the *Dokumentations- und Informationssystem* (DIP21) search engine of the Bundestag. Only bills (*Gesetzentwürfen*) between 1997 and 2018 that directly correlate to pension reform (*Rentenreform*) have been included. Search terms were: *Renten*, *Rentenreform* and *Altersversorgung*. The same has been done for Ireland, by using their government's search engine for bills between 1997 and 2018. Again, only bills that relate directly to old age pension reform were included. Search terms here were: *pension*, *state pension* and *pension reform*.

Not all bills that were found are included. Some contained the exact same information as others (for administrative reasons) and are consequently not mentioned in the overview (see Appendices 1 and 2). Next, some of the remaining 30 bills for Germany and 45 bills for Ireland contained the search terms but did not

directly relate to old age pension reform. These are included in the overview but are only analysed for their contents. The remaining relevant bills, 22 for Germany and 37 for Ireland, are divided into three subcategories: retrenchment, expansion and neither. The 'neither' section refers to bills where the proposed change induces neither a retrenchment nor an expansion of old age pension policy, making them less relevant for this study. However, because they can contain important information for the complete picture of pension policy reform, they can be found in the overview (two for each state). For Germany, 14 bills have been categorised under retrenchment and six under expansion. For Ireland, 11 bills have been categorised under retrenchment and 24 under expansion.

In the following results section, the bills are referred to by their identification numbers. However, the system used for numbering bills is different in both countries. Whereas Ireland uses a calendar year based system, Germany uses a system based on parliamentary terms (*Wahlperioden*). In-text, Irish bills are referred to as (year/number) and German bills as (parliamentary term/number).

Results

Globalisation in Germany and Ireland

Both Germany and Ireland are highly globalized countries. According to the KOF Economic Globalisation Index most recent rankings (2015), Ireland ranks as the sixth highest economically globalised country in the world, with 86.19 points out of 100 and Germany comes in at 26th place with 77.06 points. At the time of Ireland's accession to the EU in 1973, those scores were respectively 71 and 51.92. These numbers show that there has been a steady increase in economic globalisation in both states.

The reason that Germany scores consistently lower than Ireland has to do with its size. Larger countries are more self-sufficient, whereas smaller countries are often more dependent on others. Within the group of larger countries, Germany maintains a high level of economic globalisation compared to, for example, the U.S. (59.19). This is mainly due to its position within the EU. The most important aspect is that there is an almost constant increase or high-level maintenance of globalisation. The only exception is Germany after the 2008 crisis; around 2009, the index starts to plummet. Figure 2 shows the development of globalisation in both countries, according to the KOF globalisation index (data only stretches until 2015).

