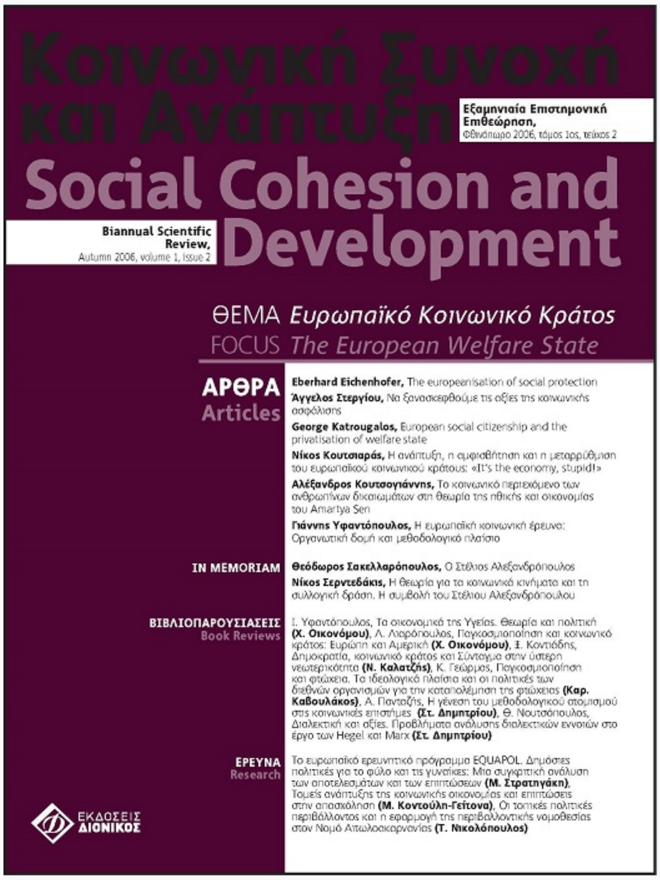
Social Cohesion and Development

Vol 1, No 2 (2006)

The European Welfare State



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doi: 10.12681/scad.9014

Κοινωνική Συνοχή και Ανάπτυξη 2006 1 (2), 31-42
Social Cohesion and Development 2006 1 (2), 31-42

European social citizenship and the privatisation of welfare state

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Η ευρωπαϊκή κοινωνική ιδιότητα του πολίτη και η ιδιωτικοποίηση του κράτους πρόνοιας

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ABSTRACT
The paper tries to outline the recent trends of privatization of public pension schemes in Europe and then to proceed to a critical appraisal of them. Market principles, such as competitiveness and the maximisation of cost efficiency, are becoming more prominent across Europe, contradicting those principles that have traditionally associated with social policy, like equity, solidarity, social justice. However, private and public sectors are not functionally equivalent. There are some roles, as, for instance, redistribution, that only the State can fulfil. Besides that, public values, such as citizenship, in the Marshallean sense, are not easily transferable in privatized environment.

KEY WORDS: Social citizenship, privatization, welfare state, pension reform

ΠΕΡΙΛΗΨΗ
Το άρθρο αποπειράται να διαγράψει τις πρόσφατες τάσεις που εκδηλώνονται για την ιδιωτικοποίηση των συστημάτων κοινωνικής ασφάλισης στην Ευρώπη και ακολούθως επιχειρεί την κριτική αποτίμησή τους. Αρχές της οικονομίας της αγοράς, όπως η ανταγωνιστικότητα και η μεγιστοποίηση της αποδοτικότητας, αποκτούν όλο και μεγαλύτερη σημασία, ανταγωνιζόμενες τις αρχές που παραδοσιακά συνδέονταν με την κοινωνική πολιτική, όπως ισότητα, αλληλεγγύη και κοινωνική δικαιοσύνη. Ωστόσο, ο δημόσιος και ο ιδιωτικός τομέας δεν παρουσιάζουν λειτουργική αντιστοιχία. Υπάρχουν ρόλοι, όπως η αναδιανομή, που μόνον το κράτος μπορεί να εκπληρώσει. Εκτός αυτού, αξίες όπως η ιδιότητα του πολίτη κατά τον ορισμό του Μάρσαλ δεν μεταφέρονται εύκολα στο ιδιωτικό πεδίο.

