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Membership or Influence Logic? The Response of Organized Interests to Retirement Age Reforms in Britain and Germany

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Introduction

As mature pension systems have come under increasing pressures, a common reform item has been the statutory retirement age (SRA). Even in pension systems that are dissimilar in their institutional design, such as the German Bismarckian and British Beveridge systems, demographic pressure through rising longevity and declining birth rates has prompted governments to raise the age at which the state (or statutory) pension can be drawn. Unlike systemic reforms, raising the statutory retirement age (SRA) is technically merely a first-order recalibration tool (Hall 1993; Palier 2006), but it is a clear case of retrenchment. Across European countries that have attempted such reforms, upwards changes of the SRA have been hugely unpopular among citizens (Naumann 2014), and they have often been subject to ongoing campaigns by interest organizations. This is the topic of this chapter, focusing on the position of organized interests towards SRA reforms in Germany and Great Britain.

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Social actors generally have a stake in the shape of the welfare state and, as its stakeholders, in attempts to change it. As interest groups, they represent either individuals or business entities that can both benefit from the welfare systems and have to shoulder part of the cost. Depending on the shape of the welfare state, they might even be involved in its self-administration. Schmitter and Streeck (1999) distinguish the 'logic of membership' and the 'logic of influence': voluntary associations must offer sufficient incentives to their members to stay and support the organization, while being able to have some success in influencing policy. This conflict between 'pleasing the members' and being politically effective frequently involves trade-offs between the two logics. In the context of a contentious retrenchment effort, one might expect trade unions as large membership organizations to be particularly sensitive to upholding their members' positions, while actors like the employer organizations are freer to act strategically in the policy process.

The research in this chapter presents how different types of organized interest position themselves regarding the raising of the statutory retirement age, what cleavages these positions indicate, and how the organizations negotiate between the membership and influence logics. The analysis is based on qualitative interviews with over 30 representatives of trade unions, employer associations, insurance associations, and social advocacy groups.¹ The results are coded in a two-dimensional policy space (see method section below) and then discussed in the context of the background knowledge and process information contained in the interviews. The results show an overall alignment with broad expectations along a labour/capital divide but are revealed as more complex for individual organizations and in the details of the arguments.

The age at which one can draw retirement benefit is a central question in pension politics. Historically, the way SRA is set has defined whether a pension is an actual old-age pension or a disability pension. Changing the SRA has always been contentious, and it can be politically difficult: while long phasing-in periods lend themselves well to strategies of blame avoidance (see also Hering 2012, 87), a higher SRA is intuitive to understand, and as a retrenchment measure it is harder to conceal than a more technical or structural reform. SRA reform does not only have to contend

with the SRA as such but also takes place in a retirement culture. Following the proliferation of early retirement in the 1970s (Ebbinghaus 2006), de facto retirement age declined, along with people's expectations of what is the 'right' retirement age.

Qualitative analysis of the positions of interest groups allows for an inclusion and discussion of these expectations and normative views, alongside political strategy and perceived rational self-interest. Based on expert interviews, Scherger and Hagemann (2014) show the ideational dimension for British and German social actors in the pension discourse, namely employers, trade unions, and social advocacy associations. Given that retirement 'as a distinct phase of life evolved only recently in history' (Scherger and Hagemann 2014, 7), they argue that changing ideas can prompt an institutional change. Union representatives in their sample adhere more strongly to retirement as a fixed and distinct phase than employer representatives, who stress flexibility and, in the German case, find a fixed retirement age 'outdated' (Scherger and Hagemann 2014, 28).

The consideration of 'early' retirement is crucial in the retirement age discussion. Ebbinghaus (2006) has argued that early exit from work is 'an unintended consequence of the expansion of social rights', but also 'a deliberate policy to facilitate economic restructuring and reduce unemployment' (Ebbinghaus 2006, 3). Early retirement provided employers with an opportunity to shed parts of their workforce in socially uncontested ways and trade unions with tangible benefits for their members, while placing most of the financial burden on the public. Trampusch shows that after an increasing rift between small and big firms in Germany, and changes in the employer organization, they eventually came around to support a reversal of early retirement policies (Trampusch 2005, 213–214).

As governments have become less willing or able to shoulder the costs of the pension systems, they adopted policies to raise SRA. Ebbinghaus and Hofäcker (2013) show that several OECD countries have made progress in reversing early retirement trends, among these Britain and Germany. They explain this as a result of the closure of early retirement pathways and a general reduction of welfare 'pull' factors, but also active labour market policies or strategies to promote active ageing and lifelong

learning have played some role. In Britain, efforts to reverse early retirement age were only moderately successful, in particular, with regard to women.

Given that the success of Germany to reverse its early retirement trend is largely attributed to a reduction of pull factors, it is not surprising that a welfare state providing much fewer pull factors like Britain both has as lower incidence of early retirement and has fewer levers to effect further reductions of early retirement. The role of push and pull factors is relevant for the discussion of the retirement age in general and is reflected in the political logic of the societal actors with a stake in both early retirement and retirement age legislation. In the following, I outline the background to the SRA in Germany and Britain before describing the method for analysis of the interviews.

German Reforms

When the Bismarckian pension was introduced in Germany, it mainly served as an income supplement for older workers at age 70 and older. Life expectancy was below 62²; a great majority of blue-collar workers as well as white-collar employees left employment due to invalidity, not because they reached the SRA (Conrad 1994, 335–336). Alternative pension insurance was introduced in 1911 for salaried employees at age 65, with more generous survivor benefits, who had been thus far exempted. SRA for all was lowered to 65 during WWI, which remained in place until 2012. However, early retirement policies and generous benefits allowed many to retire before 65 (Börsch-Supan 2000, 29).

