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# OLD-AGE PENSION SYSTEMS' REFORMS IN GERMANY, GREECE AND FRANCE – A SOCIAL CITIZENSHIP PERSPECTIVE[1]

# REFORMY SYSTEMÓW EMERYTALNYCH W NIEMCZECH, GRECJI I FRANCJI – PERSPEKTYWA OBYWATELSTWA SOCJALNEGO

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**Summary:** European old-age pension systems face multiple challenges. On the one hand, governments are concerned with the fiscal effects of ageing societies. On the other hand, there is a social pressure on maintaining standards of living during the retirement. Such tension is one of the most significant socio-economic conflicts in modern politics. During last 25 years, policy makers tried to answer these challenges by pension reforms. In general, a trend towards reducing social rights can be distinguished, which is to a significantly smaller extent accompanied by improvement of coverage and benefit levels for some groups. This research analyses old-age pension reform trajectories in three European countries: Greece, France and Germany. It focuses on the generosity of pension benefits, access to pensions, and anti-poverty function of the pension systems. The paper assesses, whether over a period 1990–2015, a convergence took place between the countries and if yes, what was its direction.

**Keywords:** pension reforms, convergence, retirement.

**Streszczenie:** Europejskie systemy emerytalne mierzą się z wieloma wyzwaniami. Z jednej strony, rządy obawiają się skutków fiskalnych starzenia się społeczeństw. Z drugiej strony, obecna jest społeczna presja na utrzymanie standardu życia podczas pobierania emerytury. Powyższy spór stanowi jeden z najważniejszych społeczno-ekonomicznych konfliktów współczesnej polityki. W ciągu ostatnich 25 lat politycy próbowali odpowiedzieć na te wyzwania za pomocą wielu reform emerytalnych. Ogólny trend to redukcja praw socjalnych a w znacznie mniejszym stopniu poprawa zakresu podmiotowego I poziomu I świadczeń dla pewnych grup. Niniejszy artykuł analizuje reformy systemów emerytalnych w trzech państwach europejskich: Grecji, Francji i Niemczech. Autor skupia się na hojności systemów emerytalnych, dostępie do świadczeń i ich funkcji przeciwdziałania ubóstwu. W artykule do-

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konano oceny, czy w okresie 1990–2015 zauważyć można konwergencję pomiędzy krajami, a jeśli tak, to w jakim kierunku.

**Słowa kluczowe:** reformy, emerytalne, konwergencja, przechodzenie na emeryturę.

# 1. Introduction

Old-age pension systems are a single biggest item on public spending agenda. The importance of these systems for public finance makes them an important political topic, especially currently, when the social effects of demographic ageing are increasingly marked. Politicians and policy-makers are faced with a paradox. On the one hand, governments are concerned with the fiscal effects of ageing societies. On the other, there is a stable social pressure on maintaining standards of living during the retirement period. Such tension is visible in all European welfare states and constitutes one of the most significant socio-economic conflicts in modern politics [Polakowski 2012]. Also, old-age pensions reforms are the topic of interest (and impact) of several international organisations, such as the European Union, the World Bank, the International Monetary Fund and the OECD [Orenstein 2008]. The general trend of recent decades can be characterised as the reduction of the social rights in favour of stabilising or reducing public expenditure on pensions [Holzmann, Hinz, von Gersdorff 2005]. The aim of this article is to analyse this dynamics in a more detailed manner. The article focuses on 3 European countries: Greece, France and Germany in the period 1990–2015. It looks at the interplay of social citizenship. When it comes to social rights, it takes into consideration three dimensions. First, it is the access to old-age benefits, that is especially mandatory retirement age. Second, it is a generosity of old-age systems seen as a generosity of the system when a right to a full benefit is obtained, which also takes into account various crediting options in case of childcare, military service, etc. Third, the paper analyses the anti-poverty function of the pension system, that is legally stipulated level of minimum benefits.