ΛΕΞΕΙΣ-ΚΛΕΙΔΙΑ: Κοινωνική ιδιότητα του πολίτη, ιδιωτικοποίηση, κράτος πρόνοιας, συνταξιοδοτικές μεταρρυθμίσεις

1. The challenges of the new "welfare mix"

According to the classical definition of Marshall, *"citizenship is a kind of basic human equality associated with the concept of full membership of a community (...) The whole range from the right to the modicum of economic welfare and security to the right to share the social heritage and to live the life of a civilised being according to the standards prevailing in the society (...) and the right to participate in the exercise of political power"* (Marshall, 1949).

There is a basic distinctive element to European social citizenship, associated with the specific role of social rights: the de-commodification of social services. Social citizenship confers a right to access to social goods independently of labour market participation and personal income (Plant, 1992). In G. Esping-Andersen's words, *"the outstanding criterion of social rights must be the degree to which they permit people to make their living standards independent of pure market forces. (...) If social rights are (…) inviolable, and if they are granted on the basis of citizenship rather than performance, they will entail a decommodification of the status of individuals vis-à-vis the market"*. (Esping-Andersen, 1991, 21).

In other words, social citizenship contrasts with the tendency of consumerism to commodify ever more facets of life into marketed products (Baldock, 2003), leaving social services insulated from the market. In this sense, "the social rights of citizenship (…) hold the key to active participation in democratic processes and the capacity to contribute to civil society" (Harris, 2000).

Privatization, as an integral part of the larger process of economic globalization, entailing deregulation and a generalized withdrawal of the state, is challenging this concept of social citizenship. The idea that the traditional welfare state has reached its limits and that it should be replaced by a new "welfare mix" of private and public services is nowadays an almost universally accepted axiom. Welfare policies, under the serious external economic and social pressures from globalization, exacerbated by the dominant neoclassical theory, are moving increasingly towards the goals of retrenchment and cost containment. Market principles, such as competitiveness and the maximisation of cost efficiency, are becoming more prominent across Europe, contradicting those principles that have traditionally associated with social policy, like equity, solidarity, social justice.

As the state's role shifts away from redistribution, the market is considered to be a more efficient means of allocating resources and distributing income and wealth. After the influential World Bank Report (World Bank, 1994), which advocated a "multipillar structure"[1], comprising a redistributive element, a mandatory pre-funded earnings-related element, and scope for additional private voluntary retirement savings, what some called a "new pension orthodoxy" (Müller, 1999) and others referred to as some "new social security myths" (Orszag and Stiglitz, 2001) emerged. The postulates of the "new orthodoxy" are well known: pension systems should be organised in three-tier system, comprising a first pillar of public earnings-related schemes, a second pillar of private occupational schemes and a third pillar of private, individual retirement provisions. It follows that the ability to maintain one's living standard after retirement would, to a large extent, depend on access to private occupational and personal pension schemes.

In this framework, there is considerable scope for reforms that introduce private elements into public social security systems, ranging from the establishment of varied forms of partnership between the state and private actors (that include the third sector) to an almost complete withdrawal of public elements from the provision of welfare, as in Chile and some other South American countries.

Schematically, one can distinguish the complete substitution of private for public schemes, as exemplified by the "shock therapies" of Latin America, from the introduction of opting-out procedures from the public schemes and the downsizing of public provision together with a parallel expansion of occupational schemes. This has been the path taken in Europe where the complete substitution of private for public schemes would have been politically impossible.[2]

2. The re-engineering of public pension schemes in Europe

Public pensions in Europe are typically of the defined-benefit (DB) type, generally financed out of wage-based, pay-as-you-go (PAYG) contributions. PAYG systems, besides being economically unsustainable, are considered by the "new pension orthodoxy" to cause also severe labour market distortions. However, a reduction in public pensions requires the promotion of pre-funded forms of retirement provision, which is possible as an "add-on" to the public schemes. It is self-evident that the full substitution of the latter, even if it was politically possible –which it is not– would pose an insurmountable problem of double-payment, as the working generation should have to pay not only for contemporary pensioners but would also have to save for its own retirement (Myles and Pierson, 2001, Siebert Horst, 1998).