The 1957 pension reform introduced pay-as-you-go (PAYG) financing of German old-age pensions. This underwrote the ‘generation contract’ that provided pensioners with an old-age income at the stroke of a pen even though they had not contributed to it beforehand. The reform already included provisions that allowed women, older unemployed people, and miners to retire at 60 under certain conditions (Frerich and Frey 1996, 49). The next milestone was the 1971 pension reform under the social-liberal coalition, which introduced a flexible retirement age, allowing retirement at 63 after 35 years of contributions or deferring it for

higher benefits by two years (Frerich and Frey 1996, 53–54). The conditions for unemployed people to retire earlier were eased, and, following high unemployment since the 1980s, this provision led to new early retirement pathways. Both trade unions and employers considered early retirement a socially desirable way of reducing the workforce, and unions hoped for more job opportunities for the young or jobless (Ebbinghaus 2006, 3).

Despite welfare state consolidation under the Conservative–Liberal Kohl government from 1982, the trend towards early retirement continued. Extending the ‘59 convention’ unemployment-to-early-retirement pathway again and again (Trampusch 2005, 105), German companies could send workers aged 59 into unemployment, who then received old-age benefits from 60, based on a mix of a company pay-out and government contributions. In 1984, the social partners were allowed to negotiate early retirement agreements for people aged 58 and older, conditional on replacement with a post-vocational trainee or an unemployed person (Frerich and Frey 1996, 188). Other smaller reforms, for example concerning the retirement provision of civil servants, further strengthened the downward trend of the actual retirement age. Due to high wages and generous replacement rates (up to 70%), a worker with a long contribution record and an occupational pension from a larger company could go on early retirement even if actuarial deductions were applied. Early retirement was thus the result of a combination of pull factors (incentives provided by benefits) and push factors (company restructuring and unemployment), leading to early retirement for a majority of older workers (Ebbinghaus 2006, 11–13).

The 1992 pension reform, enacted in 1989, was the first move away from the trend towards shortening the work period in favour of a longer retirement period. It stipulated that from 2001 early retirement for older unemployed people and for women would be raised incrementally to be in line with an SRA of 65, while early retirement options were maintained only for the disabled (Frerich and Frey 1996, 255). German reunification in 1990 further put budget problems at the centre of political attention. As West German institutions were transposed onto the East, so were the rules for pension entitlements (see Frerich and Frey 1996, 620ff). East German workers had more often full working careers, resulting in

relatively higher benefits for East German pensioners, particularly women, at the same time as the economic transition led to higher unemployment in the East (Merten 2000, 325).

Demographic ageing and early retirement German reunification became seen as a financial sustainability issue for PAYG pensions—for instance in a report by the economic research and consultancy institute PROGROS that predicted contributions would rise to 36% if pensions were not readjusted (Frerich and Frey 1996, 249). Initially, while several gradual adjustments were made, the SRA was not considered a reform item. The Rürup Commission, set up by the red-green government under Chancellor Schröder in 2004, recommended several pension reform elements including a move towards funded private provisions and raising the SRA, though only the former was adopted (Schulze and Jochem 2007, 694). Neither the Social Democrats nor the Christian Democrats addressed SRA in the 2005 federal election campaign (Hering 2012, 87).

The emerging Grand Coalition of Christian and Social Democrats was the first to change SRA: Social Democratic Labour Minister Müntefering pushed through a phased-in increase from 65 to 67 for cohorts born after 1947 as of 2012, against the opposition of trade unions and party factions (Schmidt 2010, 311). The move came as a surprise for both opponents and supporters (Interviews BDI, IG BCE) and is still characterized by some as a ‘coup’ by a Social Democratic minister (DGB interview). Since Social Democrats had initiated the reform, trade unions and other left politicians were less able to oppose it in public. Retiring before SRA is still possible, but with cuts up to 14.4% in state pensions. As a concession to trade unions, the legislation contained an exception for workers with 45 contribution years, who were still able to retire at 65 without actuarial deductions (Schroeder 2010, 195). It also contained a provision for a review of the legislation in 2010, with an eye towards the employment chances of older workers.

The reform was hugely unpopular among the German public: around 70% of respondents in the West and 80% in the East were against it in 2007 (Scheubel et al. 2009). Only employers welcomed it as long overdue, while criticizing the exception for people with long contribution records (Schroeder 2010, 195). The issue remained so divisive that it kept dogging Social Democrats in elections for years. A watering down of the

reform was passed shortly after the 2013 federal election: the Grand Coalition introduced exceptions to people with 45 contribution years to retire at age 63 (BMAS 2014), a move welcomed by the left and trade unions but strongly rejected by employers.

British Reforms

In Britain, the first pensions were granted to civil servants who were ‘no longer able to perform their duties efficiently’ in the early nineteenth century (Blake 2003, 3). Eventually, the 1908 Old Age Pensions Act introduced a non-contributory (means-tested) benefit for people aged 70 and older (Bozio et al. 2010, 7). This was essentially poor relief, targeted at the aged. Pension age was reduced to 65 for men and women in 1925 in the Old Age Contributory Pensions Act for those already insured for health and unemployment. In 1940, women’s pensionable age was reduced to 60 to let them draw their pension at the same time as their (on average 4 years) older husbands, while also introducing pensions for unmarried women and widows aged 60 (Blake 2003, 8–9). The same SRAs (65 years for men, 60 for women) were also adopted in the National Insurance Act 1946, which introduced the British State Pension, the basic architecture of which has lasted into the present.