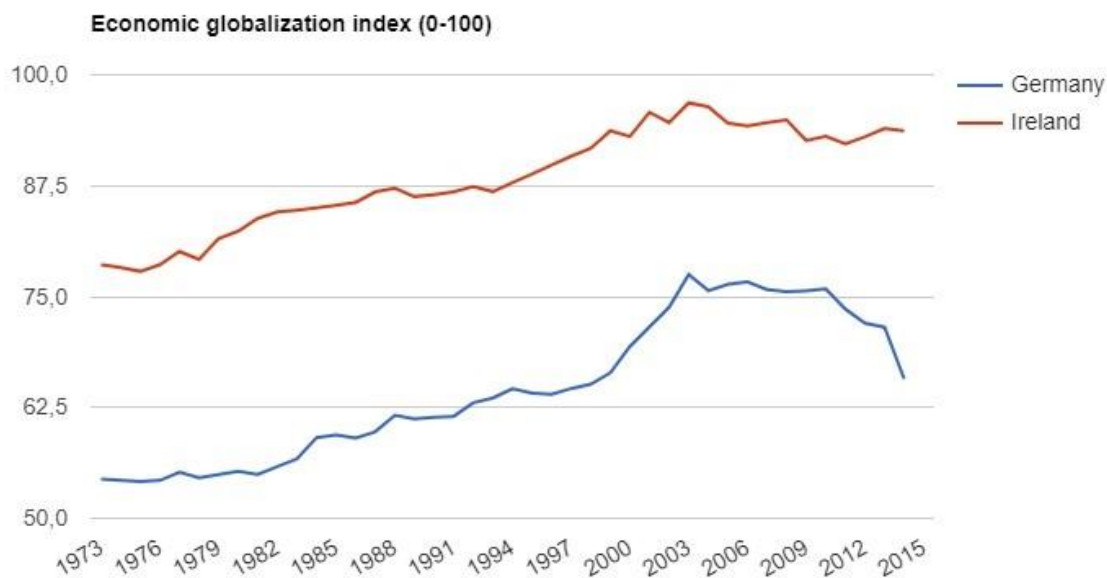


Figure 2. Development of KOF Globalisation Index points (source: TheGlobalEconomy.com & World Bank)

The Irish level of globalisation seems to have hardly been affected by the global crisis of 2008 and its aftermath. This, however, is not a sign of resilience and has had damaging effects on the Irish economy. When the crisis hit Ireland employment rates dropped severely, straining the entire Irish welfare state. While Germany experienced a same sort of development, the relative effects for Ireland were much more profound. After the nation successfully lowered its unemployment rates significantly in the 1990s, it maintained an unemployment rate of below 5 per cent until 2008. By 2012, the number had gone up to almost 15 per cent (Central Intelligence Agency, 2015). This is important, as it was a much recurring subject in the Irish debates due to the resulting shrinking of the contribution base for the pension system. In fact, the high level of globalisation is very likely to have made the crisis even worse (OECD, 2011).

Pension reform in Germany

An overview of the German bills and the analysis thereof can be found in Appendix 1. Of the twenty included German bills included, fourteen would lead to pension welfare retrenchment and only four would lead to pension welfare expansion. Germany thus has mostly seen retrenchment. However, a more close look at the actual bills is needed

to confirm whether this was due to pressure exerted by globalisation or due to other types of pressure.

At the time of the earliest bills studied, the German pension system still operated on a largely single pillar scheme with defined benefits, where contribution rates would follow the defined expenditure needs. Although there were some earlier reforms, the first major one occurred in 2001. The reform (14/5068) introduced contribution rate ceilings of 20 per cent until 2020 and 22 per cent until 2030. To achieve this, parametric reforms were made through several changes in the pension indexation formula. This linked annual changes in wage levels to annual changes in pension levels. Overall, the system started transitioning from a defined benefit scheme to a defined contribution scheme (where the benefits are no longer fixed). The *Riester Rente*, a government-funded private pension scheme (third pillar), was also introduced. This was meant to boost private pension savings in light of the reductions in government pensions. These were relatively large changes and the explicit goal was to increase international competition, meaning that this was a globalisation induced reform.

Later in 2001, some changes that led to retrenchment that mainly concerned the civil service were made (14/7064; 14/7223). Separate bills are needed for this because pensions in the civil service work differently; no taxes are paid, but the differences are withheld from the salary. The main argument for these changes was making the civil service more competitive as a reaction to demographic pressure, which makes them unrelated to globalisation.

Then in 2003 (14/2149), the sustainability factor was introduced in the formula. The 2001 reforms could not make sure that contribution levels stayed within the limit, so additional measures were needed. The change in the formula included changes in the contributor/pensioner ratio. If the number of contributors per pensioner declined, rises in pensions would now slow down. Together with the 2001 reform, this reform caused an overall decline in pension rates. This reform addressed the problem of the high non-wage labour costs. Lowering these costs would result in more jobs, which would, in turn, result in a larger contribution base for the pension system. Swank (2010, pp. 319–322) identified this as a typical reaction to increasing globalisation and the subsequent increase in international competition. Therefore, these reforms relate to globalisation, although not mentioned directly as such, as the government interferes to make the enterprises more competitive.

In 2007, the decision to gradually increase the retirement age was made (16/4327). Starting at 65 in 2012, it increases by one month per year so that someone born in 1958 could retire at age 66. This will continue until 2029 when the retirement age hits 67. Combined with the 2003 sustainability factor, this will then increase the effective replacement rates and lower contribution rates. This retrenchment was explicitly aimed at countering the demographic pressure. Furthermore, there was a proposal to keep the option of tax and security free investment in occupational funds (16/6539). Since the pension reform in 2001, employees had the right to use part of their salary tax-free and social security-free to build up a company pension, but this social security exemption was limited until the end of 2008. This led to a strong initial increase in occupational pension schemes, but growth came to a halt in 2006 due to the impending elimination of freedom of contribution. This was an expansion on the government's side because revenues from these taxes would otherwise have gone to the state treasury. It was, however, explicitly meant to relieve the pension system as it made the citizens more independent pension-wise and thus not related to globalisation.