For this reason, EU countries have not adopted radical reforms of the Chilean type, but have opted instead, for a latent, "silent transition" towards a more privatised welfare mix, through the downsizing of public schemes and the promotion of private ones. Practically all European countries have been pursuing similar pension reforms, supported by a convergence of policies of the main European political formations, i.e. by both Conservatives and Social Democrats (Seeleib-Kaiser, 2002, Bouget, 2003).

These policies include a constant effort to downsize the PAYG pillar by preventing early retirement, reducing benefit revaluation, modifying the calculation formula by increasing the level of contributions, raising the retirement age, reducing pension indexation and curtailing sector privileges. Similar reforms have taken place in the last two decades in Austria, the Czech Republic, France, Germany, Spain, Portugal, Greece, Slovenia, Norway and Finland, including means testing of the previously universal public flat-rate benefit since 1989 and 1996 respectively (Holzmann et al. 2003, Myles and Pierson, 2001).

These parametric reforms have been accompanied by structural measures, intended to promote the second pillar through tax advantages, organisational assistance and other means of administrative and public information facilitation. The presence of complementary funded schemes, aiming to provide additional coverage to the compulsory schemes, has grown rapidly.

Private pension arrangements represented by the "third pillar" are also being promoted, although their importance varies, being generally, more important in the "core countries" of continental Europe and of lesser importance in Southern Europe: in Belgium, 45 per cent of the population is covered by individual private insurance schemes and such schemes are also important, albeit less so, in Denmark, the Netherlands and the United Kingdom. As a result, the constitution of the system of social protection is gradually changing from purely public to partly private; in other words, there has been a shift from a PAYG-financed unfunded system to a partly private, pre-funded system.

Opting out

Opting-out or contracting-out is a form of privatisation in which employees have a choice of switching from publicly-funded to privately-unfunded programmes, in other words the right to leave the public system in order to obtain part of their social security pension through a private pension scheme. In Europe, the most illustrative example of this policy option is represented by the UK (Brewer, Clark and Wakefield, 2002, Budd and Campbell, 1998). The first tier consisted of the flat-rate basic state pension, an earnings-related component financed from contributions –the Earnings-Related Pension Scheme (SERPS)– and a means-tested supplementary pension. The second tier, which was also mandatory, was split between the SERPS and private pension provision in the form of occupational pensions and personal pensions.

Under the initial arrangements of 1978, when SERPS was founded, employees could only opt out of part of SERPS, if they worked for an employer who provided an approved "defined benefit" (DB) occupational pension scheme. To compensate them for establishing a private arrangement, employers paid lower payroll taxes (national insurance contributions) and employees who participated in an occupational pension plan or took out an appropriate personal pension received a rebate of some of their national insurance contributions. The 1986 reform allowed workers to completely opt out of SERPS and establish personal pensions (Walliser and Becker, 1999, Budd and Campbell, 1998). Further reforms in 1995 reduced projected SERPS pensions, making the scheme much less attractive.

Subsequent reforms introduced by the Labour government were even more far-reaching and included the replacement of the means-tested pension by a Minimum Income Guarantee (MIG) and the so-called Pensions Credit, the introduction of a new State Second Pension (S2P) to reform the old State Earnings-Related Pension Scheme (SERPS) and of a new private scheme, situated at the frontiers of the second and third pillar, the Stakeholder Pension (2001).