Whether the statutory pension age is the *de facto* retirement age depends on multiple factors, including on state pension, but also on whether private pensions and employment opportunities exist. Blake (2003) reports that many of the early ‘big’ occupational schemes in the public sector had (earlier) pension ages of 60 for both men and women, whereas private sector schemes, which had grown ‘decentralized and piecemeal’, provided salaried employees with higher wages (and thus higher benefits) and often earlier retirement than manual labourers (Blake 2003, 25–27). The SRA of 65/60 for men/women remained stable for a long time, while early retirement remained more limited. *De facto* retirement age was roughly in line with SRA, but between 1981 and 2000 dropped to around 62 for men, while remaining above pension age 60 for women (OECD 2014): men and women would retire at comparable ages, that is, *below* the official age for men and *above* for women.

In 1995, the Conservative government under John Major attempted to raise the women's SRA to be in line with men, following EU law, equalizing pension age from 2010 onwards (May 2010, 133). As life expectancy, old-age poverty, and financial problems increased, the Turner Commission (set up in 2002)³ recommended in its 2005 report a mix of higher pension age, more private savings, and higher government expenditure. Although the Commission had preferred a flexible retirement age in line with life expectancy, this did not translate into legislation (Hills 2006, 665–667).

Labour's 2007 Pensions Act advanced equalization for both women and men, increasing it to 66 by 2026, to 67 by 2036, and to 68 by 2046. The Conservative–Liberal Coalition further advanced the timetable in the 2011 Pensions Act, increasing SRA to 66 between 2018 and 2020 while women's SRA was raised more quickly between 2016 and 2018 to reach 65 by 2018. This implied dramatic changes for a specific cohort of women (a problem raised repeatedly in the interviews). The 2014 Pensions Act stipulated a review every five years and advancing the timetable for an SRA of 68 (DWP 2015). However, official documents explicitly state that 'the timetable for the increase in the statutory retirement age from 67 to 68 could change as a result of a future review' (DWP 2014, 1). The British State Pension is in flux, even though upwards direction is clear and recent governments have not wavered on it.

Mapping Positions on Retirement Age

Coding Positions of Organizations Based on Interviews

As basis of my analysis, qualitative semi-structured interviews were carried out with representatives of selected organizations (see Table 2.1), asking similar questions to all interviewees, including the policy stance on raising SRA. The organizations were selected for their relevance in the wider pensions discourse; the trade union peak organizations, the employer associations but also some individual trade unions routinely appear in the pensions discourse, as they publish policy responses and

respond in public on social policy issues. Some of the smaller organizations are less prominent in the reform discussion but provide valuable comparative and contrasting perspectives due to their membership composition. The interviewee selection thus tried to cover different types of organizations within main interest categories (e.g. public and private sector unions, occupational and private pension providers, etc.) and tried, as much as possible, to find corresponding organizations across the two countries.⁴

Given the focus on the position and internal logic of actors, interviewees were asked primarily about their organization's position on and involvement in policy issues. For the organizations' positions, context knowledge has been extracted, while insider knowledge is useful for the discussion of institutional developments (see Meuser and Nagel 1991). The interview outline was devised using methods proposed by Kruse (2010). While the expert interview does not require the same level of openness as a biographical or a narrative interview (Helfferich 2009, 162), questions along seven thematic blocs were kept open and as non-suggestive as possible. The interviews were generally scheduled in a one-hour window, though they frequently ran longer (up to 90 minutes). The interviewees were pension-policy experts of their organizations, if possible the highest-ranking representative whose portfolio included pension policy, or the pensions officer or spokesperson. The interviews in Britain primarily took place in late 2011, those in Germany roughly half a year later in 2012. The transcripts were then hand-coded for a systematic overview, and excerpts used for in-depth analysis.

Unlike survey data, interviews leave room for narratives and elaboration. Their depth allows for condensing of the information provided into an overall score on the policy position but also the use of the actual argumentation to contextualize coding. The analysis presents the positions of organizations on raising SRA based on the coding on one or more statements by the representatives during the interviews. In addition, the salience of the policy issue (SRA) for the organization was coded. This made it possible to map positions for or against raising the SRA as well as the importance of the issue for a given organization.

Following Häusermann (2010), the interview segments were coded numerically on a 0–2 scale, both for support of or opposition to a reform item as well as for its relevance. The nuances of the organizations' positions are still reflected in the final scores, because qualifying statements expressed in other parts of the interview are also coded and aggregated across all statements. For example, in coding SRA, code 2 indicates active support for a raised SRA; code 0 indicates strong opposition, and very conditional support, neutrality, or only mild disapproval are coded as 1. Thus, if an interviewee declares, 'We are against the higher retirement age', this will be coded as 0. However, if at another point in the interview she expresses that her organization was, for example, willing to trade on the retirement age in favour of other policy issues, this would be coded as 1. The overall score for that organization would therefore be higher, reflecting less stringent opposition, than for an organization that only expresses opposition throughout. The more caveats are given to the main position, the more the overall score will be affected; the more the interviewee stresses the main position, the more heavily this will be reflected in the final score.

Similar coding was done on the issue of relevance (or salience). While organizations may hold supposedly strong views for or against a political measure, if they assign a low priority to it, one would assume that they are less likely to go to great lengths in terms of lobbying work and political pressure. The degree of relevance was coded with the same approach to nuance as the support/opposition question statements. The combination of these two scores led to a more comprehensive view on where the organization stands; the results on relevance are also particularly revealing for the cross-country comparison.