Meanwhile, another process took place. Many German employees took early retirement. Already in 2000, early retirement pension rates were lowered (14/4230) and again in 2003 (15/2149). The latter bill also introduced measures to improve old age employment, a trend that would continue with the Initiative 50plus in 2007 (16/4327). An easy and often walked path to early retirement was the unemployment insurance, to bridge the gap between employment and retirement. To reduce early retirement numbers further, the duration of unemployment benefits was brought back from 27 months (through special regulations) to 12 months. A 2007 bill also mentions the principle of 'rehabilitation before retirement' (61/7076). Early retirement was also gradually made less attractive in the late 1990s because early retirees had to accept a 0.3 per cent of pension level reduction per month of early retirement. Only the 2000 bill mentions international competitiveness as an explicit problem. However, all of these reforms are not directly linked to globalisation. They increased state revenue by forcing citizens to work longer or stay out of early retirement, but they did not necessarily create more jobs or lower non-wage labour costs. In other words, they did not necessarily improve Germany's international position nor were they aimed to do so.

After that, very little changes occurred until 2017. That year the Occupational Pension Support Act (*Betriebsrentenstärkungsgesetz*, 18/11286) was introduced. This law was effectuated on January 1st, 2018 and created pure defined contribution plans, something that was hitherto not legally permissible. To make such occupational pension plans even more attractive, separate funds are established and managed by social partners such as employers' associations or unions. This way, the occupational pension is no longer just an agreement between employer and employee. This effectively eradicates contingent liabilities for employers with regard to pensions, transferring them to the overarching funds. Furthermore, employers themselves are not allowed to create such funds to make sure that the defined contribution scheme works. Finally, social partners have the possibility to create an opt-out model, where employees are auto-enrolled into the pension scheme and must actively elect to opt out. All of these measures aim to make occupational pension schemes more widespread. This, again, does not directly address the effects of globalisation but is focussed on relieving the existing pension system. By enrolment in occupational pension schemes, citizens become less dependent on the state offered old age pensions.

All in all, German policy reform has had two main goals. First, lowering unemployment. This was done by lowering the non-wage labour costs of employers to generate more jobs, which directly addressed the problems imposed by globalisation. It was also done by increasing the retirement age and by making early retirement less attractive, which was meant to relieve the pension system in anticipation of increasing demographic pressure. And second, shifting from a one-pillar based, defined benefit pension scheme to a multi-pillar based defined contribution scheme. Policies such as the *Riester Rente*, tax and security free occupational funds and the most recent Occupational Pension Support Act helped to promote second and third pillar pension schemes. By making citizens more dependent on these pillars instead of the first state pillar, the government again relieves the pension system in anticipation of population ageing. This also does not directly relate to globalisation.

Pension reform in Ireland

Of the 35 relevant Irish bills, 23 led or will lead to expansion (one was defeated by vote) and only 11 lead to retrenchment. This stands in stark contrast with the German bills, where all major reforms led to retrenchment. The Irish bills form a pattern that consists of three periods. Up until 2009, there is a wave of almost exclusively

expanding policies, followed by a period of retrenching policies and a period of renewed expansion thereafter. From 1995 to 2009, a period of prosperity in which the Irish economy was dubbed the 'Celtic Tiger', the Irish government was on a quest to eliminate poverty in the country. The mentality was that everyone should be able to live in relative prosperity and that no person should have to descend into complete poverty. This meant that they had to expand the benefits of their Liberal welfare system. In this period, the pension rate was increased six times (1998/9, 1999/1, 2000/8, 2004/7, 2007/13, 2008/94). Weekly payments rose from 77 pounds to 96 pounds between 1997 and 2000. Old age pensioners received weekly payments of 167.30 euros by 2004 and 230.30 by 2009, a significant growth from the (converted) 99 euros from 1997. This large expansion had little to do with globalisation, as the aim was to combat domestic poverty.

