Business and welfare:
Employers' organisations and pensions policies in the EU[1]

Policy paper

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Key findings

- **Diversity of pension schemes, regarding, e.g., additional, private, voluntary, or occupational pension schemes, exist across the studied EU Member States** (Denmark, Germany, Italy, the Netherlands and Slovakia).

- Employers ascribe different priority to the pension policy in their goals across the studied countries. **The theme enjoys the highest priority of employers in the Netherlands and Denmark.**

- **Policy priorities of employers across the studied countries evolved around the following themes**:
  - Government responsibility over the (public) pension system
  - Retirement age
  - The role of occupational and other, voluntary, pension schemes supplementing the public pension schemes
  - The interplay of private and public pension schemes and the relevance of the private ones in this context

- **Employers across the studied countries agree that the growing attention to pension policies derives from population ageing**; and share a positive approach to extending the retirement age for eligibility in public pension schemes

- **The national legislative framework is an important factor shaping employers' attitudes towards pension policies.**

[1] This policy paper is part of the research project BAWEU-Business and welfare. Preferences and collective action in Europe (Project No. VS/2020/0141, funded by the European Union). The project explored employers' welfare preferences and their political action, including interactions with trade unions and governments in the EU with a special focus on Denmark, Germany, Italy, Netherlands, and Slovakia.

Introduction

Policy making occurs under influence of various policy actors, including the representatives of labour and business. This policy brief acknowledges attitudes and involvement of employers' organisations[2] (EOs) in pension policies in five countries including Denmark, Germany, Italy, the Netherlands, and Slovakia, **their strategies to engage in the policy making process over the pension policies, and the way they interact with other key stakeholders**. Additionally, it also provides a set of policy recommendations for employers' organisations and their awareness and engagement in shaping pension policies via social dialogue.

The success of the European Social Model strongly depends on social dialogue, thus, interaction and cooperation between the representatives of the workforce, business companies, and the state apparatus. One of the policies that are pivotal for the inclusive and sustainable growth and present a crucial part of the social dialogue, are pension policies that have a considerable impact on the quality of people's lives.

The concept of pension policy refers to the mix of public and private programs that provide income to an individual or his/her survivors during retirement or incapacity (Trampusch, 2013). Pension systems are very diverse across the EU. Still, in most countries, public pensions are the predominant type of pension system. Some countries have introduced occupational pension schemes and/or private mandatory and voluntary schemes (European Economy - Occasional Papers, 2009). Besides the public pension schemes, this report considers employers' opinions vis-à-vis company and occupational pension schemes, negotiated under collective agreements, as an alternative and supplement to the public pension schemes (Trampusch, 2013). As a benefit, they can also acquire a form of supplementary or voluntary pension scheme, where the employer has the option of contributing to their employees.

Findings presented in this policy brief are based on **(1) the desk research, (2) qualitative interviews**[3] (November 2021 – June 2022) with the representatives of social partners and (mainly employers and employers' organisations) in all five countries, and **(3) an online survey** (May 2021 – February 2022) that was carried out in all five countries among the representatives of business companies with a special focus on medium-sized and large companies with more than 250 employees across all the economic sectors. In total, we obtained 380 responses for all five countries in the sample[4].

All countries in the sample are characterised with the employers' organisation density above EU27-average, except for Slovakia (50.3%), while the highest employers' density can be observed in the Netherlands and Italy (see Table 1). The collective bargaining coverage in these selected countries is also above the EU27 average, except for the remarkably low figures for Slovakia (25%). In this regard, the union density is exceptionally low in Slovakia and Germany, while in Denmark (67.5%) the density is the highest one among these countries.

[2] The term employers' organisation encompasses different organisational forms representing employers' interests, including employers' associations.

[3] Interviews in five EU Member States were concluded between November 2021 and June 2022. The number of interviewees is as follows: Denmark: 13; Germany: 9; Italy: 17; Netherlands: 19; Slovakia: 15. See Colombo and Califano (2022), Mailand (2022), Pokorná (2022), Peveling et al. (2022) and Tros (2022) for detailed country reports.