The State Second Pension is an earnings-related scheme for people on low incomes with more redistributive elements than SERPS. The Stakeholder Pension is essentially a personal pension with a heavily regulated charging structure, including an overall cap on charges. It aims to promote private saving and enable those currently outside the occupational and personal pensions system (around 5 million) to save for their retirement. The initial idea to provide for a compulsory employer contribution to the scheme was dropped from the legislation, due to the employers' opposition. In addition, there is a third tier of voluntary private retirement saving, which involves additional contributions into occupational pension plans (AVCs). Personal pensions receive special tax treatment similar to that of occupational pension plans.

Personal pensions are still very popular, because of their greater flexibility and because of very generous tax reliefs. By the middle of the 1990s, roughly three quarters of the workforce had contracted-out of SERPS into some form of private plan, whether DB or DC (Disney, Palacios and Whitehouse, 1999). While the current generation of pensioners receive 40 per cent of their income from private sources, the policy of the current Labour government and the Conservative opposition is to aim for this to increase to 60 per cent by 2050 (Department of Social Security, 1998).

It would be difficult for other countries to follow the UK model, even if there was a similar political and social consensus. The reason for this is simple: contracting-out implies greater pre-funding of pension commitments. In the case of the UK, it was relatively easy to handle the transition costs, not only because the pension system has been only partially privatised but mostly because SERPS is a fairly young and not particularly generous scheme, especially after the reforms of 1986 and 1995. Because of the cuts in SERPS benefits, the basic state pension accounts for most of the government's remaining obligations (Walliser and Becker, 1999).

Most retirees receive benefits only from the basic state pension, which is even less generous, as it has fallen from 31.7 per cent of average male earnings in 1981 to 25.4 per cent by 1990 and is presently about 15 per cent of average male earnings, or about the three quarters of the Minimum Income Guarantee. In consequence, some 21 per cent of pensioner couples and 47 per cent of single pensioners are now in receipt of means-tested benefits. From 2003 on, the pension adjustment is being reduced proportionally to the increase of the new private provision expenses (up to 4 per cent in 2008). The general reduction of the pension level will reinforce the already known effect that a great number of employees will inevitably receive a pension that is below or hardly any higher than social assistance (Taylor-Gooby, 1998, Newell, 2004).

Latent privatisation through transformations of the first pillar

A kind of latent privatisation occurs by shifting significance for pension income from the public pillar to the private one, by remodelling the statutory tier, through reforms that do not seem initially to be structural or systemic. As Van Kersbergen's remarks:

"[R]adical social policy reforms are most likely to result from institutional changes within the existing schemes. (…) Small, incremental changes –commonly taken as signs of the resilience of welfare states– can at a certain point in time result in more fundamental transformation" (van Kersbergen, 2000: 28-29, cf. Hinrichs and Kangas, 2003, Neil, 2002, Gern, 1998).

This gradual shift usually happens as the benefit level of public pay-as-you-go pension schemes of the first pillar is reduced to levels that would not be achievable without the contribution of private, funded schemes of the second or third pillar. A typical example of this trend is provided by the case of Germany.

Germany, a typical core country in Continental Europe, has historically based its social security system on compulsory social insurance. The basic first pillar scheme is the statutory pension insurance scheme (Gesetzliche Rentenversicherung), which is compulsory and financed on a pay-as-you-go basis by contributions. Other important public schemes are these for civil servants (Beamtenversorgung), financed from tax revenue without individual contributions, the fund for the farmers (Alterssicherung der Landwirte), in which 30 per cent of the cost is covered by individual contributions and the rest is tax financed, and various schemes for self-employed professionals organised in professional chambers, run by decentralised private institutions (Berufsständische Versorgungswerke). The occupational schemes in the second pillar are voluntary and are organised in five ways, of which three are fully funded by direct insurance (Direktversicherung). The supplementary occupational schemes of public sector are obligatory, funded by pay-as-you-go with a small funded part.

In the 1990s, cost restraints were introduced into all public schemes. After the 1992 Pension Reform Act, the standard pension level was set at about 70 per cent of the average net income, provided that wage earning had lasted for 45 years (but for more than 50 years for a half-time worker), but this was to be reduced to a level of 64 per cent of the average net income in 2030. In 1997 the so-called "demographic factor" was introduced, in order to adjust the level of pensions to life expectancy. In consequence, there is no longer any strict equivalence between contributions and pensions, as there had been according to the insurance principle.

