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Increasing pension age — Inevitable or unfeasible? Analysing the ideas underlying experts' arguments in the UK and Germany

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Abstract

Based on interviews with German and British experts from major political parties, government departments, employer confederations, trade unions and special interest organisations, we investigate the chains of arguments that these experts advance in favour of or against increases in state pension age. In this way, we add to the explanation why very similar reforms could be enforced in the very different pension systems of Germany and the UK. The chains of arguments deployed are surprisingly similar between the two countries: Whereas the proponents of reform stress its necessity in the context of pension spending and see older people as being able to work longer, opponents and sceptics of the increase doubt most older people's ability to work longer and thus the feasibility of the reform. The proponents prioritise ideas of intergenerational justice and meritocratic justice based on individual performance, and underline pension-related interest oppositions between age groups and cohorts. By contrast, opponents and sceptics tend to focus on needs-based justice and social inequalities within age groups. Concomitantly, the actors have different ideas on how a flexible transition to retirement could be organised, with country differences being more pronounced here.

Introduction

One of the most common policy responses to population ageing throughout Europe and other Western countries has been to increase statutory pension ages (Chomik & Whitehouse, 2010). In this paper, we investigate the chains of arguments that social policy experts from Germany and the UK advance in favour of or against increases in state pension age. The empirical basis consists of interviews with experts representing major political parties, employer confederations, trade unions, government departments and special interest organisations speaking for the pension industry, pensioners or older people. Based on these interviews we provide evidence on which (kinds of) ideas matter in these arguments. In this way, we contribute to the explanation of why these increases in pension age were implemented in the two very different pension systems of Germany and the UK.

Statutory pension age¹ is the age boundary which defines from which age onwards someone can claim a regular or full pension in the public pension pillar, solely on the grounds of their age,² implying that they are no longer expected to earn their living through paid employment. Pensions and pension ages are defining features of modern welfare regimes and their regulation of individual life courses (Kohli, 1987). At the same time, the actual effectiveness of pension ages differs widely, and in many countries, considerable proportions of older (← p. 54) workers leave or used to leave the labour market before reaching pension age (Ebbinghaus & Hofäcker, 2013).

Two different age boundaries are negotiated when talking about increases in pension age: First and foremost the age of being eligible to an old age pension, and second, the age at which people (are expected to) exit the labour market — ‘retirement age’ in a strict sense. A general legal retirement age at which people are forced out of the labour market restricts individual freedom and contradicts the essential modern value of equality (of age groups) (Kohli 2000: 17). In many established pension systems, the ages for first pension receipt and for labour market exit were seen as two dimensions of a single transition. Correspondingly, they are confounded on the terminological level and in related debates, but to different degrees: The differentiation between pension age and retirement age has for example been clearer for a longer time in liberal welfare regimes, which emphasise liberal rights, with the US having outlawed (general) mandatory retirement as early as 1986.

A pension age which at the same time is a retirement age serves several collective and individual functions (Kohli, 1987, 2000): First, it organises the exit from the labour force in a rational way. Second, its cognitive function helps individuals to structure and plan their life courses. Third, its social-policy-related function is to organise access to old age benefits, and to protect the potentially vulnerable elderly from the need to participate in the vagaries of the labour market. This protective function aims at preventing poverty, and follows the principle of needs-based justice in so far as it implies that old age goes together with declining work capacity. Fourth, the age boundary has a moral function as a “legitimate” conclusion of working life (Kohli 2000: 16, see also Kohli, 1987). This function is not only based on the individual worker ‘having earned’ retirement through a hard working life, or in other words on a meritocratic form of justice. It is also connected to the idea of intergenerational reciprocity: As those actively participating in the labour market finance the pensions of current pensioners, they also earn the right to receive pensions later.³ In brief, the age boundary is “linked to basic structural properties of welfare states and labour markets [...] and stabilized through deeply entrenched biographical orientations and expectations [...]” (Kohli 2006: 458).

¹ For the receipt of occupational and personal pensions, the age boundary is sometimes the same; in any case, state pension age has the most significant normative impact and is usually the reference age for withdrawing from the labour market.

² Lower age boundaries often apply to pensions on more specific grounds, for example disability, but pension receipt is then conditional on a medical examination of the claimant.

³ Intergenerational exchange most obviously characterises (public) pension systems financed on a pay-as-you-go basis, such as the German one, explicitly identified as an ‘intergenerational contract’. With slightly different groups of those financing pensions, the same can be said for public pension systems that are tax financed to a higher degree. Even in completely funded and individualised pension systems, the privatised pensions of pensioners have to be financed by what is produced by the working population — thus each kind of pension system is (more or less directly) negatively affected by demographic ageing (Barr & Diamond 2010: 68–70).

By investigating the ideas and arguments surrounding increases in statutory pension ages in Germany and the UK, our paper adds to the literature on policies for pensions and pension age, and on the role of ideas and values in these policies, including ideas about individual life courses and their interplay with social policies. While there are *political* (pre-)conditions that led to the decision of raising pension ages (see for example Hering, 2012), our focus is on the substance of the arguments and on the ideas underlying them. These ideas are part of the explanation why the reforms were decided in both countries. As expressions of the interpretative struggles over a far-reaching policy measure that affects or will affect the employment and retirement patterns and expectations of most workers, they are also indicative of the normative issues at stake in policies to prolong working lives.

In the following second section, we first describe the relevant institutions, the decision to increase the state pension age, and pertinent further conditions for both countries. After specifying the thrust of our analysis and summarising evidence on the role of different ideas in (de-)legitimising reform measures in the third section, we briefly introduce our data and methods in the fourth section. We then present the core results of our analysis on the competing arguments regarding the increase (fifth section), and the experts' take on flexibilising retirement transitions and on age boundaries in general in the sixth section. The paper finishes with some conclusions in the closing section.

Institutional background and policies for increasing pension ages in Germany and the UK

In Germany and the UK, as elsewhere, increasing longevity and population ageing, dampened economic growth and labour market problems have led to increased spending on old age security on the one hand, and limited public budgets on the other. Consequently, and as part of many other reforms, both countries have increased the statutory pension age, from 65 to 67 years in Germany, and from 65 to 68 in the UK.

As the prototypical Bismarckian pension system in a conservative welfare regime, the German pension system has a strong earnings-related first pillar which is organised as obligatory social insurance⁴ for most dependently employed persons and financed on a pay-as-you-go basis (Schulze & Jochem, 2007). Occupational pensions, the second pillar, have traditionally been of limited importance and are relevant mostly for industrial core workers and some self-employed, whereas private pensions do not play a significant role for current old age incomes, except for a few self-employed.