The two-dimensional mapping charts the actor field along their position on SRA and its importance as an issue. When averaging the positions of organization by type and country, the clustering is fairly evident. Trade unions and social associations are against raising SRA, while both British and German employers are in favour. This follows a traditional cleavage line: trade unions and social associations against vis-à-vis employers and the finance sector in favour of SRA increase. However, a closer look reveals that the demarcation between organizational types does not line up neatly according to the labour–capital cleavage. Specifically, the

distances between finance and employers as well as between finance and trade unions are almost the same. SRA is highly salient for employers, unions (though with a gap between British and German unions), and social associations alike, while finance considers it less important. Trade unions are against higher SRA and care about it, while employers find it similarly important but take the opposing stance. Increasing SRA means a benefit reduction for working people; therefore unions oppose this curtailing of social rights in both countries. This holds whether benefits are income-related as in Germany or a flat-rate state pension as in Britain: working people in both pension systems lose with higher SRA. The social associations, which often represent pensioners as well as lower-income earners, position themselves similarly, and for presumably parallel reasons (Fig. 2.1).

When charting scores by individual organizations (see Fig. 2.2), the picture becomes more complex. Although differences between Beveridgean and Bismarckian systems exist, the general field of societal

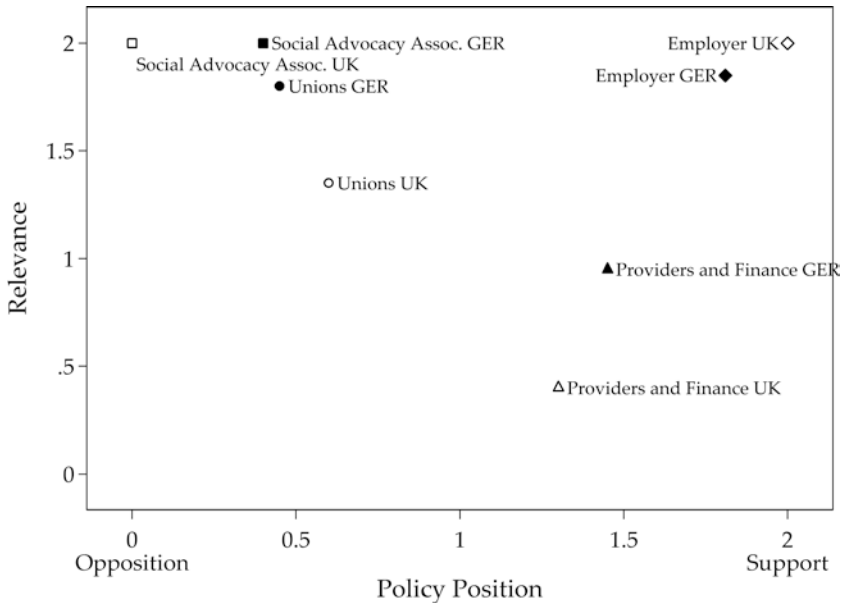


Fig. 2.1 Support for raising the retirement age for types of organizations

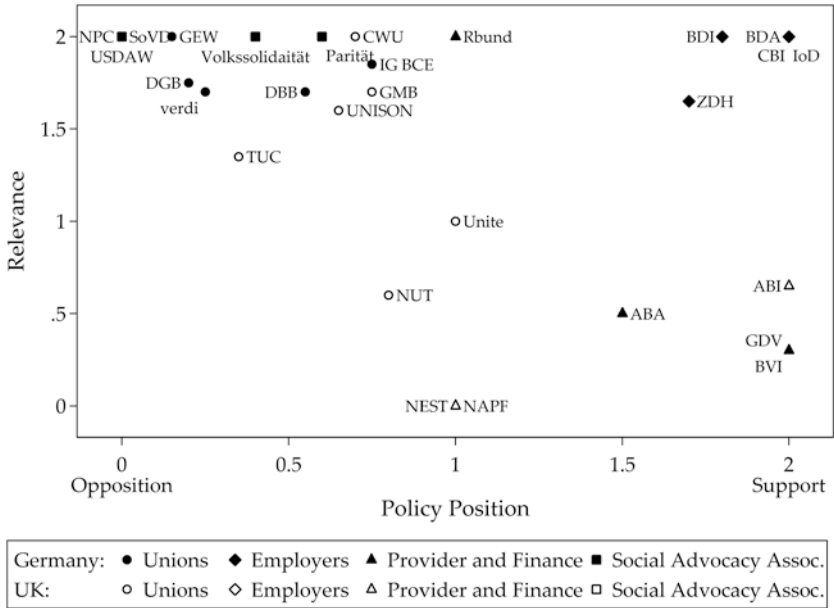


Fig. 2.2 Support for raising the retirement age for individual organizations

actors looks very similar, but there are notable differences. While British unions are clearly in opposition to employers on SRA, they score much lower on relevance than German unions.

Employers

On the employer side, there are fewer internal differences; the most noticeable ‘outlier’ is the German ZDH, representing craft enterprises. This slightly lower relevance score is due to ZDH’s low engagement regarding SRA. ZDH represents small- and medium-sized companies that employ people in physically demanding occupations (e.g. the proverbial ‘roofer’, often cited in public debate on early retirement). Due to its membership, ZDH favours higher SRA in line with the other German employers but was not pushing for it (‘we did not actively take part’, Interview ZDH). Overall, employer associations across both countries score similarly, supporting SRA increases and considering it highly

relevant. German employers support higher SRA in order to control expenditure and thereby co-financed social contributions, which are a heavy burden on labour costs.

