

Possible stream: 10. Pension Policies - Private pensions and financial market crisis

Political conflict and regulatory reform: Polish pension funds during the financial crisis

Private pension provision has considerably developed in Central and Eastern Europe in the last decade. A number of countries have introduced “paradigmatic pension reforms” which have consisted in transforming the pay-as-you-go defined-benefit public pension systems into multipillar systems. The introduction of individual retirement accounts managed by private pension funds has created a new politics of private pension regulation in which financial interest groups play a considerable role. The objective of this paper is to provide a better understanding of this politics both from a theoretical and from an empirical point of view.

Studying pension politics during the financial crisis allows us to confront existing theories about the determinants of welfare state reform. While institutionalist and ideational approaches have until recently been dominant in the study of pension reforms in Europe, an emerging strand of literature draws attention to the role of party strategies and of cross-class alliances as drivers of pension reforms. However, while interested in the welfare-labour market nexus, such interest-based approaches have so far neglected the role played by financial interest groups in pension reform and, more generally, welfare state reform. This paper will try to shed more light on the strategies of such actors and their interactions with political parties and organisations such as employers’ associations and trade unions. The study of pension politics during the crisis will allow us to test different theories’ claims about the stability or instability of actors’ preferences concerning pension policy.

The paper will focus on the case of Poland, but will also draw examples from the Czech Republic and Hungary. It will analyse actors’ preferences and policy developments on four crucial dimensions of private pension regulation: the level of contributions to the second pillar, the regulation of pension funds’ cost structure, of their investment structure and the regulation of the pay-out phase.

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