The paper is structured as follows. In the first section, the paper briefly introduces a concept of social rights in the context of comparative welfare state analysis. The following sections are devoted to case studies which cover Germany, Greece and France. The final section covers conclusions of a comparative nature. The paper is concluded with final remarks.

# 2. Welfare state, social citizenship, and convergence

The comparative social policy research had been dominated by studies focusing on a welfare state's financial effort. For many decades, social spending has been a benchmark for assessing the role of a given social policy programme [Wilensky 1975]. This situation has changed significantly with stream of research that departed from a functionalist view of social policy emergence and development. Such functionalist approach perceived the development of social policy as a function of advancement of structural features of industrial states – level of economic development and the "problem pressure" (e.g. ageing population). The functionalist approach assumed that modern welfare states will converge, however, the observed diversity both in terms of spending, but most of all in terms of institutional features of welfare states, seriously challenged this approach [Esping-Andersen 1990].

The studies, which emphasised that the diversity of welfare states is bigger than previously assumed, often applied the perspective of social citizenship [Marshall 1950]. Although under-defined and contested, the concept of social citizenship can serve as a useful tool in comparative welfare state research [Taylor-Gooby 2009].

Following the argument by M. Powell [2002], one should make three important points. First, social citizenship should not be perceived as unconditional social right. Rather, some obligations on the side of citizens should apply as well. Second, M. Powell underlines that social rights should not be proportionate to the (participation in) market, so that the impact of market forces is constrained. Lastly, the extent of social citizenship is not directly linked with a given benefits level/replacement rate. What stems from these three points is that the realisation of social citizenship is not unconditional. Rather, it involves (some) reciprocity as well as contribution.

The perspective of social citizenship might be therefore used for the comparative old-age pension system analysis. T. Böger and L. Leisering focus on the three dimensions: participation in the system (qualifying years which entitle to receive a benefit), recognition of need (relation to needs), and level of benefit [Böger, Leisering 2017]. This paper takes a similar approach and analyses the changes of pension systems through social citizenship lenses by focusing on three dimensions. First, it is the generosity of the system understood as the hypothetical replacement rate when full pension is granted. Second dimension reflects the access to the full pension and here is measured by legally stipulated retirement age. Third, it is generosity of the minimum pension, which reflects the anti-poverty function of the system.

Such operationalisation of the concept of the social citizenship is helpful when analysing changes of the pension systems over the period of 25 years in the context of their possible convergence. However, as this article deals with mainly qualitative data, the inference about the convergence in a strict sense is rather limited [Greve 1996]. Rather, the ambition of this article is to map the dynamics of pension reforms and point out some similarities in the directions of these reforms.

## 3. Overview of old-age pension systems in Greece, Germany and France in the early 1990s

When it comes to the old-age pension systems analysed in this article, they are sometimes associated with a single pension regime – the Bismarckian one

([Schludi 2005], see also [Marcinkiewicz, Chybalski 2017]). In the beginning of the 1990s, they all shared several common features: sectoral differentiation, PAYG financing and DB formula, almost exclusive reliance on public provision as well as comparatively high levels of spending in relation to GDP. However, a closer look at the three countries from the perspective of social rights leads to the conclusion that they should be allocated to two clusters. Perhaps, the main difference between France and Germany, on the one hand, and Greece, on the other, in the 1990s lied in the extent of social rights articulated in terms of benefits generosity and accessibility. While in Greece the extensive generosity of the system stemmed from the non-pension-related reasons (familialistic model of welfare state where old-age pensions served as the main channel of distribution), its exceptionalism remained undisputed. At the early 1990s, Greece was characterised as a country belonging to the Mediterranean model, different from the conventional categorisation outlined by G. Esping-Andersen. For example, in terms of generosity, the system allowed for a replacement rate close to 100% of earnings with the last month earnings before retirement used as a reference. Second specific feature of the Greek system was the multiple routes to early retirement. The combined effect of these two features was a relatively young population of retirees receiving generous benefits.