The increase in regular statutory pension age was decided in 2007 by a grand coalition of Social Democrats and Christian Democrats (Blair, 2014). The law stipulates a gradual increase from 65 to 67 between 2012 and 2031. The decision was especially criticised by trade unions, and contributed to persisting discord between them and the Social Democrats. The law also prescribes government reports on the labour market participation of older workers every four years in order to monitor whether the increase in the pension age is realistic (Schmähl 2012: 178). The increase of pension age was the last of a series of other

⁴ Strictly speaking, the Deutsche Rentenversicherung is a para-state body with its own budget and administration. However, it is directly controlled by the German Federation so that this peculiarity has mainly administrative consequences. For reasons of brevity we thus speak of the German “state pension” at times although this is not entirely precise.

pension-related reforms. Aiming to contain the costs of pensions in the first pillar, they encompassed the closure of (the numerous) early retirement routes, increased pension ages for the (few) remaining possibilities to receive pensions early and penalised early pension receipt through pension deductions. While receiving a pension early (from age 63, or 62 in the case of severe disability) will still be possible when the increase is completed, these pensions will be (← p. 55) permanently reduced in their amount. Only those who have paid contributions for at least 45 years will be eligible for an unreduced pension at age 65. Besides these “parametric” reforms (Kohli & Arza, 2011), the reduction of future pension payments (decided in 2004) and the introduction of subsidised private pensions in 2001 constitute a paradigmatic change aimed at transforming the traditional social insurance system into a “multipillar system” (see, for example, Berner, 2011). Although they (can) contradict equal treatment and European legislation, legal retirement ages forcing people to withdraw from their job continue to be effective in Germany; they are fixed on the level of company agreements, certain occupations and in collective agreements (see for example Mahlmann 2011: 82–86), and justified on more specific grounds.

The UK is a typical liberal welfare state with a Beveridgean pension provision, implying that the three pillars have always been more balanced in their importance. The public first pillar provides flat-rate pensions which are financed through National Insurance contributions payable in every form of employment. Occupational and personal pensions are of a relatively higher importance than in Germany (Leisering, 2011; Schulze & Moran, 2007). Receiving the state pension early was only possible from 1977 to 1987 in the UK, and until recently the pension age for women was 60 and not 65, as for men.

The increase in pension age from 65 to 68 was decided in 2007 by the Labour Party government, with the consent of the Conservatives. It will be implemented by 2046, and was partly brought forward by the coalition government of the Conservatives and the Liberal Democrats (Pensions Act 2011, see Blair, 2014): After the increase in women's pension age to 65 is completed in 2018, the state pension age will rise from 65 to 66 by 2020, and then from 66 to 67 between 2026 and 2028. The Pensions Act 2014 also ruled that the pension age be reviewed every five years, considering both general life expectancy and other relevant factors, with the explicit possibility of the increase to 68 (scheduled for 2044 to 2046) being brought forward (Department for Work and Pensions, 2014). Other important reforms over the last decades aimed at ensuring the adequacy of state pensions and at better regulating occupational pensions (Marschallek, 2011; Meyer & Bridgen, 2011). In 2012, a default occupational pension scheme was set up for employees who were not otherwise offered one. After a whole number of changes to the state pension, the 2014 Pensions Act introduced the new single-tier state pension, completely abolishing the earnings-related second tier of the first pillar (State Second Pension). Berry (2016) describes the general reform direction as “financialisation” and (further) privatisation. The Default Retirement Age, which allowed employers to dismiss their employees without a specific reason when they reached pension age, was phased out by 2011.

The differences in the institutional setup of the British and the German pension systems also include their cultural dimension (Hagemann & Scherger, 2015). This regards, for example, the idea of what retirement should be, with a stronger concept of (work-free) retirement being purported in Germany. Furthermore, the normative legitimization that is given for public pensions tends to differ in the two countries, with meritocratic justice (traditionally) being crucial in the German system, and poverty prevention in the British one.

Closely connected to pension systems and reforms, employment-related and other outcomes of the German and the British systems used to differ, with some recent signs of convergence. The earlier German pension reforms, setting an end to early retirement, have led to a rapid increase in old age employment, which was further supported by deregulation in the labour market and a more favourable labour market situation. The employment/population ratio of Germans aged 55 to 64 has increased to 65.6% in 2014 (from 37.7% in 2000), while it is at 60.8% in the UK (2000: 50.4%) (OECD, 2014). Nonetheless, due to the institutional differences described above and the different pace of demographic ageing⁵ in Germany and the UK, the situation with regard to pension spending is still very different in the two countries: Spending is considerably higher in Germany than in the UK whose public pension is characterised by flat-rate pension benefits at a low level. While the level of public expenditure on pensions was 10.6% of GDP in Germany in 2011, it was only 5.6% in the UK (OECD 2015: 179). Corresponding to these differences, poverty in old age is more widespread in the UK than in Germany, although currently it is increasing in Germany and seems to be dropping in the UK (OECD 2015: 171; OECD 2013: 165).

The socio-political significance ascribed to the increase in pension age and the extent to which the increase was and partly still is debated are greater in Germany, with the voices opposing or criticising the increase being louder (Torp 2015: 389–90). The most important reasons for this are the generally greater importance of the first pillar of statutory pensions, and thus of statutory pension age in Germany, the (still) larger influence of the unions (also in the self-administration of the social insurance system) (Ebbinghaus, 2011; Wiß, 2012) and the fact that the pathways for early retirement have only recently been closed, or still exist. Indicative of this difference is also the latest reform from 2014 which, amongst others,⁶ temporarily suspends the increase in pension age and allows early pension receipt without any deductions at age 63 for those who have paid into social insurance for at least 45 years.

Thrust of this paper and conceptual means for legitimising reform measures

In light of these differences with regard to institutions, outcomes, and resulting reform pressures, based on which Germany and the UK can be seen as most different cases, the similarity of the parametric reform measure of increasing pension age is surprising. One possible explanation of this similarity is the fact that power relations in both countries, as in many others, have shifted in at least similar directions: With a globalising economy and increased economic competition, the bargaining power of (neo-)liberal positions and actors, notably employers, has increased, and the latter can threaten to move production and jobs abroad if, for example, non-wage labour costs become too high (Schmidt, 2002b; Sykes, Palier & Prior, 2001; Taylor-Gooby, 2001); at the same time, unions have lost a considerable degree of bargaining power, though not to the same extent in Germany and the UK (see above). Although employers do not participate directly in making legislation, this power shift has also affected pension reform. It thus became (← p. 56) easier to enact the further privatisation of pensions in the UK, the shift from a “social insurance paradigm” to a “multipillar paradigm” in Germany (Bönker, 2005) and the increase in pension ages in both countries. These measures were not only supported by employers, but also by economic

⁵ Over-65-year-olds constituted 34.5% of the working age population in Germany in 2012, and only 28.9% in the UK (OECD 2013: 256, 357).

