

DRV-Booklet

DRV-Number: 4/2012

“Pensions in crisis”

- EISS-Workshop in Erkner -

On June 29, 2012, the European Institute of Social Security (EISS), German Section, Leuven, invited to a workshop entitled “Pensions in crisis” in Erkner. The workshop was supported by the Research Network of the Statutory Pension Scheme (“Forschungsnetzwerk Alterssicherung – FNA”) of the Federal German Pension Office (“Deutsche Rentenversicherung Bund”). Selected contributions to the EISS-workshop are published in DRV-booklet 4/2012. A conference report was published in DRV-booklet 3/2012. We thank Professor Eberhard Eichenhofer, Friedrich-Schiller-University of Jena, for the translating of some contributions from English and Italian.

The Editorial Staff

Contribution 1, EISS-Workshop

Pensions in Greece – The Future Prospects in View of the Current Financial, Tax, and Employment Crisis

Professor Theodoros Sakellariopoulos
Panteion Universität Athen

Contribution 2, EISS-Workshop

The Social Security System in Italy in the View of the Current Financial Crisis

Professor Edoardo Ales, Professor Pasquale Passalacqua
Università degli Studi di Cassino e del Lazio Meridionale

Contribution 3, EISS-Workshop Pensions in Portugal in the View of the Current Financial Crisis

Professor Fernando Ribeiro Mendes
School of Economics and Management Lisbon

Contribution 4, EISS-Workshop The Polish Pension System in the View of the Current Financial Crisis

Professor Maciej Żukowski
Poznan University of Economics

In the course of a transformation of the entire social and economic system, the Polish pension system had undergone a structural reform in 1999. Until now, the Polish economy weathered the economic and financial crisis that emerged in Europe in 2008 surprisingly well. But the negative consequences of the slowdown in economic growth and, especially, the rising public debt contributed to two important reforms of the pension system in 2011 and 2012.

Thus, the crisis revealed weaknesses of the pension system and disposed government to reform it. However, many challenges remain.

Contribution 5, EISS-Workshop

Financial Crisis, Europe, and the German Pension System – Comments on Previous Experience and Future Developments

–

Author: Professor Dr. Winfried Schmähl

Location: Niebüll

„The Crisis“ (of the financial markets, the Euro, and the public dept) has been at the centre of public debate for a number of years now. The short-term effects on the German economy and pension systems may have been moderate, especially as compared to many other countries, but in a medium and longer term perspective, the implications will be substantial. The impacts are not only due to economic developments and decisions on a national level. They are increasingly dominated by developments at European level. Citizens' trust in the pay-as-you-go pension systems has been undermined deliberately. Meanwhile, a drop in confidence in the capital market dependent old age provision can be observed. Low interest rates and inflation uncertainty raise specific difficulties for the pension systems. The sharp rise in public debt increases the pressure on public pension provision, which is not only exerted by European institutions. Fiscal sustainability and poverty prevention are in the focus. Overall, this points to the conclusion that the financial crisis could accelerate the development of the German pension system that has been initiated by decisions of the German authorities in the field of pension policy taken in the last years. The

problematic social and distributive effects contribute to an increasing feeling of uncertainty among the population.

Differences Regarding Periods Spent on Child Raising and their Influence on Pension Entitlements

– Results of a Special Analysis of the Study „Old Age Provision in Germany 2005” (“Altersvorsorge in Deutschland 2005 – AVID 2005”) –

Authors: Dr. Thorsten Heien, Dina Frommert, Brigitte L. Loose

Locations: Munich, Berlin

Family-related employment intermission, especially periods spent on child raising, often lead to interrupted working careers of women that result in lower pension entitlements. The authors use data of the Study „Old Age Provision in Germany 2005” (“Altersvorsorge in Deutschland 2005 – AVID 2005”) to analyse periods spent on child raising in the employment biographies of women. They summarize the findings of a special analysis conducted on behalf of the Federal Ministry for Families, Senior Citizens, Women and Youths (“Bundesministerium für Familie, Senioren, Frauen und Jugend”) and expand it by a closer examination of the income in old age within the context of the household.

The individual employment histories of women who raised children consist of a number of different phases. By means of an analysis of sequence patterns, common ways to return to employment can be identified. The findings differ with respect to the length of the period spent bringing up children and the type of employment that is resumed after the absence time. The different patterns of a return to the labor market influence the individual pension entitlements

significantly. In many cases, however, not always, the low projected individual pension income is compensated by a higher income of the spouse.

The Assignment of Entitlements According to Article 85 of Commission Regulation (EC) No 883/2004

Author: Dr. Arno Bokeloh

Location: Bonn

If an insured person is injured in another member state, there is a discrepancy between the state that is responsible for the provision of social benefits resulting from the accident, and the state whose national law determines the liability. In cases like that, the European Community law determines that the claim against the damaging party is assigned to the institution responsible for providing benefits in accordance with the national law of that respective state. Alternatively, the institution responsible for providing benefits is granted a direct claim against the damaging party.

Thereby, the assignment of entitlements or the direct claim stipulated in national law become transnational. Furthermore, the national law of the responsible state is relevant for the question whether, or to what extent, employers or employees are exempted from liability. Thus, European Community law creates rights on the part of institutions responsible for providing benefits that would not exist on the basis of national law. The respective provisions guarantee a fair and reasonable compensation for the extension of the obligations of the institutions to the whole European Union. At the same time, they illustrate that European Community law does

not only establish rights that can be exercised across borders. It also creates cross-border obligations.

Conference Report on the 9th Workshop of the Data Research Center of the German Statutory Pension Scheme (“Forschungsdatenzentrum der Rentenversicherung”) in Cooperation with the Social Science Research Center („Wissenschaftszentrum Berlin für Sozialforschung – WZB“), Berlin

Authors: Dr. Roland Habich, Associate Professor Dr. Ralf K. Himmelreicher
Location: Berlin