France and especially Germany are flagship cases of the Bismarckian model or pension regime. The features of this pension regime are the reproduction of the employment trajectory, as well as the sectoral differentiation, to a lesser degree than Mediterranean model, however. In the Bismarckian model, traditionally the pension provision relies on public, mandatory schemes, with some role for complementary voluntary occupational programmes [Seeleib-Kaiser 2002]. For example, in Germany, the group which mostly benefited from occupational schemes was high position workers – for this category supplementary pensions was a form of a deferred remuneration. In France, also the public scheme has played the main role, though the system was more differentiated along occupational lines. Accordingly, in the private sector a two-tiered system has existed, with a mandatory general scheme and mandatory (since 1972) complementary schemes [Mandin, Palier 2005].

In the beginning of the 1990s, France was one of the leading countries among OECD group when it comes to spending – in 1990 it equalled 8.4% of GDP. Greece spent 6.4% of GDP in the same year, followed by Germany, which spent 6.2% of GDP in 1990. It should be noted that this comparison involves only old-age benefits and thus excludes disability and survivors' benefits. The spending order changes, when the early retirement benefits are included. Greece spent 2.7% of GDP on this category of retirement benefits in 1990, followed by Germany (0.7% of GDP). OECD data for France demonstrates no spending on this category.

Finally, when it comes to the private spending on pension purposes in 1990, in all three countries, it was well below the OECD average (1.2% of GDP). Accordingly, Germany's expenditure on private pensions equalled 0.7% of GDP, while Greece spent 0.4% of GDP in this category, while France spent only 0.3% of GDP in 1990 [OECD 2015].

In the following sections, the developments with respect to old-age pensions systems in three countries will be analysed.

## 4. Greece

The Greek old-age pension system is characterised by some particular features. On the one hand, over last three decades, it has been one of the European leaders in spending. On the other, in spite of this leading position, it has been characterised by a significant risk of poverty among pensioners [Featherstone 2005]. It entered the 1990s as a very complex structure. The complexity was a result of extending the coverage on various professional groups, and in some instances – creation of separate rules. At the same time, the efforts to merge institutions providing insurance to similar occupational groups have failed at large [Tinios 2013]. Therefore, at the brink of the 1990s, one could talk about at least three dimensions of variation. First, it was the sectoral variation, with the main sectors being the private one and the farmers one. Importantly, inter-sectoral differences extended to parameters such as retirement age, generosity or conditions to be met by a retiree, investment strategies, contribution rates or co-financing. Second, while the PAYG financing dominated, the differences persisted with respect to a multipillar structure of the system. Third, the differentiating factor was the moment when a worker entered the system. It was especially because of some reforms which involved long phase-in and phase-out periods. In general, Greek welfare state could be characterised as a laggard in terms of development and the partial catch-up efforts resulted in expansionary measures in the 1980s and 1990s, compared to cutbacks in the welfare states of continental Europe [Symeonidou 1996].

The main challenge the Greek old-age pension systems has been facing is its financial instability and the impact of public finances. Therefore, the majority of reforms described here are the response to the fiscal pressure.

The reform of 1990 (the so-called Souflias reform after Minister of National Economy) aimed at altering all three dimensions analysed in this article [Triantafillou 2009]. First, the reform in fact established a retirement age for women and men (60 and 65, respectively) employed in a public sector. Previously, it was only contribution period. Second, the minimum contribution period was extended from 13.5 to 15 years. Third, the early retirement age was stipulated, 55 and 60 years for women and men, with reduction of a benefit. Fourth, an important change involved the generosity of pensions. While previously the replacement rate was set at 80% of a reference salary, the reformed formula promoted longer work by progressive increasing the accrual rate – until 25 years of service every year counted as 1/50 of a full benefit, next five years counted as 2/50 each, while the following five as 3/50. Fifth, the reform mandated contribution payment by those who entered the labour market since October 1990 as well as changed the benefit calculation formulae for those entering the labour market since 1993. Finally, the reference period used for calculating benefits was extended from 2 to 5 years [Tinios 2013].