⁶ It was also decided to retrospectively extend the pensions rights of mothers who bore children before 1992.

lobbyists, such as those representing the financial industry. Additionally, when social democrats came to power in both Germany and the UK in the 1990s, they shifted their positions towards more economy-oriented and ‘activating’ positions, also in old age policy (for the example of labour market policies see Taylor-Gooby, 2005b).

Hering (2012) explains the similarity of the increase in pension age by three common conditions in the political process: expert commissions, the need to contain pension spending and to prevent old age poverty, and blame-avoidance strategies by the involved parties. While Hering (2012) sees the need to contain pension spending and to prevent old age poverty as facts to which the reforms simply ‘react’, the aim of this paper is to explore the (varying) perceptions and constructions underlying these ‘facts’. Against the background that pension spending, old age dependency ratios and the extent of old age poverty actually differ considerably between Germany and the UK, we focus on the *precise* arguments and normative references that are brought forward in defence of or against the increase in pension age in the two countries. These arguments were advanced after the policy decisions, but they are nonetheless relevant for the current and future implementation of the increase, the debates around this process, and work and old age in general.

While the general ideas and arguments deployed in pension reforms and in particular the paradigmatic shift to a multipillar system in Germany have been studied in detail, there is surprisingly little literature analysing the justification of increases in pension age. This may be because increasing pension age is ‘only’ a parametric reform whose case is “very strong and almost self-evident” (Schokkaert & van Parijs 2003: 256). However, increases in pension age were at the same time highly unpopular⁷ and disputed in both countries, especially in Germany, and thus needed to be justified well. Unpacking how the ‘self-evidence’ of increasing pension ages is constructed by its proponents, and de-constructed by its opponents, will therefore add to the explanation of why the legislation for these reforms could be passed, and fill a gap in the literature. On a more general level, it will broaden our knowledge with regard to implicit assumptions and normative preferences that crystallise in the positions of different actors and in different countries. These positions contain beliefs on age and ageing, and on how the interplay between policies and individual life course transitions works.

There is ample literature on the role of ideas in the policy process which we cannot discuss in detail (for overviews see Béland, 2009, Taylor-Gooby, 2005a, Hall, 1993). This literature and that on ideas in pension reform, which often focusses on the (shifting) weights of public and private pension pillars, suggest a number of conceptual means for making pension-related reform measures convincing and persuasive. First, reforms must be constructed as ‘necessary’ or even ‘inevitable’ in order to be convincing (Cox, 2001; Marschallek, 2004), usually building on specific interpretations of seemingly objective ‘facts’ and their causal relationship: In the German discourse, for example, demographic ageing, its effects on pension contributions, and the wider effects of the latter on labour costs and the economy were combined to construct the irrefutable necessity of private pension provision (Marschallek, 2004).

⁷ In 2011, 70% of Germans completely disagreed with the statement that “the official retirement age will have to increase by the year 2030”, compared to 42% of Britons (European Commission/TNS Opinion & Social 2012: 67). An earlier survey from the British Department for Work and Pensions found around half of British respondents at least disagreeing with the statement “With people now living longer on average, it's right that people should have to work longer” (Clery, Humphrey & Bourne, 2010).

Second, combined with such factual constructions, justifying reform morally by references to important shared values is also crucial (Béland 2009: 206; Brettschneider, 2009; Schmidt 2002a: 170–173), as these are closely connected to the legitimization of welfare states. An important moral value that figures in every discourse on welfare reforms and is embedded in welfare systems is justice. As a generic term, justice contains a whole number of concepts (and terms used synonymously) which are related to distributional questions and figure differently in different welfare cultures. These include, most importantly, meritocratic forms of justice and justice based on needs (see for example Leisering, 2004). In reforms concerning pensions and ageing, “intergenerational justice” plays an important role as a relatively new value and aim (Brettschneider, 2009; Macnicol, 2015) which echoes Kohli's idea that intergenerational reciprocity is ingrained in pension (age) regulations.

Third, the concept of intergenerational justice hints at a further and connected possible focus in the analysis of arguments around increases in pension age: the construction of interest oppositions, which is also related to the electoral consequences of reforms or reform plans. Regarding age groups and generations, Kohli (2006) points out that the age boundary of pension age establishes meaningful age groups whose relationship as contributors to a pension system and pension recipients is constituted through pension-related regulations. This is also why changing pension age is much more than a mere technical change. It creates “different relative sizes of age groups, and thus change[s] the distributional balance” of a pension system (Kohli 2006: 458). However, age groups (or generations or birth cohorts) are only one potential line of conflict with regard to the (re-)distribution of resources in pension systems, with other differentiations between people cutting across age groups: Different parts of the population contribute differently to the pension system (or not at all) and get different returns, pensioners also pay taxes and pension systems also have – more or less – redistributive functions.

Fourth, besides the construction of interest oppositions between different groups, ageing policies in general and pension policies in particular also contain ideas and images of old age, ageing, and older people, and thus can be connected to debates around “active ageing” (see, for example, Van Dyk, 2014). Hagemann and Scherger (2015) contrast a perception of older people as healthy and capable with one in which they are characterised by poor health and vulnerability (similarly, Taylor & Earl, 2016) — perceptions which closely relate to actors' concepts of retirement and attitudes towards working longer.

Data and methods

The four conceptual means just described have partly guided our empirical analysis whose basis is transcripts of 24 interviews with experts who work for and represent socio- (← p. 57) political actors involved in policies related to old age, work and pensions. These semi-structured interviews were conducted between 2011 and 2013 in Germany and the UK. They were part of a larger comparative research project whose qualitative part aimed at contrasting the, at least in the realm of pensions, “most different cases” (Seawright & Gerring, 2008) of Germany and the UK (similarly Blair 2014: 33–36, focussing on the policy process of increasing pension ages). Our sample includes a wide range of different socio-political actors: major political parties, trade unions, employer confederations, government departments,⁸

⁸ No interview could be realised with an expert from a German ministry.

interest groups from the pensions industry and non-profit organisations representing older people (for an overview see Table 1 below). The interviewees not only have considerable substantive expertise in pension or labour market policies, but also interpretative knowledge on how to make political claims and justify them by relating them to ‘facts’.

For the empirical analysis of our material, we assume that the four conceptual means which we derived from the empirical and theoretical literature figure importantly in arguments in favour or against increases in pension age. We aim to analyse how the construction of necessity, references to (different kinds of) justice, the construction of interest oppositions and conceptions of older people are combined and related to each other and further conceptual means, in order to justify increases in pension age coherently and convincingly, or to delegitimise them. We also assume that the actors using the related arguments not only have to represent the interests of their organisation, its members and stakeholders (which can include pensioners, pension contributors, employers or different age groups). They also have to embed their arguments into the existing welfare culture, and connect it to country-specific circumstances (such as demographics or employment rates) and situational political dynamics (Hagemann & Scherger, 2015). Being able to connect the justification (or delegitimation) of increases in pension age to already established and institutionalised normative principles will strengthen its persuasive power. Therefore, and because of the differing starting points of the countries with regard to financial pressures etc., we expect that the exact deployment of arguments will differ between countries.