According to some commentators, it was the 2001 reform that turned Germany into a "hybrid system" with decreasing PAYG financing and increasing role for funding (Clasen and van Oorschot, 2002) and, in this way, changed Germany's "conservative welfare state" into "something uncertain else" (Lamping and Rüb, 2001). The new public-private mix initiated by the 2001 reform brings together the concept of a statutory earnings and contribution-based, defined-benefit scheme and a voluntary funded, defined-contribution scheme, based on the occupational schemes found in the second pillar.

From 2003 on, the pension adjustment is being reduced in proportion to the increase of the new private provision costs (up to 4 per cent in 2008) and the average worker risks receiving a pension hardly any higher than social assistance (Schmähl, 2000). The 2001 reform focused on occupational pension provision as an alternative to losses in public insurance and introduced a defined contribution plan with a minimum benefit, and an emphasis on the so-called "salary sacrifice" (Entgeltumwandlung) arrangement, by which the employee agrees to renounce a part of his wage, in order for it to be used to fund an occupational pension. Salary-sacrifice is tax deducted and exempt from social insurance contributions.

As a consequence of the 2001 pension reform, it is not only the first pillar scheme that is changing in a path breaking way (Hinrichs and Kangas, 2003, Hinrichs, 2000). The whole balance of the system and the frontiers between various pillars are also affected. According to one commentator (Berner, 2005):

"[P]ublic and private are inextricably interwoven, to the extent that it seems impossible to attribute the new 'twin pillar' to either sphere. Instead, it constitutes a hybrid sphere of welfare production based on the direct combination of public and private elements and the immediate interplay of state regulation, corporatist negotiation and market mechanisms".

Another case of transformation of the first pillar is provided by Italy and Sweden. These two countries were the first[3] to develop a hybrid concept combining aspects of Defined Contributions (DC) and pay-as-you-go (PAYG) schemes, the so-called Notional Defined Contributions (NDC) system (Williamson, 2004, Fox and Palmer, 1999, Baccaro, 2000, Antichi, 2000). This system simulates a funded model within a pay-as-you-go system, in the sense that individual accounts are notional rather than real financial accounts. The rate of return is tied to the rate of growth of the contribution base, with greater emphasis on promoting "actuarially fair" unfunded social security, by linking marginal contributions and marginal pension benefit accrual, in association with demographic factors. Pensions payments are no longer based on previous earnings but rather on (appropriately capitalised) contributions accumulated by each worker. Contributions are fixed and paid continually up until the retirement age and go towards paying the benefits of concurrent pensioners (a feature of PAYG schemes). The previous year's account values are indexed annually with a nominal per capita wage index in Sweden and with GDP in Italy. More specifically, NDC benefit is calculated by dividing the value on the account at the chosen time of retirement with a factor based on life unisex expectancy. In addition to this, in Sweden a real rate of return of 1.6 per cent and in Italy a real rate of return of 1.5 per cent is built in to the annuity. Pensioners can combine a full or partial NDC benefit with work (in which case they continue to contribute and acquire new rights), and then get a re-calculated benefit at some later date. So, early exit from the labour force affects the worker's own benefit, whereas increasing longevity affects the benefit calculation.

Proponents of the NDC system claim that it represents a paradigm shift in social security, as it is transparent, it takes account of demographic change and it reduces the impact of individual choices.

The growing importance of the occupational funds of the second pillar

The most spectacular and omnipresent evolution in European pension systems is the explosion of occupational pensions within the second pillar. This trend is more marked in countries where the public pension system is largely concentrated on the provision of flat-rate benefits, such as the Netherlands, Denmark and the UK (Pedersen, 2004). Thus, in the Netherlands, over 90 per cent of the working population participates in second pillar schemes, in the United Kingdom 60 per cent of pensioner households have income from an occupational pension and 71 per cent have investment income, including private pensions (Commission and Council, 2003). In Ireland, second pillar pensions amount to about 25-35 per cent of pensioners' income, while in Belgium, Luxembourg and Sweden their share is in the range of 10-25 per cent. In Germany, Norway and Hungary (if this country's second pillar funds are counted as occupational pensions), coverage is around half of the workforce. On the other hand, in the remaining countries of the EU, the share of second pillar pensions is currently below 10 per cent and it is negligible in countries like Greece, Italy, Spain and even Austria[4] (Commission and the Council, 2003).