Just as any other European nation, Ireland also had to deal with the prospect of population ageing. They did so by creating the National Pension Reserve Fund (NPRF) (2000/36). The fund was established in 2001 and its goal was to support the monetary needs of Ireland's social welfare and public service pensions from 2025 onwards. Consequently, there would be no withdrawals from the fund until 2025 and the Government was obliged to annually deposit 1 per cent of GNP into the fund. In 2002, Personal Retirement Savings Accounts (PRSAs) were called into existence. These accounts are substitutes for occupational pensions schemes, which companies are required to offer if there is no alternative occupational scheme. They are bound to the employee and transferable between different jobs. Both these structural adjustments, in combination with increasing the pension age of public servants and abolishing maximum retirement ages in certain sectors (2004/9), made sure that the system would be resistant to demographic changes and are thus further unrelated to globalisation.

Then the crisis hit Ireland. As unemployment rose, state revenues plummeted. From 2009 to 2014, almost all bills that were proposed were meant to counteract the effects the economic crisis had on the Irish economy under the name of Financial Emergency Measures in the Public Interest (FEMPI). Most notably, the Irish banks faced imminent collapse due to insolvency and the Government decided to bail them out (Honohan, 2013). The state pension funds were not spared in the process; the NPRF funds contributed to the seven billion euro recapitalisation of the two largest banks, the Allied Irish Bank and the Bank of Ireland (2009/8). This, however,

backfired as the bail-out ultimately added to the deepening of the recession. Because these measures counteract the effects of the crisis, they are directly linked to globalisation. The effects of the crisis were magnified through the increased economic globalisation (OECD, 2011), which made the effects particularly strong for the highly globalised Ireland.

Consequently, in 2010, the Irish government requested financial support from the International Monetary Fund (IMF) and the European Financial Stability Facility (EFSF). To meet the IMF requirements, the Minister of Finance was given far-reaching interventionist powers (2010/58) and the annual contributions to the NPRF were suspended until the end of 2013. In 2012, future funds were required to have a risk reserve to increase their capacity to absorb economic shocks (2012/26), which is again a clear reform that counteracts the possible future effects of globalisation. During this crisis period, several cuts in overall pensions were made (2009/76, 2010/55, 2011/56, 2013/57) but only once was the state pension rate directly lowered (2009/5). Furthermore, the required age for state pensions is to be raised from 65 to 68 by 2028 (2011/23) and the Pay Related Social Insurance (PRSI) income base was broadened (2011/23). While normally these reforms would be to anticipate demographic pressure, the timing of these reforms implies that they are part of the measures that were taken to relieve the fiscal stress that was a direct effect of the crisis. Moreover, the previous safety net meant for the incoming demographic pressure, the NPRF, had failed because of the crisis, creating the need for alternatives.

In 2014, the NPRF was converted into the Irish Strategic Investment Fund (ISIF) with a mandate to invest in a manner designed to support future economic activity and employment in Ireland, instead of solely focussing on the investment returns. The last measure that was taken was the recovery of overpayments of pension benefits through fraud or error (2014/44). From then on, pre-FEMPI levels of pension were gradually restored (2015/91) and the 2009 FEMPI Act was repealed entirely in 2017 (2017/124). The restoration is the final act that relates to the crisis and thus to globalisation. Apart from that, several measures were proposed to protect employee's savings, by preventing solvent companies from reneging on their pension obligations (2017/10,14,17). These proposals are not yet enacted at the moment, but the first steps towards a better protection of employees were made by establishing the Office of the Financial Services and Pension Ombudsman in 2017, which is further unrelated to globalisation.

In sum, the Irish pension policy reforms follow a three-part pattern. First, the ‘Celtic Tiger’ period of 1995 to 2008 in which the Government expanded the pension system, substantially increasing pension rates over time. All this was part of a programme to eradicate country-wide poverty and made possible by the enormous economic growth and had little to do with globalisation. This, however, came to a halt when Ireland was hit by the 2008 crisis and the subsequent Great Recession, introducing the second period of pension welfare retrenchment. In this period, pension funds were used to counteract the effects of the banking crisis and government expenditure was kept as low as possible. Because of the nature of the crisis, these reforms relate directly to the pressure exerted by globalisation. Finally, 2014 marked the dawn of a period of economic recovery.