For the purpose of the analysis, we used a partly inductive, partly deductive coding technique, following the tradition of Grounded Theory approaches in a broader sense. In this, we use the previously identified four conceptual means as a starting point, while at the same time being open for further themes and conceptual means. Importantly, the flexibilisation of the retirement transition came up as a revealing additional theme which was brought up by the experts in the interviews. Besides this additional theme, however, it is important to bear in mind that we focus on the increase in pension age, and not on pension reforms in general in which of course many more and often related ideas are deployed.

Analysing arguments in favour of and against increasing state pension age

A central first result of the analysis is the general similarity between the British and the German experts in the chains and basic logic of arguments they use to defend or to attack the increase in pension age. The differences between actors are much greater than between countries, and it is only details, such as references to the pension system or current debates, that partly differ between German and British experts. This similarity, whose potential reasons we will discuss below, is in contrast to the diverging debates on pension or other welfare reforms (see, for example Clasen, 2011), including the broader contextual significance ascribed to the increase in pension age. In the following, there is no space to demonstrate this similarity of arguments in detail. In order to avoid repetition, differences between (groups of) actors instead structure the report of the results, and country differences are only summarised where they matter.

The analysis of the interviews with German and British experts reveals three kinds of positions towards the increase in state pension age (for an overview see Table 1): The *proponents*, who see the increase as imperative, include the experts from all interviewed political parties, employer confederations, ministries, pension industry lobby groups, and

from one (German) non-profit organisation. The reform *opponents* encompass trade unions, but also two non-profit organisations (one German, one British). The *reform sceptics* consider a higher state pension age as a necessary reform measure in principle, but are at the same time critical with regard to its implementation and the anticipated consequences. This position is mainly taken by the experts from the remaining, more heterogeneous non-profit actors in the sample. Only the interviews with the social democratic parties (SPD/Labour) contained positions not completely unambiguous in their classification, but ultimately belonging to the proponents.⁹

Arguments in favour of the increase in pension age

The core argument brought forward by both British and German proponents of a higher pension age combines the three interconnected claims that the reform is *necessary*, that it is *morally justified*, and that it can be relatively *easily realised*. In order to prove the *necessity* of the increase in pension age, its proponents refer to the increasing costs of pensions due to population ageing if the state pension age were to remain the same. Increases in life expectancy lead to a longer time span in which a growing number of pensioners (will) receive state pensions, while a relatively shrinking workforce will have to finance these pensions. Hence, the experts argue, if the state pension age were left unchanged, contributions to the public pension pillar would have to increase considerably and in line with the increasing ratio between pension recipients and contributors (or people of working age). The expert from the (← p. 58) German Employers' Confederation for example says, incorrectly equating the ratio of recipients and contributors with the old age dependency ratio (the latter only being based on age groups, not actual contributors or recipients): “[...] if you look at the two groups in relation to each other, then the ratio of pension recipients to contributors will worsen dramatically, the old age dependency ratio will double by 2060, I think”¹⁰ (BDA).

In this way, the proponents claim that the increase is an inevitable policy measure ensuring the (future) sustainability of the pension system and state finances. Referring to intergenerational justice, thus to the relationship between different generations, the expert from the German Christian Democrats for instance stresses this inevitability as follows: “Well I think that the prolonged working lifetime is absolutely indispensable for an intergenerationally just system. And the second point is that of course it is also necessary for stabilising the financial foundations of public pension insurance [...]” (CDU).

Many proponents similarly refer to the relationship between different groups of people. Through more concrete references they underline the *moral* dimension of the necessity of the reform: There are people who ‘suffer’ the financial burden of increasing longevity, especially (but not only) if the pension age remains the same, and others who (amongst other factors) ‘cause’ this financial burden. The proponents describe the shift in the dependency ratio as potentially jeopardising the interests of pension contributors, taxpayers, the working

⁹ The expert from the German Social Democrats is ambivalent in his judgement: He defends the higher pension age, which his party introduced in coalition with the Christian Democratic Union in 2007, but also describes the negative consequences of the increase. At the same time, he does not use the whole breadth of the sceptics' arguments. The fact that his party was in opposition at the time of the interview partly explains his more sceptical view. To a lesser degree, this also applies to the British Labour Party. Nonetheless, as these experts still justify the reform decision as necessary and their parties support the increase in pension age, we classify them as proponents. This classification is also supported by the analysis of policy documents (for purposes other than this paper). The ambiguity of the Social Democrats' position is indicative of the (partyinternal) conflict between traditional social democrats and social democrats of the ‘Third Way’, and reflects a shift in power resources which was important for the enforcement of (more) ‘activating’ policies.

¹⁰ All German quotes have been translated into English by the authors of this paper.

population or younger cohorts, compared to older cohorts or pension recipients: “[...] you have to maintain the balance between the current generation of taxpayers and those in retirement [...] there's only so much burden that the current generation of taxpayers can actually take, so you will see increases in the state pension age” (NAPF). Raising the pension age contributes to a more equitable distribution of both the burden and the benefits from the pension system: “[...] there is a clear role for intergenerational fairness in ensuring that sort of certain cohorts or certain generations don't get a lot more out of the system compared to what they put in than others” (HM Treasury). As this expert and others explain, justice here means that the returns from the pension system are roughly the same for different birth cohorts.¹¹

Table 1

Actors' positions on a higher state pension age.

Germany	Proponents
	<i>CDU</i> : Christlich Demokratische Union Deutschlands (Christian Democratic Union of Germany) <i>SPD</i> : Sozialdemokratische Partei Deutschlands (Social Democratic Party of Germany) <i>BDA</i> : Bundesvereinigung der Deutschen Arbeitgeberverbände (Confederation of German Employers' Associations) <i>GDV</i> : Gesamtverband der Deutschen Versicherungswirtschaft e.V. (German Insurance Association) <i>aba</i> : Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. (German Association for Occupational Pensions) <i>BAGSO</i> : Bundesarbeitsgemeinschaft der Senioren-Organisationen (Federal Consortium of Seniors' Organisations ^a)
	Sceptics
	<i>VZBV</i> : Verbraucherzentrale Bundesverband (Federation of German Consumer Organisations)
	Opponents
	<i>DGB</i> : Deutscher Gewerkschaftsbund (Confederation of German Trade Unions) <i>Ver.di</i> : Vereinte Dienstleistungsgewerkschaft (United Services Trade Union) <i>IG Metall</i> : Industriegewerkschaft Metall (Industrial Union of Metalworkers) <i>SoVD</i> : Sozialverband Deutschland (Social Association Germany ^a)
United Kingdom	Proponents
	<i>Labour Party</i> <i>Conservative Party</i> : Conservative and Unionist Party <i>DWP</i> : Department for Work and Pensions <i>HM Treasury</i> : Her Majesty's Treasury <i>CBI</i> : Confederation of British Industry <i>NAPF</i> : National Association of Pension Funds ^b <i>ABI</i> : Association of British Insurers
	Sceptics
	<i>Age UK</i> <i>TAEN</i> : The Age and Employment Network
	Opponents
	<i>TUC</i> : Trades Union Congress <i>UNISON</i> : The Public Service Union <i>NPC</i> : National Pensioners Convention

^a Names translated by authors.

