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The European Open Method of Coordination in the Field of Old Age Insurance

Author: Professor Dr. Dr. h. c. Eberhard Eichenhofer

Location: Jena

The open method of coordination (“Offene Methode der Koordinierung – OMK”) is a seemingly mysterious process that has taken place in the European Union for one decade.

The open method of coordination has been extended to various fields of policy, such as budgetary policy, economic policy, environmental policy, employment policy, and social policy. It aims to orientate concerted goals, under regulation and guidance from the European Union.

The author describes and evaluates the structures of the open method of coordination in the field of old age provision and takes stock of its hitherto existing and future impact on the social policy of the member states of the European Union.

On the Occasion of the Price Awarded by the Resarch Network of the Statutory Pension Scheme

... (“Forschungsnetzwerk Alterssicherung, FNA”) to Dr. Frank Berner on December 4, 2008 in Berlin

Author: Professor Dr. Dr. h. c. Bert Rürup

Location: Darmstadt

The Nonrestricted Welfare State

...The Change of Old-Age Provision in Germany and the Disenchantment of Socio-Political Fiction

Author: Dr. Frank Berner

Location: Berlin

Organizational Concepts Regarding the Inclusion of Self-Employed into the Statutory Pension Scheme

...Effects on the Significant Operands of the Statutory Pension Scheme and on Intergenerational Distribution -

Authors: Dr. Heinrich Jess, Daniela Ujhelyiova

Locations: Berlin, Würzburg

The article deals with concepts regarding the inclusion of further groups of persons into the statutory pension scheme. The authors examine different organizational concepts and their effects on significant operands. The partial analysis is confined to receipts, expenditures, and the capital account of the statutory pension scheme. The authors show that the determination of a certain pivotal date for the rearrangement is of particular importance, because it has an impact on the contribution rate, the replacement rate, and on intergenerational distribution.

The Advantages of Statutory Insurance for Self-Employed Persons

Authors: Dr. Jürgen Ehler, Dina Frommert

Location: Berlin

The development of profitable employment in the last years was, inter alia, characterized by an increase of self-employment. Within the group of self-employed persons, it was particularly the number of self-employed without obligatory pension provision that grew. It is presumed that this group is in danger of old-age poverty above average, due to missing obligatory pension provision. Therefore, the implementation of an obligatory pension provision for self-employed has been on the agenda for many years. The scope of proposals range from compulsory insurance in the statutory pension scheme to an obligation to take out private insurance with a free choice of contractor. The considerations discussed in this article and the empirical results of the study „Old Age Provision in Germany 2005“ (“Altersvorsorge in Deutschland 2005 – AVID 2005”) speak in favor of a compulsory insurance in the statutory pension scheme. The authors take the employment biographies and the already existing privately funded old age provision of the respective persons into consideration. They came to the conclusion that those self-employed who are covered by obligatory jobrelated pension schemes (e.g. lawyers) normally do not change their profession and that these groups of persons regularly provide privately for old age as well. On the other hand, persons who are self-employed only sporadically and in-so-far not covered by an obligatory pension scheme, and persons without phases of self-employment cannot be accurately analyzed.

In many cases, self-employment without obligatory pension provision is only a phase of life. For this group of persons, privately funded old age provision doesn't play an important role.

Empiric Results Regarding Phases of Unemployment in Contribution Reports of Pensioners and Elderly Insured

Author: Dr. Michael Stegmann

Location: Würzburg

The author examines phases of unemployment in the contribution records of the statutory pension scheme with respect to relevance, position, duration, and valuation. The analysis refers to the birth cohorts between 1938 and 1945 and distinguishes in respect of different categories of socioeconomic features. It comes to the result that unemployment cannot be regarded as a marginal phenomenon affecting only a few insured. It affects half of the insured, in the new Laender even twothirds. At the same time, unemployment is an experience rather made at the end of the career. This can mainly be explained with the possibility to retire early after a phase of unemployment. However, unemployment has consequences for the pension entitlements of longterm insured in the statutory pension scheme. As long as the phase of unemployment is episodic, as it is in the majority of cases, it does not result in precarious old age pensions. For example, men in the old Laender with at least 25 years of pensionrelevant periods who are hit by unemployment, still reach 45 earning points ("Entgeltpunkte") on average. However, these are more than four earning points less than comparable insured without phases of unemployment reach. Furthermore, the analyses reveal that phases of unemployment in early years of the career increase the likelihood of a contribution record resulting in lower pension entitlements. In other words, early phases of unemployment have a decisive impact on the career and, consequently, on the amount of pension.