Discussion and conclusion

This study has shed a light on the nature of the relationship between globalisation and pension policy reform in different pension systems. The expectation was that, compared to a Beverdigean pension system (Ireland), a Bismarckian pension system (Germany) would be subject to more or more profound pension reform that leads to retrenchment due to pressure exerted by globalisation.

Considering the overall direction of the reforms in both states, this prediction seems to be true. Germany has consistently seen pension policy reforms that led to retrenchment, whereas Ireland has seen periods of both strong pension welfare expansion and retrenchment. However, this quantitative comparative analysis of pathway cases has shown that different pension reforms were proposed for different reasons. When taking this into account, the outcomes are different. In Germany, there were only four bills that proposed reform related to economic globalisation (13/8011; 14/4230; 14/5068; 14/2149). The first two were only minor parametric reforms. The third (14/5068) was a major parametric reform, as it introduced pension rate ceilings that would be implemented over the following twenty years. The fourth reform (14/2149) was a structural reform and one of the biggest reforms in Germany in the observed period. Germany also saw one parametric expansion (14/45) that was aimed at increasing economic competitiveness and therefore linked to globalisation.

Ireland has seen almost exclusively pension welfare expansion up until the 2008 crisis, except for one reform (2004/9). This wave of expansion was aimed at reducing

nation-wide poverty and was unrelated to globalisation. The period after the crisis, however, Ireland has seen some major reforms to its pension system. Nine reforms in total led to welfare retrenchment as a reaction to the crisis (2009/5; 2009/76; 2010/55; 2010/58; 2011/23; 2012/49; 2013/54; 2013/57; 2014/47). These are all globalisation induced welfare reforms because of the international nature of the crisis and vary from structural to parametric. One bill (2012/26) led to welfare expansion by establishing a fund to absorb future economic shock, which also is a globalisation induced structural reform.

Comparing these outcomes, Burgoon's (2001) theory no longer holds. Ireland has had much more and more profound reforms as a reaction to problems posed by increasing economic globalisation than Germany has had. The implication is that the type of welfare state or even the type of pension system of a state is not a decisive factor in the levels of pension welfare retrenchment for that state. An alternative explanation for the findings of this study is the size of the two compared countries. As explained in the results, Ireland started at a higher economic globalisation level, which remained high throughout the crisis. Moreover, Germany's level went down at the same time. This was only possible because of Germany's size, making it less dependent on other states. As a result, Germany was better able to cope with the effects of the crisis and thus the effects of economic globalisation. It seems that, regardless of the pension system, size is an influential factor in the amount of globalisation induced pension reform. Further research might elaborate on this by repeating this analysis for several states of equal size.

This study has also shown the value of the disaggregate approach to analyses of welfare reform. The findings suggest that none of the three views can be uniformly applied to even the single sector of pension welfare reform. Not all reforms related to globalisation and the ones that did formed an interplay of the dynamics of the compensation and the efficiency theory, sometimes leading to retrenchment and sometimes to expansion.