[4] The country structure of the dataset is as follows: Denmark (49 responses), Germany (116), Italy (110), Netherlands (29), Slovakia (76). As for the company size: 0-249 employees (105 responses); 250-499 (182); 500-999 (56); 1000+ (44).

Table 1: Foundations of collective bargaining in five EU Member States (2018) (%)

Country	Employer organisation density*	Trade union density**	Collective bargaining coverage
Denmark	68.3	67.5	82
Germany	67.9	16.6	54
Italy	78.3	32.6	100
Netherlands	85	16.5	76.7
Slovakia	50.3	11.3	25
EU27 average	54,1[5]	25,4[6]	53,5[7]

** Refers to employees in firms organized in employer organisations as a proportion of all employees.*
*** Refers to the proportion of employees who are member of a trade union among all employees*
Source: OECD/AIAS ICTWSS Database (https://www.oecd.org/employment/ictwss-database.htm).

Pension policies and social dialogue

The system of European pension systems is historically determined by the influence of two basic models of social insurance: the Bismarckian social system and the Beveridgean tradition of the basic pension (Ebbinghaus 2017). The Bismarckian systems were based on compulsory social insurance for employees and required social contributions from employers and employees and provided earnings-related pay-as-you-go basis. Beveridge's schemes provide basic pensions for all citizens, based on payments from their wages or from general taxes, and leave room for second public or supplementary private pensions linked to earnings with defined benefits. **This historical differentiation in public pension systems yields implications for the current reform dynamics in terms of public-private mix and multi-pillar architecture**. Moreover, the different principles have also led to varying influence of trade unions and employers on the governance of these schemes. Private pensions are more dominant in the Beveridge types of pension schemes; where employers, or social partners in general, play a greater role in more advanced multi-pillar pension schemes (ibid.). As part of the Bismarckian pension system, trade unions have played less of a role in private pensions than employers, although occupational pensions are negotiated by social partners (ibid.).

State-run occupational pension schemes can be supplemented by private schemes. Recent literature shows three limitations in explaining how they were established and developed (Trampusch 2013). Firstly, it provides rather generalized and monocausal explanations. Employer politics, collective bargaining dynamics, union structure, and labour market needs all play a role in influencing occupational pension schemes. These various explanations are rarely combined in studies that assume multicausality. Secondly, nearly all of the studies ignore collective occupational pension schemes that are governed through sectoral or intersectoral collective bargaining agreements, and almost all focus on the company-based occupational

[5] For France, Greece and Romania the numbers from 2017 were used; for Bulgaria, Lithuania and Slovenia from 2016; for Belgium, Croatia and Portugal from 2014.

[6] For Bulgaria, Cyprus, France, Greece, Poland and Portugal the union density numbers from 2016 were used; from Slovenia from 2015, for Hungary from 2012, Malta w/ data.

[7] For Finland, Greece, Ireland, Poland, Romania and Slovenia numbers from 2017 were used; for Cyprus, Malta, and Slovakia from 2016, for Poland from 2015, for Croatia from 2014.

pensions of individual firms. Thirdly, few studies examine in detail how employers' preferences are formed (ibid.).