However, the importance of second pillar pension schemes is expected to increase in most countries. Austria, for instance, is transforming its severance pay scheme into occupational pension provision. In Germany, there was in 2003 an increase in the coverage of occupational pension provision by 10 per cent in 15 months (Berner, 2005, Kortmann and Haghiri, 2003) In Greece, Spain, Italy and Portugal, new legal frameworks have been established since 2000 for the establishment or promotion of occupational schemes. EU Directive 2003/41/EC, which deals with the activities and supervision of institutions for occupational retirement provision, aims to regulate the rights of pensioners, and allowing cross-border membership is only one of the measures taken at the European level for facilitating this process.

Participation in the major second pillar schemes in Europe is voluntary, although countries such as Denmark or France have mandatory requirements up to a minimum level of contribution. This is also the case of some of the new EU member states, like Hungary, Latvia and Poland. The majority of them are fully-funded, although the French obligatory funds present a notable exception[5]. There is a mix of defined benefit (DB) and defined contribution (DC) schemes with these pensions, although there is a clear shift towards DC schemes.

It is characteristic that countries which only recently set up occupational pension schemes, such as Poland and Hungary, are doing so in the form of DC schemes. However, in many countries, DB schemes are still dominant, or co-exist with DC schemes, as is the case of Austria, Belgium and Sweden. In Germany, amendments to the occupational pensions legislation introduced by the 2001 reform promoting private pension plans (Altersvermögensgesetz) have, for the first time, allowed schemes of defined contributions. The administration of second pillar schemes is generally private, although the Swedish model diverges from the others on this point, as the government is a single provider of all the annuity products offered.

3. Privatization and social citizenship

A general appraisal of all the variants of privatisation is not possible, first of all because of the variety of institutional characteristics acquired by privatisation in different countries. However, in all cases, changes to the balance between public and private provision and the shift towards individual self-reliance and consumer choice have profound repercussions for the equity of the welfare system. The first pillar pension schemes include strong redistributive elements and minimum pension guarantees that cannot be fully replicated in second pillar schemes. Several studies have shown that the shift in the balance towards the private elements in social security systems can become a very strong source of inequality and weaken the integrative functions of the welfare state (Pedersen, 1999, 2004, Behrendt, 2000).

The impact on social integration is, as expected, more important in countries where the privatisation took the form of a "shock treatment", as in Latin America, where a considerable percentage of the population has been left without any form of social insurance (Bustamante, 1997). However, several studies have shown that private pensions in the second and third pillar are always a very strong source of inequality in the income package of retired households (Pestieau, 1992, Pedersen, 1999, Behrendt, 2000). The reason for this is simple: not everyone is in a position to save. The incomes of poor households tend to be too erratic to allow the type of lifecycle savings behavior that second pillar systems require. Moreover, these schemes do not respond well to the challenge of providing pensions for atypical (part-time, temporary, self-employed workers) and mobile workers. These workers are usually not members of occupational funds and, even if they are, they tend to end their careers with reduced occupational pension rights.

For instance, in the UK, the proportion of male professional workers who are members of an occupational scheme (76 per cent) is twice as high as among unskilled men (34 per cent), and the difference is even greater among women, with 71 per cent of professional women in an occupational scheme compared with only 27 per cent of unskilled women. The proportion of part-time women in an occupational scheme is only 28 per cent, compared with 55 per cent for female full-timers (Newell, 2004). As a result, women, who on average work fewer years outside the home and earn less per year, will also be among the losers (Anrig, 2005).