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Appendices

Table 1.
Overview of results for Germany

Year	Bill No.	Parametric/ Structural	Retrenchment/ Expansion	Enacted	Change	Motives
1997	13/8011	Parametric	Retrenchment	Yes	Several changes to alleviate growing future pressure off of pension system	Globalisation, population ageing
	13/8161	-	-	-	Abolishes legal distinction between <i>Arbeiter</i> and <i>Anngestellte</i>	-
1998	14/46	-	-	-	Postpones 1999 Pension Reform Act to 2001 (mainly due to cuts in disability and early retirement pensions for handicapped persons)	The need for more socially equitable solutions
	14/45	Parametric	Expansion	Yes	Several pension cuts postponed, pension contribution rates lowered	Non-wage labour costs are too high
2000	14/4230	Parametric	Retrenchment	Yes	Handicapped pension age to 63, lowering of early retirement pension rate	International competition
	14/4231	-	-	-	Adjustments for handicapped pensions	-
2001	14/5068	Parametric	Retrenchment	Yes	Contribution rate ceilings	International competition
	14/7064	Parametric	Retrenchment	Merged	Various reforms to civil service pensions	Demographic pressure
	14/7223	Parametric	Retrenchment	Yes	Various reforms to civil service pensions	Demographic pressure
2002	14/8017	-	-	-	Fourth Financial Market Promotion Act	-
	14/8602	Structural	Expansion	Merged	ZRBG law expanded (pensions for employment in ghetto's during the Third Reich)	Inclusiveness
	15/97	-	-	-	Minor amendment to 2001 Pension Act	-
2003	15/1830	Parametric	Retrenchment	Yes	Contribution adapted	Non-wage labour costs are too high
	15/1831	Parametric	Retrenchment	Yes	Pension payment replaced to end of the month	Non-wage labour costs are too high
	15/2150	Structural	Retrenchment	Merged	Minor technical reforms	Demographic Pressure
	15/2149	Structural	Retrenchment	Yes	Measures to stabilize pension finance, to reverse early retirement practice, promote the employment of older workers and increase the female employment rate.	Demographic Pressure

2004	15/3942	Parametric	Retrenchment	Yes	Pension reform for members of Parliament	Demographic Pressure
2005	15/5672	Parametric	Retrenchment	Yes	Pension Insurance Sustainability Law, lowers upper limit contribution rate	Demographic Pressure
2006	16/794	Parametric	Neither	Yes	Pensions adjusted to wage developments	Demographic Pressure
	16/1293	-	-	-	Cleaning of Federal Laws that have lost their legal relevance	-
2007	16/4327	Parametric	Retrenchment	Yes	Gradual increase of retirement age, initiative 50plus (to improve old age employment)	Demographic Pressure
	16/6539	Parametric	Expansion	Yes	Investing in occupational schemes (since 2001) will remain tax - and social security free (normally only until 2008)	Demographic Pressure
	61/7076	Parametric	Retrenchment	Yes	Gradual increase retirement age (67), 'rehabilitation before care' principle to avoid early retirement	Increase civil service competitiveness
2008	16/10144	Structural	Expansion	Yes	Pension rights and insurance are made to divide easier and fairer in case of divorce	Law is too complicated and unclear
2010	17/506	Structural	Expansion	Yes	Provision of pension supplement regardless of the tax status of the individual	Adaptation tax system to new EU decisions
2013	17/12297	-	-	-	Streamlines accident insurance	-
2014	146/14	Structural	Expansion	Yes	Retroactive pension payments for holocaust survivor's employment during internment	Inclusiveness
2017	156/17	-	-	-	Amendments to early retirement law for disabled persons	-
	18/11286	Structural	Retrenchment	Yes	Boosting occupational pension schemes	

Table 2.
Overview of the results for Ireland

Year	Bill No.	Parametric/ Structural	Retrenchment/ Expansion	Enacted	Change	Motives
1998	9	Parametric	Expansion	yes	Increase in pension rate	Eliminating poverty, inclusiveness
1999	1	Parametric	Expansion	Yes	Increase in pension rate	Eliminating poverty, inclusiveness
2000	8	Parametric	Expansion	Yes	Increase in pension rate	Eliminating poverty, Inclusiveness
	36	Structural	Expansion	Yes	Creation of National Pensions Reserve Fund (NPRF)	Population ageing
2001	45	Structural	Expansion	Yes	Introduction of Personal Retirement Savings Account (PRSA)	Making the system future proof
2004	7	Parametric	Expansion	Yes	Increase in pension rate	Eliminating poverty, inclusiveness
	9	Parametric	Retrenchment	Yes	Increasing minimum pension age of public servants (60-65) and abolishing maximum retirement age in certain sectors	Population ageing
2005	2	Parametric	Expansion	Yes	Overall influx of money; no direct increases in old age pension rates	Eliminating poverty, inclusiveness
2006	8	Parametric	Expansion	Yes	Name change (old age- to state pension) and minor changes in indexing formulae	Eliminating poverty, inclusiveness
	34	-	-	-	Bill would see to it that NPRF funds are invested ethically	-
2007	13	Parametric	Expansion	Yes	Increase in pension rate through several measures	Poverty, inclusiveness
2008	4	Parametric	Expansion	Yes	Height of disability allowance, does not influence the state pension height directly	Inclusiveness
	54	Parametric	Expansion	Yes	Increase in pension rate and fuel allowance rate	Poverty, inclusiveness
2009	5	Parametric	Retrenchment	Yes	Reduction in pension rate	Economic crisis
	8	Structural	Neither	Yes	Recapitalisation of NPRF funds to secure the positions of the Allied Irish Bank and the Bank of Ireland	Economic crisis
	17	-	-	-	Rent pension reform	-
	37	Structural	Neither	Yes	Preparations for enactment SEPA and transfer of assets to the NPRF (and other technical adjustments)	Economic crisis
	76	Parametric	Retrenchment	Yes	Major pension cuts; current state pension levels are maintained	Economic crisis