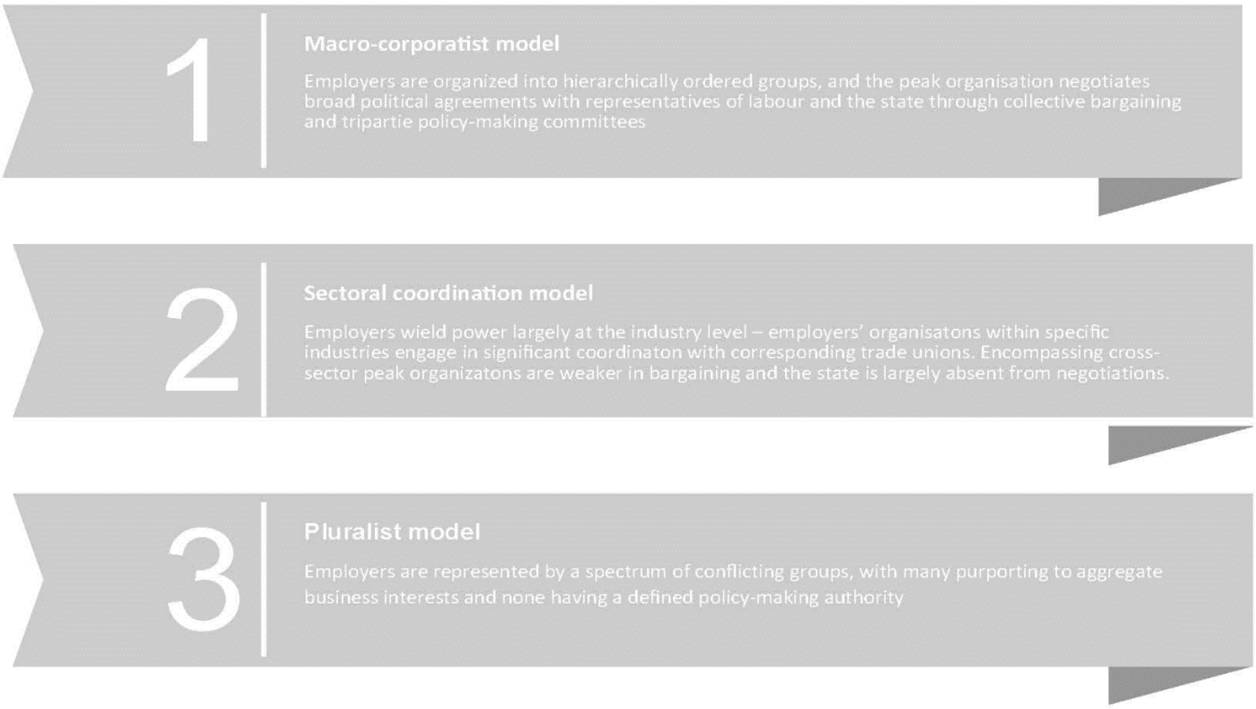
The establishment of occupational pension schemes is an important element for social dialogue at the national level. However, their introduction also depends on the legal framework, the form and content of which must be defined by employers and trade unions through collective bargaining. For some employers, private occupational pensions may be an appropriate area of engagement in social policy and the maintenance of social cohesion, which is also valid from a historical point of view. Bridgen - Meyer (2005) and Swenson (2002) argue that the incentives of employers themselves vary depending on the context (for example, cultural versus costs and benefits factors). However, some employers often took a more restrained approach. They have supported occupational pension schemes only as a second-best option to voluntary social benefits and in some cases their willingness to bargain with trade unions is questionable. Moreover, **in recent years employers have become concerned about high social contributions and long-term financial sustainability**. The topic is also important for trade unions, regardless of whether they are public or private income schemes. Trade unionists see the pensions as an 'earned' deferred wage (Ebbinghaus 2017).

The main points of contention between the European social partners regarding pension policies are the issues of early retirement and the increase of the legal retirement age. In principle, employers' organisations are largely in favour of raising the retirement age in order to reduce the pressure on the social security system, although many of them have used the institution of early retirement to lay off older workers in times of economic recession in order to restructure their workforce in a socially acceptable way with severance pay. Trade unions have opposed such reform plans and have sought to slow down or prevent such reforms through lobbying, and in some cases, mobilising mass protests or even strikes (Ebbinghaus 2017).

To understand the context in which employers' attitudes towards pension policies are formed, Martin and Swank (2008, 2013) presented a **typology of employers based on their involvement in policy making**. The typology distinguishes between organisations according to their position in policy making. This position in turn closely relates to interaction with other players. Each model's strength depends also on how many organisations join an employers' organisations (see Figure 1).