Importantly, the reform included the exclusion clauses: for minimum contributory period extension did not apply to men reaching 63 and women reaching 58 years of age by the end of 1991, or a more preferential treatment of mothers of young or disabled children. The reform solved the pertinent problems of the Greek pension system only to some extent and therefore, a second wave of reforms was seen as necessary [Triantafillou 2009].

The reform of 1991 was relatively technical and clarified the situation of individuals in the transition phase from the 1990 reform. However, the 1992 Souflias reform overhauled the system significantly from the perspective of framework applied in this paper. First, the harmonisation among various components of the system has been partially achieved. Second, a unified, equal retirement age of 65 has been introduced for women and men, with a minimum early retirement age of 60 years and full benefit at 65. Early retirement paths were maintained for mothers of three or more children (50 years, 20 years contributions) and mothers of disabled children [Triantafillou 2009]. The Souflias reform introduced one of the most important changes in a way that it did not affect current pensioners [Featherstone, Papadimitriou 2008]. Accordingly, the length of the reference period remained unchanged (5 years), while for those employed after 1993, the expected replacement rate could not exceed 60% of the reference salary from the main pension as well as additional 20% from the supplementary pension. It meant that salary bonuses were excluded from benefit calculation, but also that younger workers would be affected by the reform more significantly. This was done by reducing the accrual rate for employment closer to 1993: before 1983 it was 1/35 for each year, between 1983 and 1992 the respective value was 1/50, while since 1993 – each year of employment translated into 1.714% of the reference salary [OECD 1993]. The Souflias reform to some extent stabilised the system for 15–20 years financially, which in turn meant that no major reform has taken place for a decade. The so-called mini-reform of 1999 dealt mostly with technical aspects (mergers of funds, etc.), but also increased minimum pensions and social solidarity supplement by 50% [Tinios 2005].

An important change in the Greek old-age pension systems was the Reppas reform (2002) which in many respects was an iteration of previous discussions, as well as moved the system closer towards a harmonised entity through creation of unitary rules for majority of workers. The most important changes involved reducing generosity of the system by decreasing the maximum replacement rate from 80 to 70% of the reference salary (total for main and supplementary pensions, private and public sector) by 2007 and increasing reference period to 5 out of 10 final years. The latter was a major change especially for the public sector workers, whose benefit was calculated on the basis of the last salary previously [Tinios 2005].

A new wave of reforms appeared when the impact of the Global Crisis on the public finance of Greece became visible. Here, the playground moved from the domestic politics to international scene. While in the pre-crisis period, the European Commission had been using soft pressure, the successive Memoranda of Understanding (MoU) included very radical proposals, which were implemented with hardly any amendments [Stepan, Anderson 2014]. This period could summed up as a complete overhaul of the system and a series of one of the most radical reforms in European history [Tinios 2012].

The wave of reforms started already in 2008. However, the major thrust of the reforms took place after 2010. They included two major streams: one dealing with current benefits and another which shaped the pension system. When it comes to benefits payouts, since 2010 all benefits have been reduced by 20% for regular pensions and as much as 40% for early retirement pensions. The lowest pensions have been saved from these reductions. Also, the indexation of benefits was suspended between 2010 and 2014 [Symeonidis 2016].

Accordingly, the reform of 2010 completely changed the system. First, the reform stipulated a simpler structure of the system which consists of two parts. The first part is a means-tested safety net while the second part is an income-related. In the income-related part, the accrual rates have been more than halved, which will lead to a significantly lower replacement rates. Second, the retirement age has been increased to 65 with very few exceptions, both for men and women. Further, the retirement age changes will be automatically linked to increases in the longevity since 2021 [Theodoropoulou 2016]. Also, the indexation of benefits will be linked to CPI changes and not to political discretion. Third, the contributory period was extended from 35 to 40 years, also for early retirement (62 years) Fourth, the calculation period was changed: instead of 5 of 10 best years, the full contributory period is considered. Since 2010, all individuals entering public sector will be covered by these rules. The reform introduced a check on the growth of expenditure until 2060 (2.5% of GDP) [OECD 2013a].