Even for the average and above-average employee, the individualisation of risk and the volatility of investment markets, which have a direct influence on all funded systems, mean that it will make a great deal of difference whether they retire during an upswing or downturn of the economic cycle (Anrig and Wasow, 2001). The diminishing role of the public element implies that less money will be available for the redistributive functions of the welfare state, which will make all vulnerable groups even more helpless.

Still, at least from the viewpoint of a human rights approach, the most important danger of an unbalanced privatisation of the social insurance system is its impact on the protection of the social security as a right of social citizenship. The recognition of the normative autonomy of social rights on an equal footing to civil rights and independently of market relations is, in this sense, a prerequisite for their full implementation. The redistributive role of the state is not limited to cash transfers, in kind provisions, or the efficient allocation of goods and services, but encompasses also all the compulsory regulation of economic and social policies (Katrougalos, 1995, Preuss, 1995).

The basic characteristic of the European Social Model is precisely that the economic and social policies are interrelated. Unlikely the "differentiated" liberal welfare state, the regulation of the economy embraces both the demand and the supply side, from wage levels and working conditions to industrial relations and collective bargaining (Grahl and Teague, 1990, Castles, 2002). The eclipse of the state will therefore have far reaching institutional consequences, especially where welfare state structures are relatively weak, as in the South and Eastern Europe. In such countries, strong intervention by the state is essential, especially for the elaboration of norms and the legitimate allocation of financial resources.

As a result, there are two crucial elements for the evaluation of all privatisation reforms: first of all, the pension guaranteed for the average employee (who will not in the future be the typical, full time worker of the golden era of welfare state) should be sufficient for a decent living, i.e. at least equal to the standards of ILO Convention 102 of 1952, which recommended that public old-age pension schemes should ensure a replacement rate of at least 40 per cent for a couple of pensionable age. The contribution of the other pillars should be over and above this minimum.

The second key point is the continuation of a strong public presence in the overall regulation of the social protection. As private and public sectors are not functional equivalents, the State should always use the public fiscal instruments to organise the redistributive transfers of resources and claim the institutional legitimacy to arbitrate between conflicting social interests.

In consequence, the dilemma of more or less state provision is essentially a false one, the real question being how the state's intervention can be more efficient and its functioning more democratic, without abandoning the legal guarantees and rights that have been consolidated in most favourable conditions in the welfare state. Of equal importance is the defense of the egalitarian concept of social citizenship against the competing one of market citizenship, where citizens' rights are replaced by consumers' choice. In this framework, the necessity of institutional interventions in order to mould market forces in the direction of alleviation of poverty and unemployment is paramount.

Notes

1. The archetype of this typology seems to be Switzerland, where the term "three pillars" appeared at the beginning of the 1960s and in 1972 was enshrined by the constitution (Widmer, 2003).
2. Greece offers a rare example of inverse privatisation: a series of laws from 2003 onwards, concerning the involvement of the state in the occupational pension funds of the banking sector, have transformed the existing privately managed schemes to public funds of the first pillar. However, this exceptional case does not signify an increase of the role of the public sector, as these "auxiliary funds" were already considered to belong to the first pillar, in the absence of any other public scheme. It actually represents a form of direct subsidisation of the banking sector by the national budget, as the state has substituted the banks in order to cover the pensions' cost, especially for the newly insured employees.
3. Latvia and Poland in late 1990's have also re-engineered the first-pillar, converting PAYG commitments acquired under the previous regime into NDC PAYG accounts, combined with a second pillar with individual financial accounts. Kyrgystan and Mongolia have also introduced similar reforms.
4. Often data are not comparable. For instance, in Austria in 2001 only the 2 per cent of pensioners appeared to receive an occupational pension from a funded pension scheme, but these figures do not take into account second pillar pensions from sectoral pension plans governed by the Fund for Security of Existence.
5. The French pension system comprises a two-tier pay as you go system - the régime général, plus obligatory supplementary occupational schemes, which is not clear if they belong to the first or second pillar, although they are managed by the social partners and not the state.

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