Based on the Martin and Swank (2008, 2013) typology, Table 2 summarises the findings from 5 country studies of selected EU Member states. The findings show diversity across these countries between a macro-corporatist model, through sectoral coordination models to a case where tripartite dialogue lacks real impact on policy making and is supplemented by other, more direct, forms of influence, often based on political bargaining and trade-offs.

Figure 1: Typology of employer involvement in policy making



Source: Martin and Swank (2008, 2013).

Table 2: The structure of employers' organisations involvement in shaping pension policies at the national level

Country	Model of employers' policy influence	Employers' involvement in pension policies
Denmark	Macro-corporatist model with strong elements of sectoral coordination model	In addition to **collective agreements**, a **bipartite fund structure** is significant for occupational pensions.
Germany	Sectoral coordination model	**Collective agreements mainly on the sectoral level** (wage committees that are associated with the extension of sectoral agreements).
Italy	Sectoral coordination model	**Tripartite collective bargaining**: National Council for Economic Affairs and Labour and sector-level bipartite bodies.
Netherlands	Macro corporatist model with high sectoral coordination	**Social dialogue and negotiations**: Socio-Economic Council (tripartite) and Labour Foundation (bipartite) at the national level (with impact on governmental policies), together with stable collective bargaining at mostly sectoral level.
Slovakia	Façade corporatism	**Formal tripartite consultations and commenting on the proposed legislation, serving as an advisory board** without binding impact on legislation. Real impact occurs through decentralized lobbying and political bargaining.

Source: Authors' interpretation based on Martin and Swank (2008, 2013) and national findings summarised in the BAWEU national reports (Colombo and Califano 2022, Mailand 2022, Peveling et al. 2022, Pokorná 2022 and Tros 2022).

Policy priorities and strategies of employers in shaping pension policies

Policy priorities of employers across the studied countries evolved around the following themes:

- Government responsibility over the (public) pension system
- Retirement age
- The role of occupational and other, voluntary, pension schemes supplementing the public pension schemes
- The interplay of private and public pension schemes and the relevance of the private ones in this context

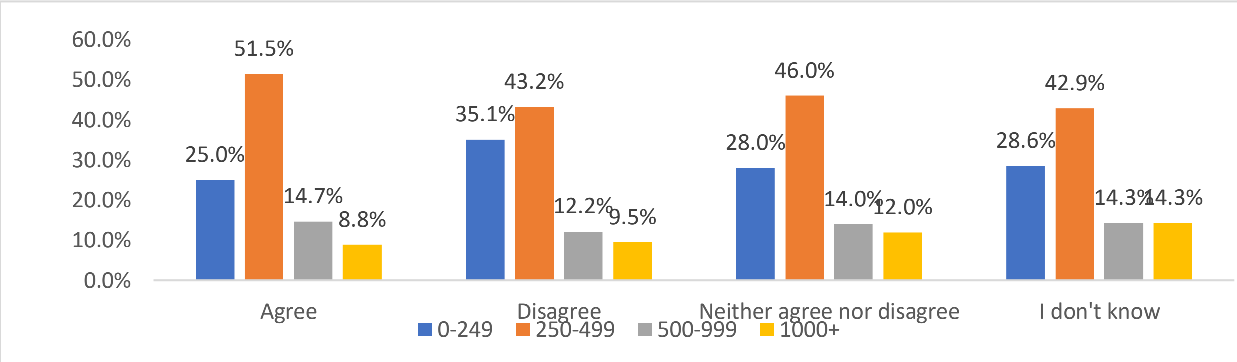
In general, **three pillars of pension provision at the national level are identified (statutory public pension, occupational pension and private provision)**. This three-pillar-system operates in Denmark, Germany, Italy, and Slovakia. The Netherlands has a two-pillar system including public and mandatory occupational pension schemes (with a greater emphasis on collective bargaining).