^b NAPF was renamed PLSA (Pensions and Lifetime Savings Association) in 2015.

¹¹ While not mentioning a specific generation in the context of the increase in pension age, in other contexts this expert and others mention the baby boomers who benefited from favourable circumstances for their pensions.

The general aim of financial sustainability is linked to the responsibility for those who pay into the system and will only benefit from it in future decades. Based on (implicitly or explicitly) constructing opposing groups (pension contributors vs. pensioners, tax payers vs. pensioners, future pensioners vs. current pensioners, working population vs. pensioners, younger age groups vs. older age groups), many experts claim that the increase re-establishes (a (← p. 59) higher degree of) justice between them. Their references to these groups, however, are often vague, or they construct oppositions that are not completely clear cut, as, for example, pensioners also pay (some) taxes.

The proponents of the increase not only say that the higher pension age is necessary and morally justified because it prevents undue financial burdens for some, but they also claim that it is *possible and realistic* in its planned outcome, as the increase is only introduced gradually and the large majority of older workers are generally *able* to work longer: “[...] well, in principle, for most occupations I would indeed say that it is, independently of the qualification, possible to extend the working lifetime [...]” (BDA). Following this argument, requiring people to work longer is possible because improved health – as one aspect of increasing longevity – enables them to do so. This reference to the ability of older people to work longer strengthens the first two steps of their argumentation and delivers its factual foundation. When asked whether actually everybody is able to work longer, the experts nonetheless recognise that this probably does not apply to all workers. They mention occupations in which people may not always be able to work longer and thus (legitimately) retire earlier, for example manual labour jobs in general or physically strenuous or stressful jobs such as rail track builders, nurses, teachers, police officers, firefighters and soldiers. A few experts also refer to workplace adjustments and improved training opportunities for older workers which will pave the way to a longer working life,¹² and which let its inevitability appear in a less grim light. There are only few differences between German and British proponents with regard to this general structure of the argument. First, the reform's feasibility is further corroborated by references to factual or anticipated circumstances which slightly vary between German and British experts: For many German experts, the generally improved labour market situation and a growing demand for (skilled) workers will make it easier for older people to find or stay in employment. Two German experts also see the recently increasing age of actual labour market exit of older people as proof of the fact that raising the pension age is possible, but also that financial deductions in pensions (when received early) bring people to work longer. Some British proponents stress that, despite rising unemployment due to the economic crisis, employment rates of older workers are overall stable, and two amongst them also cite the growing service sector as augmenting labour demand. Financial (dis)incentives to retire early are not mentioned by British experts as publicly financed ways to retire early only existed in the 1970s and 1980s. The second difference relates to the groups that are seen as overburdened by population ageing in the first step of the argument, with British actors stressing taxpayers and the state, and German proponents stressing social insurance contributors and the financial stability of the social insurance. In so far as this financial stability is equated with a stable contribution rate and thus stable non-wage labour costs whose importance is stressed in other parts of the interviews, experts from both countries ultimately legitimate the reform on the basis of sustainable state finances and the functionality of the labour market and the economy in general.

¹² Most proponents, however, are so optimistic about related measures by employers and the abilities of older workers that they dismiss the need for publicly funded employment policies for older workers.

Sceptical views and arguments against the increase in pension age

The experts from trade unions and non-profit organisations doubting or opposing increases in the pension age dispute all three of the proponents' arguments: the claimed necessity and feasibility of the reform, and its moral justification. In particular, they negate the feasibility of the reform, and morally delegitimise it by deploring its consequences.

Regarding the *feasibility* of the reform, the opponents and the sceptics strongly question both the claims that (most) older workers are able to work longer and that there are favourable (labour market) conditions for this. The central evidence that especially the unions cite to substantiate their doubts is that the average effective retirement age – when employees actually leave the workforce – in both countries lies well below the (at the time of the interviews) current pension age of 65: “[...] it's no good inventing a retirement age based on statistics which bears no relationship to when they actually have to give up work” (UNISON). “[...] if you look at the number of over-64-year-olds in companies organised in the IG Metall [Industrial Union of Metalworkers], so from steel [production] to skilled trades and so on, you will be startled by how few there are, and these are of course then those who will have to, so to say, make the leap to 65, 66 and 67, then we're at a level of, [...] ((pause, browsing through papers)) those over 63, of one per cent, one per cent [...]” (IG Metall). Not taking into account actual retirement ages will result in the failure of the reform, and older workers will not be “[...] able to keep up anymore [...]” (Ver.di).

To illustrate the fact that the increase in state pension age cannot easily be translated into higher effective pension ages and to exemplify the inability of many to work longer due to poor wellbeing after many years of working, the experts mention a number of different occupations, such as manual labour jobs (e.g. jobs in construction and industry), but also teachers, nurses, firefighters and social workers. Furthermore, in the eyes of these experts, labour market opportunities for older workers are still underdeveloped, so that they often become unemployed and have only very low chances of reemployment. One reason for this is seen in the employers' tendency to discriminate against older people, expressed in their unwillingness to employ or to retain older workers. Adding to that, employers do not offer workplace measures that enable longer working lives. Over and above identifying certain kinds of workers particularly affected by this, the experts make claims about the relative size of these groups: “[...] therefore it's pretty difficult to set a pension age that can't be reached by *quite* a considerable proportion of people, and we're not talking about some sort of minority here, [...] and then we have to ask what damage is being done with an unrealistic pension age” (DGB).