In the interviews, the most prominent argument among German employers in favour of higher SRA is demographic change and its impact on contributions. Given rising longevity, longer retirement should be counterbalanced by longer working lives. Raising SRA is considered 'without any alternative' (ZDH). The German industrialists (BDI) but also the peak employer association (BDA) support it, though BDA mentions also the need for gradual adaptation at the workplace (both interviewees credit BDA with actively and successfully pushing for a higher SRA). While the main reason is the long-term sustainability of pensions, the representatives also refute the unions' objections by suggesting that incapacity due to health issues should be dealt with an improved disability pension, not old-age pensions. However, the support for SRA by the associations contradicts the long practice of early retirement used by companies to readjust their workforce. The interviewees acknowledge this and see the need to prepare their members for adapting to an ageing workforce. This highlights that the immediate needs of an individual member company to shed older workers are occasionally opposed to the longer-term organizational goals of financial sustainability of pensions.

The British employers focus on similar interwoven arguments. British state pensions are partly financed by national insurance contributions; thus, interest logics apply as for German employers. Rising cost due to longevity is considered 'not sustainable' by British managers (IoD), though this is a general problem for pensions and the state (the national insurance rate plays a minor role in the interviews). The main arguments in favour of raising the SRA are the consequences of demographic change on pension systems and the longer healthy working lives. The Confederation of British Industry is in favour of raising the SRA, 'in fact our proposal from 2004 was to ultimately raise it to 70' (CBI interview). However, there is a contradiction between British employers' endorsement of higher SRA and their backing of a 'default retirement age' of 65 at workplace until it was abolished in 2011, shortly before SRA started to increase.

British employers, like their German counterparts, also assume that people not only live longer but stay healthier; hence, they will be able to work considerably longer. Similarly, while they acknowledge that some might be incapacitated earlier, this should not be the yardstick for pension policy; instead, they call for disability pensions and increased flexibility at the end of the working life.

An unexpected argument from the British employer side is based on the specific British pensions architecture. A higher SRA, both IoD and CBI argue, helps keeping expenditure in check but also frees up resources to raise the state pension level for everyone. Thus, in addition to sustainability concerns, they wish to have resources distributed differently in favour of the flat-rate state pension. The IoD's expressed aim is that an improved state pension should be above the current level and any means-tested supplement—mirroring proposals of the Conservative–Liberal coalition at the time of the interview—though wishing to extend it to existing pensioners. For British employers, SRA increases are part of a state pension overhaul that would not necessarily cut benefits but change the bases of their claims and the timing—more money but later. This last aspect cannot be found in Germany, where the earning-related state pension is generally not below subsistence levels (yet). It highlights that the British employers are, in addition to arguing for cost containment, supporting a genuine readjustment of state pension benefits.

Trade Unions

The view on the union side when analysing all organizations separately shows more significant distances than among the employers. Of the German unions, peak confederation DGB and two of its member organizations, the education (GEW) and general service (ver.di) unions, score similarly on high relevance and high opposition. Ver.di and GEW, while having some overlap in the areas they organize, significantly differ in size and membership makeup, as ver.di is DGB's second-biggest member union. Out of DGB's eight members, three are part of the sample. Since DGB represents the whole union movement, one would expect a compromise position, but it attaches high relevance on to its outspoken

opposition. These three trade unions express their opposition quite strongly and decisively, seeing the SRA of 67 as a ‘wrong signal’ (GEW) or even ‘mistake’, and some call for a roll back (ver.di). Their argument is that even the current SRA is out of reach for many working people, regardless of life expectancy. Thus, raising SRA is unrealistic and a de facto pension cut for those that have to retire early. The representatives stressed the difficult situation of their members in particular occupations (e.g. construction workers, roofers, garbage collectors, but also childcare, healthcare, or long-term-care workers).

The two other German labour organizations considered here, the chemical and miners’ union IG BCE (within DGB) and the Civil Servants Federation dbb (outside DGB), take a different position. Although both also ascribe a high relevance to SRA, they take a moderate to neutral stance (scores around 1). These two organizations are quite different from each other: while IG BCE represents mainly industry workers in physically demanding jobs, dbb is a peak organization of mostly public sector (and some private service sector) unions. They agree with the core arguments for a higher SRA and also see unfairness towards people who cannot work past 65, but weigh these two factors differently. IG BCE does not pursue a reversal but pursues a differentiated approach. The Civil Servants Federation dbb also takes a more moderate position than most DGB unions.

Due to the physical demands of their industry, IG BCE members are likely to be concerned about a higher SRA, but (according to IG BCE representatives) they expect the union to use collective bargaining and shop-floor representation to find solutions. The IG BCE representative emphasizes flexibility and their hands-on approach in addressing problems, as they did by launching the idea of a ‘partial pension’ (*Teilrente*) combined with continued income. If ‘gliding paths’ to retirement become the preferred tool, this suggests that a fixed retirement age has become obsolete. This is where ‘concepts of retirement’ become obvious as a question on the union side. The DGB representative, for example, takes the opposite view: people need and want a societal age norm about when to stop work. These are different concepts of what pensions are *for*. One prioritizes a societal norm, while the other prefers choice for individuals or occupational groups. In light of ongoing failure to reverse the policy, a

strategy shift away from fundamental opposition has occurred, with an orientation towards improving working conditions to allow older people to stay in work.