The reform of 2011 reduced the number of arduous jobs which received preferential treatment. The reform of 2012 was again of fundamental importance as the auxiliary funds were merged and the benefit principle was changed from defined benefit to Notional Defined Contribution. Further, in the same year, the retirement age was increased to 67 years [Symeonidis 2016].

The anti-poverty function of the Greek pension system has been marked by a specific paradox. While the level of minimum benefits has been the subject of a constant political debate on the need to counter the poverty in the old age, especially since the mid-1990s (with the introduction of the Social Solidarity Supplement) and the level of benefits has been increased on regular basis, the elderly poverty did not decrease significantly. However, the combined effect of minimum levels of benefits as well as the fragmented employment careers, resulted in the phenomenon of benefit concentration around lowest values. For example, in mid-2015, approximately 10% of pensioners received a benefit lower than a minimum benefit level. Further, the anti-poverty function of the system was differentiated across the board. Accordingly, the minimum benefits were the lowest among rural population, while the highest among private sector employees [Ministry of Economy 2002].

To conclude, it should be mentioned that especially before the global crisis, the Greek pension system reforms focused mainly on working cohorts, especially younger ones and were targeted at the private sector. It was only after 2002, when reforms started affecting public sector workers. The post-2008 reforms impacted both private and public sector, as well as working generation and pensioners. The pre-crisis measures in many respects were solving the problems of the Greek pension system only to some extent, allowing for these problems to resurface. From the perspective of social citizenship, the reforms in Greece were relatively mild until 2008 and then they became drastic. Reduction of the levels of benefits, increases of the retirement age and linking its increases with longevity, very strict regulations regarding early retirement, shift from DB to DC formula happened only within 5 years period. Interestingly, no reforms in the direction of mandatory funding have taken place. The lack of such measures can be understood in the context of dire situation of Greek public finance, which could not afford to introduce yet another item on expenditure agenda (transition costs).

## 5. Germany

From a comparative perspective, German old-age pension system occupies a specific position and in many respects has served as a benchmark for the Bismarckian pensions model [Schludi 2005]. The characteristics of this model are: reliance on social contributions as a source of financing (centrality of employment-related measures), strong link between contributions paid and benefits received (equivalence) and sectoral differentiation. As this section demonstrates, a number of reforms took place between 1990 and 2015, which raises the question to what extent the German pension system belongs to the Bismarckian model. Some reforms in that period can be traced back to structural problems of the German economy, that is low employment level of female employment compared to that of men and low fertility level. These two challenges led to measures already in 1970, such as recognition of periods used for taking care of a child at home, but also possibility of early retirement for women with a benefit level reflecting regular retirement. In principle, for a long time the main actors involved in pension reforms have shared the view that the relatively high replacement rate (70% net for a full time "male-type" employment) should be maintained. This meant that in the DB system, the measures on the contributions side prevailed in order to contain the impact of the system on the public finance [Börsch-Supan 1997].

The reform from 1992 (legislated in 1989) was ambiguous from the perspective of social rights. First, the reform limited the possibility of crediting non-contributory periods. However, at the same time, the period of crediting childcare by a woman was extended from 1 to 3 years. Second, while the possibility of early retirement within 36 months before nominal retirement age was retained, the reform introduced reduction of 0.3% of benefit per each month between effective and nominal retirement age. Third, the reform changed from gross to net wages indexation, which in practice meant that pensions would not grow faster than wages. Finally, a constant participation of the state in subsidising the system was introduced (20% of total expenditures). Especially this last measure meant that contribution level would not be altered significantly [Schmähl 1993].

Soon, however, it was clear that the reform like the one introduced in 1992 was insufficient from the public finance perspective, also because of Germany unification process. In 1996, the increase of the retirement age for women from 60 to 65 was mandated and has been in force since 2001 [Seeleib-Kaiser 2002]. Further, already in 1999, a next major reform took place. Again, it was a combination of different measures. First, the reform lowered the adjustment of benefits due to the demographic situation, which lowered the benchmark of 70% to 64% replacement ratio for both current and future pensioners. Second, the further extension of childcare credits was introduced. Third, in order to maintain the relative level of benefits, further role of the state subsidy was guaranteed via increasing VAT by 1 percentage point, devoted to this purpose. Also, in 1999, the indexation of benefits with the net wages growth was suspended and replaced by CPI as a reference. After two years this change was revoked. Finally, the reform introduced the tax-financed, means-tested minimum benefit for individuals with insufficient income [Schludi 2005].