The opponents and sceptics connect their critique of the reform's unrealistic aims to its in their eyes probable negative consequences which affect workers unequally – and in this way *morally* de-legitimise the increase in the pension age. It is again this more concrete reference to people who ‘suffer’ the consequences of the reform which renders the experts' argument moral. Sceptics and opponents specify the “damage [...] being done with an unrealistic pension age” (see quote above) by stating that it forces many to work longer, sometimes against their preferences and in low-quality employment, and financially penalises those who are not able (← p. 60) to do so, become unemployed or have to retire early. This occurs through pension deductions or (lower) disability pensions in Germany, or, in the UK, through longer time spells with neither income from work nor from a state pension, but possibly dependency on unemployment or disability benefits: “[...] if you don't raise the age at which

people leave the workforce but do raise the state pension age, then what you've got is, you have this gap opened up where people are forced onto unemployment benefits and because of age discrimination they're just spending years chasing after jobs they don't get. And that's a hell of a way to end your career" (TUC). Or, as a German expert puts it: "But we are still far from this [effective retirement age of 65] at the moment, and therefore the pension with 67 means, for the vast majority, nothing other than a pension cutting policy" (SoVD). These negative consequences are partly described as already happening, but the experts also construct a disturbing future in which the higher pension age will aggravate the unfavourable situation of many older workers. A distinct feature in the position of British sceptics and opponents is the emphasis on inequalities in life expectancy between low and highly qualified people and between regions.

Secondary to the arguments so far, the opponents also doubt the *inevitability* of the increase in pension age. They do this by claiming that the posited lack of alternatives to a higher pension age is actually not true. In their eyes, other measures could sustain the pension system, for instance higher contribution rates shared between employers and employees or a higher share of general public (tax-)funding for pensions. What is crucial in the view of these experts is not necessarily the finances of the pension system alone but the general wealth generated by the economy.

Whereas the proponents of the increase in pension age take the inevitability of the increase as a starting point, its feasibility takes centre stage for the sceptics and opponents in so far as it should already be corroborated by most people working up to the existing pension age. Thus some of the opposing or sceptical experts say that, before raising the pension age, the problems underlying working longer should have been solved first, spelling out their preferred scenario of policy making for example as follows: "[...] retirement with 67 has been introduced while being fully aware of the fact that the majority of employees today simply cannot work until the age of 67 and at the end of the day the reverse path should have been chosen, the incentives for reaching the age of 65 should have been set first, incentives so that the majority of employees actually stays *longer* in working life [...], and only *then* should the question have been discussed do we want to increase regular pension age [...]" (SoVD). The expert from the British union UNISON makes a related point in a less categorical way by suggesting the adaption of the policy to current circumstances and behaviour: "I think a real job has to be done about whether society can keep people in employment, and before people rush to increase retirement ages, they should be thinking about the big picture, and whether in fact just simply increasing retirement ages is cutting the cost of one sector and increasing the cost of another" (UNISON).¹³ These arguments of the opponents and sceptics also imply that a higher pension age would become more realistic (and worth being supported), once more favourable labour market conditions for older workers, their better health and a higher effective pension age were realised. However, the vast majority of the opponents do not consider this to be realistic. The German opponents in particular criticise what in their view is a kind of 'structural enforcement' of a higher pension age, and would prefer an 'enabling' logic. The policy logic underlying the proponents' position is one of setting the right structural, more precisely *economic* incentives without which people would not decide to work longer (a different meaning of 'incentive' than the one just quoted), but only two of them put it explicitly in these terms. In contrast, the opponents to the increase interpret as a

¹³ He is the only expert who refers to the additional collective costs of an unsuccessful increase in pension age, for example in the form of means-tested benefits.

financial penalty what some proponents see as financial incentives.

On the whole, the basic logic of the arguments is very similar between British and German opponents and sceptics. Again, the few differences relate to country-specific references to institutional details and debates, the most notable point being that almost only British experts mention inequalities in life expectancy. Only the fact that some German experts become more explicitly fundamental and systemic in their critique in the last point mentioned corresponds to their louder voices in the debate, compared to their British colleagues, and probably also to the context of other, more paradigmatic reforms. Although generally poverty prevention plays a larger role in the British pension system and the related debates, and in Germany the maintenance of living standards and thus of status for pensioners is more often discussed because it used to be the aim of the pension system, this difference does not manifest in the arguments of the opponents and sceptics. Instead, references to groups who are disadvantaged by higher pension ages amalgamate the negative consequences for those who cannot work up to pension age into one complex problem, with both poverty and pension losses in general being hinted at in both countries. This may not only be due to the facts that this discussion is mainly related to a still vague future and that old age poverty has re-emerged as a debated problem in Germany; more importantly, the experts not only refer to the public pension, but the entire public-private welfare mix in old age security – and from this perspective, meritocratic principles are probably even more important in the more privatised pension system of the UK.

Comparing the perspectives in favour of and against increasing pension age

All four of the conceptual means derived from the theoretical and empirical literature – construction of necessity, references to justice (in particular intergenerational justice), the construction of interest oppositions and conceptions of older people – do play a role in the (de-)legitimation of increases in pension age. Whereas it is the inevitability of the measure that is the starting point in the arguments of the proponents of the increase, it is their doubts in the feasibility of the reform that are most important for the sceptics and the opponents. Both main claims – the reform is inevitable vs. the reform cannot be realised – are morally charged by relating them to the construction of interest oppositions, distributional questions and ultimately to the value of justice, albeit in very different ways.

The proponents tend to justify the inevitability of the increase by constructing interest oppositions along the lines of (← p. 61) age, generations and/or (not) being a pensioner. In doing so, they refer to the vague term of intergenerational justice, either very generally as equal treatment of all generations, or more specifically as the need for intergenerationally equal returns on pension or national insurance contributions. The latter is ultimately a meritocratic form of justice, stressing the function of the age boundary as ‘deserved’ conclusion of a long working life. Implicitly and by underlining the necessity to stabilise the social insurance or state finances, the proponents also thematise a “productivist” justice (Leisering, 2004) which assumes that a stable and sustainable state and economy are good for all. By contrast, sceptics and opponents tend to dismiss the priority of intergenerational justice and stress differences *within* age groups and cohorts, i.e. also between pensioners, which correspond to inequalities of class, qualification, income, and health. They rather worry about pension adequacy and those who are in a disadvantaged position, which is consistent with principles of justice based on individual needs and traditional values of solidarity, and also with the protective function of the age boundary. Other functions of the age boundary, such as

the cognitive function for biographical planning, are not mentioned or in a subordinate way, as in the case of some German experts. All experts have a relatively differentiated view on older workers and acknowledge the need for differentiation. Only by tendency, by factual claims about the proportion of ‘able’ or ‘incapable’/‘vulnerable’ workers, respectively, do they convey an image of older people that stresses their abilities and their productivity on the one hand (proponents), and their potential vulnerability on the other (sceptics and opponents). When, for example, some sceptics and the opponents make the allegation that reforms ‘enforce’ the increase in pension age, they refer to the inability and the unwillingness of many to work longer.