In Britain, the unions interviewed offer an even more diverse view. As in Germany, there is no obvious pattern based on membership background. Between those with similar positions (CWU, GMB, and Unison), membership size and profiles vary considerably. Membership profile is relevant to their positions but for different reasons than in the German case. CWU, GMB, and Unison form a cluster with high relevance and a slightly-above-neutral position against SRA increases. Two further unions, NUT and Unite, are similarly located close to a neutral position on SRA, but do not consider the issue relevant to their members. The strongest opposition to increasing SRA comes from USDAW, which organizes in the private sector (mainly shop workers). Higher SRA has a disproportionate effect on these lower-earning sectors and geographical areas with lower incomes. For CWU, which also organizes the generally lower-earning communication sector, the interviewee took no decisive stance on SRA because of disagreements whether this would benefit low-paid members or not. According to the CWU representative, postal workers were less likely to own their home at retirement, and while they have access to an occupational pension, benefits tend to be low. As a result, they might prefer to remain in work longer, and a higher SRA could be beneficial.

The Trades Union Congress (TUC), the British peak organization, has the second-highest opposition score, but considers the issue only moderately relevant (in contrast to its German counterpart): ‘We have protested the coalition government’s ... policy of raising the retirement age more rapidly, but it’s not been an enormous issue for us because in the area of pensions we’ve been concentrating on other things’. British trade unions assign more relevance and do more focused lobbying is on specific elements surrounding SRA (the coding only reflects the general SRA statements). This applies particularly to women’s state pension: due to the speed of equalization of female retirement ages in line with men, a specific cohort of women in their fifties faces quick changes in a relatively short period. Nearly all union representatives point at this being an unfair

burden for women without ‘time to prepare’; while the affected group is relatively small, due to questions of fairness there is concentrated opposition focused on the reform outcome for this specific cohort.

One of the central differences between the German and the British unions is the issue of relevance. Both the interviewees from GMB and Unison explicitly stated that occupational pensions are more important to their members than the state pension. A major problem would be the linking of state and occupational pensions (Unison interview). Occupational pensions for the NHS are (still, for the moment) pay-as-you-go-defined benefits pensions where the government as employer is paying, so future linkage is not unlikely, and the SRA is relevant to Unison’s members because of knock-on effects on the more important supplementary pension; they see less need to campaign on SRA *as such*.

GMB does not deal with the government as a main employer of their membership. It becomes clear from the interview that for the members, occupational pensions *are* more important than the state pension in terms of maintaining income and standard of living upon retirement; the question of linkage plays a much less prominent role. In the GMB interview, the relevance of the SRA seems to stem to a large degree from general considerations of fairness: beyond the membership of the union, discrepancies in life expectancy across Britain mean that parts of the country will be affected so differently that a higher retirement age imposes unfairly distributed penalties, especially on low-income regions and areas. On the other hand, because of GMB’s membership and their access to occupational pensions, GMB does not take a clear oppositional stance.

Further removed from this group are NUT and Unite. NUT is the National Union of Teachers, comparable to the German GEW in terms of its membership. However, it has a rather different stance on the state pension than its German counterpart. According to the NUT interview, the SRA is more or less irrelevant to the organization, and it is not particularly opposed to the measure either. Similar to Unison, linkage of occupational pension schemes to the conditions of the state pension is considered a bigger problem than what is happening to the state pension

itself, but this does not translate into a high relevance score. NUT had previously achieved a pension settlement with the government that addressed issues of longevity, putting most of the financial burden of improving longevity on the teacher, and the NUT representative considered the compromise solution sufficient. There is clear opposition to teachers having to work past 65, and similar to GEW, the NUT representatives cautioned against weighing physical strain against mental strain when judging white-collar professions' retirement ages, but this stance does not translate into vocal opposition to a higher SRA because of the state pension's low relevance to NUT's members.

In the Unite interview, the retirement age is considered slightly more relevant (leading to a score around the 1 mark), but Unite has the least oppositional stance on the retirement age out of all the British unions in the sample. Unite resulted from a merger of Amicus and the Transport and General Workers' Union; it is the biggest British union (private and public sector) with over 1.4 million members. Again, the issue is not considered particularly relevant: 'an occupational pension can determine whatever [...] the retirement age will be'. For the Unite interviewee as well, a major concern would be an automatic linking of SRA with employer-provided occupational schemes.

Providers

One key interview theme on the provider side was relevance, reflected in the scoring. In line with expectations, raising SRA is hardly relevant for the providers of supplementary private provision (British ABI; German GDV, Aba). Although there is relatively strong support for it, political restraint and self-set boundaries make them reluctant to be involved in the political debate. NAPF does not regard SRA as an issue for lobbying, but there was more concern about the government's timetable and over raising the SRA too fast. NEST and DRV Bund are public providers, not interest organizations as such. Their political restraint and the professed limited salience stands in contrast with results from the union side. The British unions see the state pension as less relevant to their

members because people's retirement options are based on their occupational pensions, while some German unions are discovering retirement age as an issue for collective bargaining. One might therefore assume (for the German case) that those unwilling to work until they reach a raised SRA might turn to private arrangements to fill the gap. But this has neither been part of the insurance discourse nor do representatives admit to it.

British ABI and German GDV strongly favour a higher retirement age, basing their arguments on the overall benefit to the pension system. British NAPF is more neutral but sees SRA as not relevant for its members, while German aba is moderately in favour of it but also considers it less relevant. Aba is more invested in regulations concerning occupational pensions and strongly opposes a higher minimum age. SRA reform only has a knock-on effect on occupational pensions that are tied to SRA, but tax regulations have been pushing the default minimum age for an occupational pension from 60 to 62 (Kemper et al. 2014, 19–20; Kemper and Kisters-Kölkes 2008, 7–8). This may be an indicator that aba is aware of the possibility of occupational pensions allowing them to retire earlier than they could on the state pension alone. However, given the still relatively large percentage of retirement income that German state pension assumes, it seems unlikely that pensioners can live on their occupational pension alone.