2010	55	Parametric	Retrenchment	Yes	Public service pensions above state pension level are reduced, state pensions remain intact	Economic crisis
	58	Structural	Retrenchment	Yes	Response to EU-IMF Bailout: Min. of Fin. gets far reaching interventionist powers and NPRF funds will be used to keep banks up.	Economic crisis, EU-IMF Bailout
2011	23	Parametric	Retrenchment	Yes	Gradual increase in state pension age (65-68 in 2028)	Economic crisis
	56	Parametric	Retrenchment	Yes	Career average pay for civil servant pensions and same gradual age increase as state pension and increases linked to CPI, instead of current job holder	Population Ageing
2012	26	Structural	Expansion	Yes	Funds in the future must have a risk reserve to absorb economic shocks	Economic crisis
	49	Structural	Retrenchment	Lapsed	Withdrawal of special pension provisions for current and future Secretaries General	Economic crisis
2013	54	Parametric	Retrenchment	Yes	Broadening PRSI income base	Economic crisis
	57	Parametric	Retrenchment	Yes	Reductions in public service pensions over 32.000	Economic crisis
	101	-	-	-	Does not affect state pension in any way, PRSI contribution rules loosened for lowest incomes.	-
	114	-	-	-	Technical overall pension reform	-
	117	-	-	-	Provide more clarity through ready-access list of schemes for beneficiaries	-
	118	-	-	-	changes current rules for the distribution of assets in the winding up of defined benefit pension schemes	-
2014	44	Structural	Expansion	Yes	Converts NPRF into ISIF, that makes commercial investments that support economic activity and employment	Efficiency, economic recovery
	47	Structural	Retrenchment	Yes	Recovery of overpayments through fraud or error	Economic crisis
	97	Parametric	Expansion	Yes	Universal increase in Child Benefit and Christmas bonus for certain beneficiaries	Poverty, inclusiveness
	99	-	-	-	Remove power of Irish Water to ask for Personal Public Service numbers	-
2015	91	Parametric	Expansion	Yes	Start of restoring pre-FEMPI levels of pension and start of increase public service pensions	Economic recovery
2016	7	Parametric	Expansion	Defeated by vote	Prohibit future legislation that imposes a levy on pension funds	Population Ageing

	109	Structural	Expansion	Not yet	provides for cases where employees who were unable to marry persons of the same sex may be deprived of certain pension benefits	Inclusiveness
2017	10	Structural	Expansion	Not yet	Prevent solvent companies from renegeing on their pension obligations	Population ageing, fairness (1)
	14	Structural	Expansion	Not yet	Provides appeals mechanism for pension schemes being wound up	Population ageing, fairness (2)
	17	Structural	Expansion	Not yet	Adds employer obligations to funding issues	Population ageing, fairness (3)
	59	Structural	Expansion	Yes	establishment of the Office of the Financial Services and Pensions Ombudsman	Fairness, protecting citizens from pension losses
	82	Structural	Expansion	Not yet	Constitutional amendment to ensure no levies can be imposed on private pension savings	Population ageing
	94	Structural	Expansion	Not yet	Measures to counteract welfare fraud	Population ageing
	124	Parametric	Expansion	Yes	Repeal 2009 FEMPI Act, fully restoring public service pensions and salaries	Economic growth, PSSA
2018	36	-	-	-	Amendment of definition of long-term financial service in 2017 Ombudsman Act	-