Flexible retirement transitions as an additional or alternative measure: meanings of flexibility and age boundaries

Whereas the experts do not agree on whether measures to enable people to work longer have already been implemented and whether one can be optimistic about their future realisation, they almost all consider increasing the flexibility of the transition to retirement as additionally useful for or even as a partial alternative to a higher pension age. There are, however, differences in how exactly they understand this flexibility. These differences relate, first, to the temporal form flexibilisation should adopt in the experts' views, and, second, to the question of how flexibilisation measures should be provided and to whom. While some of these differences are more clearly aligned along national lines, the division between opponents/sceptics and proponents again also matters, leading to a complex mixture of country- and actor-related differences. When talking about a flexible transition to retirement, the majority of experts in both countries focusses on stepwise *individual* transitions, particularly via part-time work (with or without pension receipt). Stepwise transitions are seen as beneficial not only for those who can no longer work full-time, but also to reduce the stress of an abrupt labour force exit – the “retirement cliff edge” (DWP). Regarding the question of *when* flexibilisation should (mainly) be applied in relation to pension age, the German experts more often than the British differentiate explicitly between the time before and after pension age, and talk more about flexibility *before* state pension age. This is the legacy

of the longstanding early retirement policies in Germany. Especially trade unions still demand the option of (complete) early retirement for certain occupational groups (DGB, IG Metall), thus invoking flexibility before pension age on an aggregate (and not individual) level. While three British proponents of a higher pension age also refer to an early exit in the context of flexibilisation, they see this possibility as primarily based on private pension savings (NAPF, Conservative Party, CBI).

The British experts put less emphasis on state pension age as a marker and refer more vaguely to a temporal corridor around pension age – taking the notion of a flexibilised transition further than the Germans. This is not only due to the lower significance of state pensions in old age incomes, but also to the abolition of the Default Retirement Age (at the time of the interviews) which almost all British experts support. Their perspective on flexibility more clearly comprises (improved options for) working longer after state pension age, which is more common in the UK and accepted or seen as positive by the British experts.

Whereas both British and German experts are aware of the difference between pension age and retirement age, it is the British who differentiate the two more clearly and explicitly and

stress the liberal idea that people have a “right to work” (longer) regardless of their age (also Hagemann & Scherger, 2015). In the statements made by the German experts, state pension age not only plays a greater role as a marker for flexibilising regulations; some experts additionally underline its ‘organising’ function to calculate pension benefits and organise redistribution, and its ‘cognitive’ function for biographical orientation and planning (SPD, SoVD, BAGSO).

The flexibilisation of the transition to retirement entails additional financial risks or costs if people stop working or work part-time before reaching state pension age. These costs can be borne by the individual (as lower income or pension deductions), by the collective (in the form of longer pension payments or else), or, at least theoretically, by the employer or occupational pension schemes. The views on these possibilities differ more clearly amongst the German than the British experts. The German proponents of a higher state pension age welcome flexibility, but do not elaborate on how flexibility should be organised and who bears the financial risk, and they tend to evaluate existing regulations as sufficient. In contrast, the German opponents emphasise that flexible retirement transitions are associated with high financial risks. In their eyes, these risks should be cushioned for example by improvements in existing arrangements such as incapacity pensions, or by other collectively financed possibilities of full earlier pension receipt under certain conditions, or part-time work with partial wage replacement.¹⁴ These flexible options of leaving employment before statutory pension age partially or completely should benefit those who cannot work longer and often have low pensions anyway. The opponents call for more engagement from the state and employers in this area, and criticise suggestions to abolish the rules for earning extra if a pension is drawn before state pension age, as this undermines the wagesubstituting function of public pensions (DGB, SoVD). (← p. 62)

Amongst British experts, positions with regard to the organisation and risks of flexibilised retirement transitions do not differ as much. Flexible transitions before pension age, i.e. the combination of working reduced hours and pensions, or complete early exit, are not mentioned in the context of state pensions, only of drawing occupational pensions early or living on private savings (TUC, NAPF, Conservative Party, CBI). This corresponds to the greater importance of private pension provision in the UK and the impossibility of drawing a state pension early. In addition to the individual older worker, the employer is also seen to play an important role in flexible pension provision. The more critical experts underline the need for more generous and better regulated occupational and personal pensions, but never relate this to flexible transitions to retirement. On the whole, the position of most British experts mirrors traditions of the British pension system, where the individual is ascribed a higher responsibility for old age provision.¹⁵ Consequently, it is rather those with good workplace pension schemes and higher wages who can ‘afford’ gradual retirement before pension age and the few references to collectivising the related financial risks remain vague.

Relating the flexibilisation of the retirement transition to the conceptual means for legitimising reforms introduced above, the reason for its attractiveness as a potential

¹⁴ In the recently terminated German programme of ‘Altersteilzeit’ (‘old age part-time’), the wage of an older worker was partially subsidised by the state if he or she wanted to retire early or/and gradually. Similar regulations at company level still exist but are used much less frequently since they have to be financed without state support.

¹⁵ The ongoing shift in the UK from defined-benefit to defined-contribution pension schemes places even more risks on the individual, reducing the responsibilities of employers.

additional reform measure is, besides the positive connotation of the term, exactly its versatility: Whereas it is seen as a measure to protect vulnerable and disadvantaged older workers by the opponents and sceptics of increases in pension age, the proponents interpret it as another way to prolong working lives, ideally beyond current pension ages, and thus stabilise state finances or the social insurance. The measure seems to be able to serve very different kinds of moral values and justice, can be connected to very different images of older workers (as productive or as vulnerable or incapable), and it avoids any construction of interest oppositions as it supposedly benefits everybody. At the same time the potentially negative consequences of such measures are obfuscated by the positive connotation of the term.

Conclusions

The basic arguments used by the proponents of the increase in state pension age on the one hand and its opponents and sceptics on the other do not differ greatly between Germany and the UK. The existing small differences relate to situational, institutional and welfare-cultural circumstances of the reform and the discussions surrounding it. When experts in favour of the increase in pension age stress the ability of older people to work longer, they implicitly (and sometimes explicitly) insinuate that older people (mostly) have a choice with regard to the question of whether they work longer or not, and that they will do so once the related incentives are set right. The opponents and sceptics of the increase stress the limitations on individual retirement decisions and thus see widening individual choice by improving health and labour market chances as a necessary first step to prolong working lives. Underlying this are, ultimately, different conceptions of the complex interplay between institutions and individual (retirement) behaviour. Whereas the proponents see individuals as (mostly) being equipped to successfully exert responsibility for themselves in their old age provision and aim at extending this responsibility, the opponents' and the sceptics' views imply a stronger impetus to share responsibility between individuals, employers and the state. Thus, although the increase in pension age alone is 'only' a parametric change and in itself does not involve a paradigm transformation or institutional conversion, the ideas used to enforce the increase chime with the more paradigmatic change that has taken place in the German pension system as well as with the further privatisation of risk in the British system: Longer working equals a gradual shift of responsibility onto individuals, in the form of the need to be economically active for longer.