British NAPF is least active on SRA than any other provider organization and assigns it the lowest relevance. However, NAPF is strongly supportive of the state pension reform (under discussion as a White Paper at the time of the interviews), whereby the basic state pension would be raised to a significantly higher level. The 2012 reform aims to encourage additional saving; this *is* relevant even to occupational pension providers since it is part of improving the overall pension framework.

Social (Advocacy) Associations

Among the German social (advocacy) associations (*Parität*, SoVD, *Volkssolidarität*), two themes are clearly represented in all interviews:

concern about certain types of workers not being able to work until 67 and opposition against a higher SRA based on the job-market situation of older employees. The argument about (re)employment prospects for older workers is very close to that of German unions, but the interviewees refer specifically to working conditions which need to be improved for people to be able to work beyond 65.

The social organizations have a clear stance on the relevance of and opposition to higher SRA. In both countries, they are the most 'radical' organizations interviewed in the sample. The two highest scores against higher SRA with high relevance are those of British NPC and German SoVD. The *Paritätischer Gesamtverband* is a peak organization that includes the mentioned individual social associations. All three German social organizations rate SRA as highly relevant, but opposition differs somewhat, with *Parität* holding the most moderate position and *Volkssolidarität* the middle one.

While the social associations may not be as comparable between Britain and Germany as unions or employers, their arguments still offer political insights, particularly since their membership consists (exclusively or predominantly) of pensioners in both countries. The social associations and trade unions have cooperated on SRA policies, though their members do not necessarily have the same interests: trade unions still represent largely labour market insiders, but social associations include pensioners who had worked in non-unionized sectors or in precarious jobs and with frequent unemployment spells. When both types of organizations cluster around similar scores in Germany, this suggests that there is a broader societal base for their arguments.

Unlike the British trade unions, NPC scores high on relevance, as the interviewee argues that both members and officials are directly affected by pension policies ('the very people that are affected by the policies that come along are the people in charge'). It is worth noting, however, that the pensioner membership of the social associations in both countries is not actually going to be affected by the retirement age being raised, given the fact that they have already entered retirement. Pensioners make up all of the NPC membership and the bulk of the German social associations'

membership, and lobbying against the raising of the retirement age has no material benefit to all or the majority of their members. In fact, if the pension formula is tied to a demographic factor, as it is in Germany, whereby the ratio of working people to pensioners affects the yearly uprating of state pensions, *not* raising the retirement age could mean financial *disadvantages* for already retired people: for existing retirees, opposing a higher retirement age for future retirees is against their rational self-interest.

Conclusion and Discussion

As visualized in the policy position maps (see Figs. 2.1 and 2.2), the organizations' positioning on SRA are generally in line with expectations: as higher SRA is a benefit cut by default, trade unions and social advocacy associations are against it, while employers and finance interest organizations are in favour as it increases financial sustainability and shifts towards private-funded pensions. This overall impression maps onto the labour/capital cleavage. However, the more curious result is revealed by variations within interest groups and the specific argumentation provided in the interviews. The different role occupational pensions play in Britain and Germany is reflected in the specific priorities of trade unions and, in particular, the relevance they attach to SRA. For a long time, the majority of German trade unions maintained strong opposition to a higher SRA in line with what their members wanted (membership logic), although as a repeal looked increasingly unrealistic, a strategy shift had just started at the time of the interviews, suggesting a re-orientation (influence logic). While the German unions still assign high relevance to SRA, the example of the IG BCE suggests that an 'export' of the British unions' approach might be theoretically possible in the future. The specific 'fairness' concerns regarding different levels of life expectancy are specific to the British discourse. While some social stratification of health exists also in Germany, life expectancy based on social class and especially geographical area can vary up to ten years in Britain (ONS 2014).

Employers in both countries argue fairly similarly, though the British support for using SRA-related savings to raise state pensions is unexpected. Both British and German employers have to negotiate to some degree their members' preferences in specific employment situations (non-fault dismissal of older employees through default retirement age or early retirement options) and an overall policy on SRA. When comparing the positioning of trade union and social associations—but also of British employers—it becomes clear that these organizations are not always following rational self-interest. As argued above, pensioner representatives hardly have reason to care about the SRA of future retirees, suggesting that other factors are influential. This reflects a more general view on how the pension system *should* be run, even when the resulting policy positions are not immediately and directly beneficial to the organization's membership.

It can therefore be observed that a plurality of factors influence the positions of the organizations in this sample. The presented evidence has shown that the organizations try to preserve the material interests of their members, but that it can also play a role whether an organization in general pursues a more leftist or more market-liberal agenda. Membership logic shapes certain organizations' position up to a point, but strategies are eventually adapted in light of political realities. The shape of the institutional set-up appears to have a crucial influence: organizations that would be expected to be strongly against a retrenchment reform that applies to nearly all workers are not very engaged on the issue, because due to the pension architecture, their interests and priorities lie elsewhere. Hinting at convergence tendencies, a potential re-focusing on occupational pensions is suggested by one example among the German trade unions, but is not part of the professed aims of the German providers. A normative and systemic angle also becomes clear: several labour representatives consider a higher SRA *not* a calibration tool but in fact a systemic issue that could shift old-age pension back to a disability pension. Similarly, there is ideological disagreement over the inherent value of a fixed retirement age versus a flexible one. This suggests that raising the statutory retirement age can and does represent more than a simple retrenchment reform and a limited distribution conflict.