The reform of 2002 was again of importance. It introduced a state-subsidised voluntary insurance – Riester rente (in the initial plans it was supposed to be mandatory), reduced the generosity of pensions and indicated that no income-tested element of pensions will be included in the system [Berner 2006]. Instead, the needs of elderly will be catered by the means of social assistance. The failure of mandatory funded provision, but at the same time, the acceptance of the voluntary one, indicates a shift in the stance of several actors in the pension politics, especially trade unions. The reform has not, however, solved the challenges typical for the DB system with virtually predefined replacement rate. The following reforms tried to tackle these problems, which meant an overhaul of the mandatory pension system.

A major change to the system was the introduction of the so-called sustainability factor in 2004. This mechanism adjusts the current benefits level through their indexation mechanism which is based on the constant ration of pensioners and contributing individuals. Therefore, the factor reflects not only demographic developments, but also current situation in the labour market [Börsch-Supan, Wilke 2006]. As the factor depends on the contributing individuals, the civil servants, with very high salaries are excluded from it. As argued by some analysts, the introduction of the sustainability factor combined with a point system made a German pension system a functional equivalent of the NDC. The reform of 2004 excluded some periods from the calculation of benefits (higher education) [Anderson, Meyer 2006].

The reform of 2007 has introduced an increase of the retirement age from 65 to 67 years starting from 2012 and ending by 2029. It will be possible to retire early, although, the benefit will be permanently reduced by 0.3 percentage point for each month difference between effective and legal retirement age [Hinrichs 2010]. The reform package which implemented in 2014 made it possible to retire earlier – at the age 63 – for individuals with very longer employment career (45 years), but also extended longer childcare credits for benefit calculation from 1 to 2 years per child [Bamann et al. 2015].

When it comes to anti-poverty function of the German system, it is apparent that the aim of reduction of the poverty was to be achieved through the participation in the labour market. Two important features of the German labour market allowed for such approach. First, it was a stable, life-long employment. Second, it was a family wage for a male breadwinner, which later translated into a generous pension benefit, high enough to maintain a standard of living of a couple. Therefore, the anti-poverty feature of the system was a function of the collective agreements and other regulations concerning wages. The pattern of employment which would be typical for women from the 1970s on, was of part-time work. As late as in 2001, it was acknowledged that more and more widespread fragmentation of the employment, but also gendered consequences of departure from the male breadwinner model will have consequences in terms of low pension benefits. Therefore, this year a means-tested old-age benefit was introduced, and its major innovation component was that children were not obliged to support financially their parents. In 2011, the value of the needs to be met by this benefit equalled 28% of the average gross wage [OECD 2013b].

The reforms of old-age pension system in Germany reveal a number of interesting observations and trends. First of all, already in the outset of the analysed period, the system was characterised by a relatively tight qualifying conditions and equivalent benefit formula. Certainly, such a system was possible in case of the welfare state where male employment rates were very high and working careers were stable. However, as the female population became ageing, the growing awareness regarding the problem of low female pension was apparent. Thus, one the one hand, the equivalence of the system continued to grow, while at the same time, the acknowledgement of childcare delivered at home increased. Second, faced with demographic pressures, German policy-makers decided to introduce the mechanism, which turned the system equivalent to Defined Contribution. Third, it is worth noting that Riester Rente component of the system is in fact a result of a failure to introduce mandatory funded component. The reasons for not introducing mandatory funding is mainly the concern of the fiscal costs such reform can bring about.