The similarity of arguments between countries has to be seen in the wider context of pension reforms; clearly and not visible in the expert interviews, the increase is more widely debated in Germany (Torp 2015: 389–90). In both countries, different actors have different and changing amounts of power resources at their command which could not be analysed here but which of course also affect their capacity to lend weight to their positions and to enforce reforms such as the increase in pension age (see above, third section). Still, considering that individual responsibility is institutionalised more strongly in the liberal British pension system, and was further strengthened in recent reforms (Berry, 2016), it is surprising that the arguments used in the debate around the increase in pension age differ so little between the countries in their basic logic.

While the substantial similarity of arguments in combination with quite different factual situations regarding old age employment and finances in both countries testifies to the flexible

application and ‘constructedness’ of these arguments, three interconnected explanations also offer themselves for this similarity: The *first* is the relative simplicity of this parametric reform measure which ‘makes sense’ in every pension system and is decidedly not a fundamental paradigm shift (Bönker, 2005), although such a shift was also initiated in Germany shortly before. The basic mechanism of the reform and its financial consequences are broadly similar in every system – longer careers lead to lower pension expenditure – making the underlying argument parsimonious and elegant. Correspondingly, the potential weak points of the increase are also similar between countries. Even though the contextual background is not the same, they are similar enough to offer parallel bases for critical arguments, such as inequalities within age groups or generations, labour market difficulties of older people, effective pension ages below statutory pension ages etc.

Second, while the contextual starting points in old age employment and pension finances may be different in both countries, the direction of the reforms aimed at is similar. The higher degree of individualisation and privatisation the German reform proponents aim at, also with the other, more paradigmatic reforms, implies that greater similarity with some features of the British system is actually the target; and indeed, a certain degree of convergence can be observed with regard to the development of pensions and welfare in general in the two countries (Clasen, 2011). At the same time, for the general aims of containing costs and of increasing old age employment the relative starting levels do not matter as much. *Third*, agenda (← p. 63) setting and policy learning in the context of the European Union (through the open method of coordination, for example), and under the influence of further international organisations such as the OECD, can also explain the similarity (Béland 2009: 709–712, Ervik & Lindén 2013: 13–16, see for example European Commission, 2010) — not only in measures, but also in their justification.

By contrast, the interpretation of the additional policy of flexibilising pension age reveals not only actor differences, but also clearer differences between countries. All experts differentiate between pension age and retirement age, which in itself is an indicator of an increasing discursive de-standardisation of the retirement transition, adding to the de-standardisation of the actual transition (see Scherger, 2015). However, the British experts do so in a more determined way, testifying to the more liberal welfare tradition of the UK and the discussion on the abolition of the Default Retirement Age. German experts (and in particular opponents and sceptics of the increasing pension age) more often relate flexibilisation to early retirement, whereas British experts in general as well as (German and British) proponents tend to underline individual responsibility with regard to flexibilising the retirement transition, mostly ignoring the related individual financial risks. In this way, the actors ‘translate’ the very general concept of flexibilisation, which is also promoted at the EU level, into the national institutional setting and welfare history (Béland 2009: 710– 711). The smaller differences with regard to their arguments for or against increasing pension age can also be seen in this context.

On a general level, our analysis has shown the importance of a moral justification which is indispensable in order for a reform to be convincing, but which also needs to be connected to different interest groups in order to be concrete. The term “intergenerational justice” is particularly convenient because it is vague, potentially meaning equity in outcomes for generations or (meritocratic) equity in returns on contributions. At the same time, it can be seen as a case of “value amplification” (Béland 2009: 706–707; Brettschneider, 2009), as it relates to an already established value (justice) and extends its meaning. Broad umbrella terms

like intergenerational justice (or on another level, flexibility) seem to be especially well suited for justifying potentially unpopular reforms. It is exactly these broad terms whose meaning and implicit assumptions are often de-constructed by the academic literature (for two examples of the many critiques of intergenerational justice see Macnicol, 2015 or Schmähl, 2009).

The experts' justification of a 'good' and 'just' policy not only evolves around their definition of justice, but also around the question of what is feasible, effective and realistic. A lack of effectiveness of the pension age for individual retirement behaviour (whatever the reasons) can, in the eyes of the experts, threaten both the protective function of pensions as well as their moral function as a deserved reward for a long working life. What constitutes this effectiveness, however, is a matter of interpretation for example of statistics and other 'facts', as are the criteria for reaching the goals of (a sufficient degree of) needs-oriented or meritocratic justice or equality between generations. Policies around pensions and pension age have to solve the dilemmas between these and other competing functions and goals of pensions, and they are always a trade-off between them.

Ideas of course form only part of the explanation of why a reform such as the increase in pension age was decided in Germany and the UK, as in many other countries. Besides the 'factual' reform pressures underlined by Hering (2012, see also Blair 2014), which are, as we have shown, open to interpretation, a general shift in power resources also contributes to the implementation of pension reforms such as the increase in pension age. Globalisation and neoliberalism have strengthened the bargaining power of employers and associated lobbying actors (such as the financial industry), lending greater negotiating power to the proponents of the increase in pension age and other 'activating' welfare reforms (Schmidt, 2002b; Sykes, Palier & Prior, 2001; Taylor-Gooby, 2001). At the same time, unions have been weakened, while social democrats, who in both Germany and the UK shifted their substantial positions after coming to power towards more economy-friendly, activating positions, now face considerable loss of power as a consequence. We analysed the applied ideas in depth above but did not pay attention to differences in influence and effect. Further research should deal with the role of changing power resources, and how they are used to spread and lend weight to these ideas, with the above mentioned agenda setting and influence of transnational organisations being one possible means of diffusion. The questions of whether ideas (can) have 'power' in themselves, because they are convincing or relevant, or whether they need already powerful actors for their diffusion (Béland 2009: 708), are best answered with regard to concrete empirical-historical policy cases.

How the recent increases in pension age will fare in respect to the described competing functions and goals of pensions will only become completely clear in the future. That the temporarily lower pension age for those with long contribution histories in Germany will lead to more reforms 'softening' the increase in pension age can be doubted. The latest policy suggestions indicate that if some of the recent reforms are to be moderated (mainly because of the federal elections in 2017 being in sight) this will rather involve questions of the level of pensions and of fighting old age poverty. At the same time, measures expanding the flexibility of the retirement transition are already on the table. In the UK, meanwhile, the debate focusses on the new single-tier state pension and its ability to improve the situation of (poor) pensioners, and every once in a while, further increases in state pension age are suggested and debated (see for example The Guardian, 2016). On the whole, it thus seems improbable that the increases in pension age will be taken back, rather the opposite will be the case, especially

in the UK. Enabling people to work longer, instead of enforcing the changes with the cost of higher old age poverty and inequalities in old age, will have to stay high on the policy agenda. It remains an important task of social sciences to observe and question the related policies and their legitimisation.

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