Appendix

Table 2.1 Selected organizations in Germany and Great Britain sorted by type and size

Country	Abbreviation	Description and name of organization
(a) Trade unions		
D	DGB	<i>Deutscher Gewerkschaftsbund</i> Peak organization (8 unions with 6 million members (33% women)). Largest union: IG Metall (metal workers) with 2.2 million (not interviewed).
D	ver.di	<i>Vereinte Dienstleistungsgesellschaft</i> DGB union in services, with 2 million members (51% women).
D	GEW	<i>Gewerkschaft Erziehung und Wissenschaft</i> DGB union for teachers and other education professions (including civil servants), with 0.266 million members (71% women).
D	IG BCE	<i>Industriegewerkschaft Bergbau, Chemie und Energie</i> DGB union in mining, chemicals, and energy, with 0.668 million members (20% women).
D	dbb	<i>Deutscher Beamtenbund</i> Civil servants' federation, with 1.28 million members in 43 unions (71% civil servants, 32% women).
GB	TUC	<i>Trades Union Congress</i> Confederation of 52 unions, with 5.8 million members (48% women).
GB	UNISON	<i>The Public Service Union</i> TUC union in public services, with 1.3 million members (68% women).
GB	Unite	<i>Unite—the Union</i> TUC union in private and public sector, with 1.3 million members (25% women).
GB	GMB	<i>National Union of General and Municipal Workers</i> TUC union in private and public sector, with 0.617 million members (49% women).
GB	NUT	<i>National Union of Teachers</i> TUC union of school teachers, with 0.33 million members (67% women).
GB	USDAW	<i>Union of Shop, Distributive and Allied Workers</i> TUC union in private service sector, primarily retail, with 0.433 million members (56% women).
GB	CWU	<i>Communication Workers Union</i> TUC union in post and telecommunication, with 0.2 million members (19% women).

(continued)

Table 2.1 (continued)

Country	Abbreviation	Description and name of organization
(b) Employer organizations		
D	BDA	<i>Bundesvereinigung der deutschen Arbeitgeberverbände</i> Peak employer organization of 50 federal associations (and 14 regional associations).
D	BDI	<i>Bund der deutschen Industrie</i> Peak organization for 37 industry associations or groups, with 100,000 firms with 8 million employees.
D	ZDH	<i>Zentralverband des deutschen Handwerks</i> Peak organization in skilled crafts sector, representing 53 chambers (with mandatory membership) and 48 professional associations (<i>Innungen</i> with one million firms).
GB	CBI	<i>Confederation of British Industry</i> Confederation of 140 trade association and larger firms, with 190,000 firms employing 7 million employees.
GB	IoD	<i>Institute of Directors</i> Association of individual CEOs and other managers.
(c) Providers and finance interests		
D	Aba	<i>Arbeitsgemeinschaft für betriebliche Altersversorgung</i> Association of 1200 occupational pension schemes, firms, interest organizations, and experts.
D	GDV	<i>Gesamtverband der deutschen Versicherungswirtschaft</i> Association of German private insurers (460 companies).
D	BVI	<i>Bundesverband Investment und Asset Management</i> 80 investment funds with €2 billion in assets.
D	DRV Bund	<i>Deutsche Rentenversicherung Bund</i> Statutory pension insurance body.
GB	NAPF	<i>National Association of Pension Funds</i> (renamed: Pensions and Lifetime Savings Association) Represents 1300 schemes and over 400 firms in finance.
GB	ABI	<i>Association of British Insurers</i> Represents 250 insurance companies (90% of insurance market).
GB	NEST	<i>National Employment Savings Trust</i> Statutory trust-based pension scheme.

(continued)

Table 2.1 (continued)

Country	Abbreviation	Description and name of organization
(d) Social (advocacy) associations		
D	<i>Paritätische</i>	<i>Deutscher Paritätischer Wohlfahrtsverband</i> Peak welfare association with over 10,000 organizations in the welfare and health care.
D	SoVD	<i>Sozialverband Deutschlands</i> Association of 0.56 million pensioners, people with disability, and welfare recipients.
D	<i>Volkssolidarität</i>	Welfare association with 244,000 members and care providers, with 17,000 employees in East Germany.
GB	NPC	<i>National Pensioners' Convention</i> Peak association representing over 1000 local, regional, and <i>national</i> groups of pensioners, about 1.5 million individual members.

D: Germany, GB: Great Britain

Notes

1. The interviews for the research in this chapter were conducted by the author as part of the SFB project A6. The chapter is a revised excerpt from the doctoral thesis ‘Beveridge and Bismarck Remodelled: The Positions of British and German Organised Interests on Pension Reform’ at University of Mannheim, defended in 2016.
2. Life expectancy for men at birth was 40 years, though this is impacted by high infant and child mortality. At 20 years of age, a man could, on average, expect to live another 41.2 years (Statistisches Bundesamt 2015).
3. The commission (2002–2005) included Adair Turner, former CBI Director General, Jeannie Drake of the TUC, and John Hills, LSE professor.
4. Unfortunately, not all organizations that are relevant in the pensions discourse were available for interviews at the time. With its dominant role within the German union federation DGB, the metal worker union IG Metall would be particularly relevant (Anderson and Lynch 2007, 201) but could not be interviewed due to adverse circumstances. Similarly, the Federation of Small Businesses would have been a worthwhile British interview partner regarding small employers, while the Engineering Employers Federation was involved in early lobbying for pension reform. However, interviews with either organization proved impossible.

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