## 6. France

One of the most important characteristics of the French old-age pension system is its strong sectoral differentiation. While the private sector employees are covered by a single pension scheme, the public sector employees are covered by a number of smaller schemes with several rules regarding generosity, access, etc. Importantly, the employees in the public sector enjoyed less strict rules regarding retirement compared to their private sector counterparts. Also, the public sector retirement schemes are the core of the activity of trade unions, which means that reform proposals meet with response from them [Bonoli 1997]. Historically, therefore, one can observe a number of failed reforms in the public sector schemes, and relatively radical reforms in the private ones, which is striking as the smaller in terms of employment public sector in the 1990s was seen as responsible for majority of growth in spending in the coming decades. In France, like in Germany in the 1990s, the benefit formula is Defined Benefit, while complementary schemes in the private sector are PAYG DC schemes. Also, the system consists of a means-tested component for elderly with insufficient retirement resources. In the 1990s, the retirement age was equal for men and women – 60 years – after lowering the retirement age in the 1982 reform [Blanchet, Pelé 1999].

In spite of swiftly growing pressure on the public finance in the 1980s and 1990s, and publication of several White Papers indicating the need for extensive pension system reform, the introduced reforms were scarce. Following the logic presented above, the 1993 Balladur government reform focused on the private sector provisions. The main changes introduced concerned the creation of the Solidarity Fund, whose aim is to at least to some extent cover the deficit of the pension scheme by financing non-contributory benefits. The sources of the Fund are the increase of the contribution rate, the earmarked income taxation and some duties on tobacco and alcohol. Second, the reform extended the qualifying period required for obtaining a full pension from 37.5 years to 40 years between 1994 and 2003. Further, the reference period for establishing the level of benefit was extended as well from best 10 to 25 years (between 1994 and 2008). Finally, the indexation was linked to CPI instead of wages over five years [Bonoli 2000].

After a decade of failed struggles to reform the public sector pensions component, the 2003 reform was a partial breakthrough. The main purpose of the Raffarin reform was to apply the rules regarding benefit calculation and qualification for pensions from the private sector to the public sector scheme. While in principle the reform proved successful, some exceptions were maintained.

Second main purpose of the Raffarin reform package was the extension of the working life [Mandin, Palier 2005]. This element consisted lengthening of the contribution period required in order to qualify for a full benefit from 40 to 41 years between 2009 and 2012. In later years, the extension is expected to follow the growth in the longevity. Also, the reform introduced the pension accruals (3% yearly) for individuals working beyond 60 years of age. Previously, the extended working career was not reflected in the replacement rate. At the same time, the reductions of the benefits levels in case of early retirement were maintained, though the yearly reduction was halved (thus, making it more beneficial to retire early). Also, the level of minimum benefit was stipulated at the level of 85% of minimum wage. Finally, the reform opened the possibility of establishing additional pension schemes managed by social partners [Conceição-Heldt 2007]. The reform of 2003 has been followed by the 2008 reform which extended unifying criteria to more public sector schemes.

Another landmark reform of the French system was introduced in 2010, when the increase of the retirement age was stipulated. Accordingly, the age was to increase from 60 to 62 until 2018, whereas the age qualifying for a full benefit from 65 to 67 years [Hassenteufel, Palier 2015]. At the same time, periods previously not included in the calculation of the benefit (unemployment without a right to benefit or benefits linked to maternity benefit) became treated differently. Already in 2011, the pace of the retirement age increase was speeded up and became valid since 2017. The reform of 2013 increased the contribution rate by 0.3 percentage point between 2014 and 2017, but also extended the qualifying period to 43 years by 2035. The reform from 2015 extended these regulations to the funds managed by the unions [OECD 2015].

Since mid-1950s, the French pension system included a form of a non-contributory benefit which was granted to individuals with insufficient resources in the old age. The main target group was the individuals with very short or no employment spells. Since 1984, the level of the benefit compared to the poverty line (and legally stipulated minimum wage) had been decreasing and in 2006 was estimated at 69% of the poverty line for a single individual household [Bac 2008]. Along the reforms from 2003 which aimed at unifying pension system, a new benefit was introduced. The main difference is that it is simpler, single benefit, but also that the state can claim back its amount from the inheritance [Bac 2008].