The research shows that **pension policy is not perceived equally in terms of prioritisation across all five countries** in our sample (Denmark, Germany, Italy, the Netherlands, and Slovakia). Pension policy is in the spotlight of employers' organisations in Denmark, Germany, and the Netherlands, while in Italy and Slovakia this agenda has the lowest priority for employers, because it is not directly related to employment and labour market themes.

In Germany, findings from the interviews with relevant stakeholders reveal that a reform of the system and its timing is a highly important, or even the most important, issue for employers. In the Netherlands and Denmark, pensions are the most pressing topic for employers' organisations. In Slovakia, the public pension system (the co-called 1st pillar public pension scheme), is currently a subject of extensive discussions among mainly large companies, especially in the context of sustainability of public finances. There is a consensus among stakeholders from the studied countries that the problem of pension schemes lies in the demographic development.

In this context, Figure 1 shows the **employers are not very supportive of the idea of lowering the statutory retirement age and facilitating early retirement with the exception of companies with 250-499 employees, where approximately 50% of respondents agree with such a measure**.

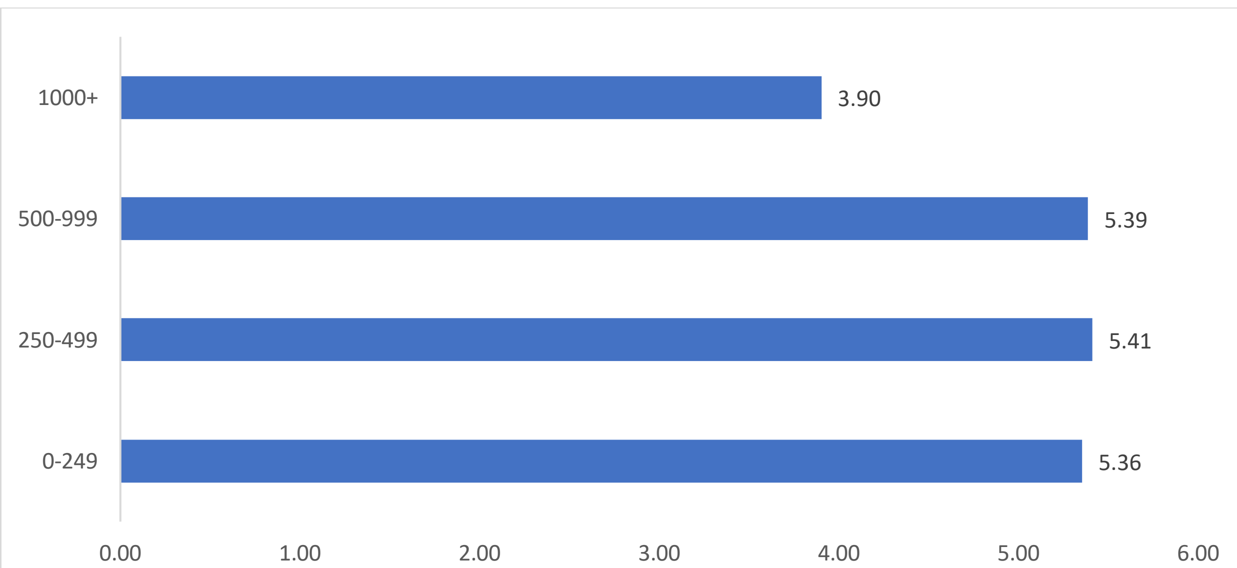
Figure 1 – Companies' agreement with the statement lowering the statutory retirement age and facilitating early retirement by company size (N=213)



Source: BAWEU employers' survey 2021-2022. Question: To what extent does your company agree or disagree with the following statements in relation to what governments in your country should do?

Regarding the responsibility of the state in the pension system, the BAWEU employers' survey has shown that **the government should take roughly 50% responsibility on pensions relative to other social actors** (Figure 2).

