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Stream 10. Pension Policies

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**Effects Of The Current Economic Crisis On The Pension Schemes Of
Coordinated And Liberal Welfare States In Europe**

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Abstract

The global financial and economic crisis keeps the economies busy. Neither the length nor the depth are predictable so far, but it is sure that the crisis will have effects on the social security systems. Nevertheless, the interaction of the weaknesses in the European labour markets and its huge impacts on the corresponding welfare states' pension schemes is often not considered. Therefore, this paper pursues the question which long-term implications the present economic crisis will have on the pension schemes of the European countries, in particular.

Carrying out a comparative analysis, the paper attempts to answer the following questions: Which countries are more successful in anticipating the arising negative consequences of the crisis on the pension schemes and why?

To which extent a pension scheme is affected depends of course on the length and depth of the crisis, but particularly on the government path-dependent reaction to the crisis. Therefore, the objective of the paper is to analyze the institutional arrangements of the specific pension schemes. As theoretical framework serves the comparative analysis instrument of coordinated and liberal market economies of the '*Varieties of Capitalism*' approach¹. With reference to this, the paper strives to develop the institutional reasons for dealing with the crisis differently in several European welfare states to answer the above mentioned research questions.

¹ For instance Hall, P. A./Soskice, D. (2001) (eds.): *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford/New York: Oxford University Press.