## 6. Discussion

From a comparative point of view, the paper delivers a number of conclusions. First, in all countries the scope of social rights has been diminishing. Starting from the generosity or equivalence, in all analysed countries it increased extensively during the last 25 years. This change is visible especially in case of Greece and France and here a point in focus is public sector employees. In Greece, the reform of the last 5 years of the analysed period overhauled the system radically. In France and Germany, this process has been more gradual, however, the result is similar, especially in the latter case. When it comes to a statutory retirement age, all analysed countries increased it from around 60 years to 67 or 68 years (still to be phased in). An innovation which stands out is automatic linking the retirement age with growing longevity. This way, the changes in life expectancy translate into increases of the retirement age. The changes in the statutory retirement age and equivalence are not countered by measures which protect those with poor and fragmented employment careers from facing poverty in the old-age. Perhaps one could expect such outcomes the general trend in old-age pension reforms is to reduce public spending, however, in the coming decades one may witness a return to old-age poverty.

Second, while the implementation of the reforms accelerated during the period of the global crisis, the discussions regarding the pension systems were present all the time. In fact, in majority of instances, one can talk about the commitment of politicians to conduct the reforms, which, however did not reach a parliamentary stage. Therefore, one could talk about specific sequencing of reforms – the foundation for many recent reforms had been laid down before the crisis, and the public finance crisis of post-2007 period created the "window of opportunity" for policy-makers.

Third, the vast majority of reforms affect working population which will become pensioners. On the contrary, the reforms aimed at individuals in retirement are rare. Here, the typical reform is a change of benefits' indexation and the change such as reduction of benefits level (like the one Greece recently witnessed) is very seldom and should be considered radical.

Fourth, while outside the scope of the article, it should be mentioned that a majority of reforms which could be observed during last 25 years deal with administrative reforms. While some of them are of a profound importance, such as the financing method change (from PAYG to funding), many of them lead to mergers of funds, unification of institutional architecture, etc. An example of such reform can be the introduction of a single social security number in Greece or modernisation of IT systems, which in turn creates possibilities for other reforms of pension systems.

Fourth, in the analysed period, a trend towards the unification of retirement rules could be observed. This is especially visible in the case of public sector employees (state-owned or municipal enterprises and in some instances – public administration employees). When observing reforming efforts, it is apparent that the main thrust of reforms was aimed at increasing retirement age and making the link between contributions and benefits stronger in the public sector. Also, due to more encompassing union coverage, these efforts took longer than in the private sector.

Fifth, after initial efforts to meet financial needs by increasing contribution rates, the strategy applied in all countries was to reduce generosity of benefits. Importantly, it was either occupational or individual pension programmes whose role is to substitute for the remaining part of the future retirement income. In both Germany and France non-mandatory schemes gained importance over the analysed period, however, they most likely will not solve the problem of pension poverty.

## 7. Conclusions

The purpose of this paper was to analyse the reforms of old-age pension systems in three European welfare states: Greece, France and Germany. The article started with a discussion linking the concepts of convergence and social rights with a comparative analysis of old-age pension systems reforms. This article focused on the period 1990–2015 and looked at three dimensions of old-age pension systems: generosity (equivalence), anti-poverty function (the role of minimum pensions) and the access to the full benefit (legally stipulated retirement age). The following sections were devoted to the description and analysis of reforms in the three countries. Summing up, on the basis of empirical material one can argue that the scope of social rights diminished in the analysed 25 years period. Accordingly, the retirement age was increased and made equal for men and women. The pension systems became less generous in a sense that the link between contributions paid and benefits received is much closer. Finally, the reforms of minimum provisions were introduced, however, this type of change was rare.

On the basis of this analysis, one can conclude that throughout the analysed period the convergence of old-age pension systems can be observed, especially during the global crisis.

As for the future research, it is apparent that a comparative analysis of pension systems reforms requires a further embedding of the concept of social citizenship in comparative pension systems analysis framework.

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