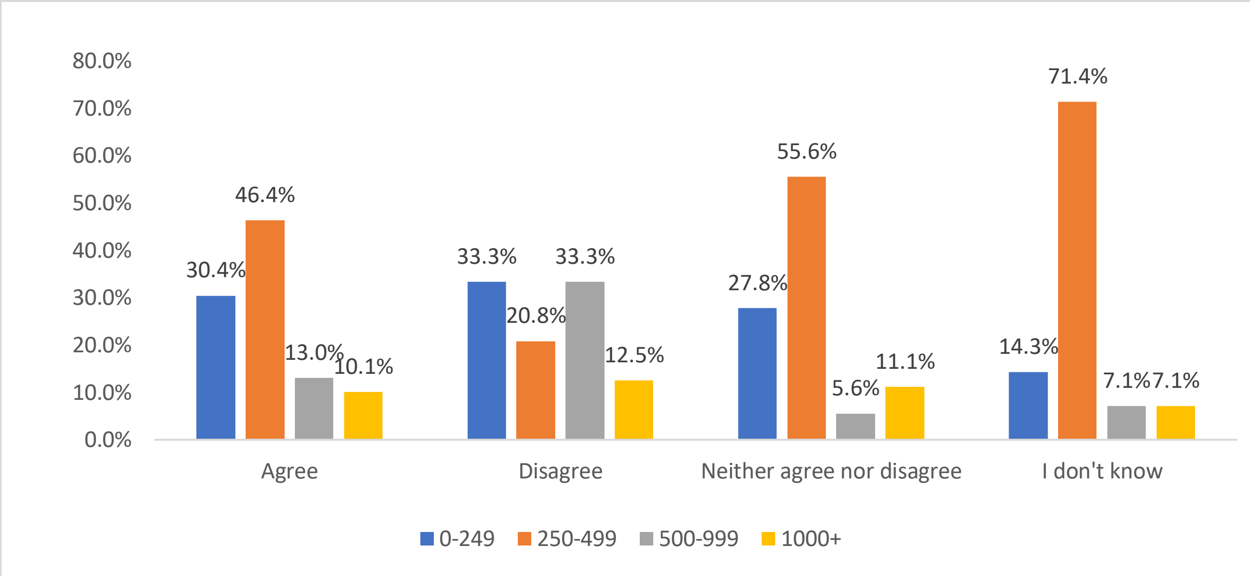
Figure 2: How much responsibility companies think governments should have on pensions (mean of the score 0 to 10) by company size (N=262)



Source: BAWEU employers' survey 2021-2022. Question: There can be different views on what the responsibilities of governments should or should not be. For each of the tasks please tell me on a score of 0-10 how much responsibility your company thinks governments should have. 0 means it should not be governments' responsibility at all and 10 means it should be entirely governments' responsibility.

Related to the perceived role of the government is the employers' views on the role of private pension schemes. The BAWEU employers' survey findings show that **companies, and especially the larger ones, do not agree with the statement that private pension schemes should be more important than public pension schemes** (see Figure 3).

Figure 3: Companies' agreement with the statement private pension schemes should play a more important role than public pension schemes by company size (N=213)



Source: BAWEU employers' survey 2021-2022. Question: What role should private providers have in the welfare state? How much do you agree with the following statements?

Additionally, **each studied country faces specific challenges related to pensions' schemes**. **In Germany, despite the system traditionally consisting of three pillars (statutory pension, company pension and private provision), in the early 2000s, pension reforms reinforced an institutional dualism as its system differentiates between social protection insiders and outsiders**. Insiders are individuals who are typically employed in standard employment relationships. They are covered either through comprehensive statutory social protection or by statutory entitlements, complemented or supplemented by private/occupational social protection to a level that maintains living standards. On the other side, outsiders are defined as the (working) poor that would have to rely on modest (largely means-tested) public provision, primarily intended to ameliorate poverty.

Firm-level provision of welfare has always been at the core of Germany's welfare system. Especially company pensions are a key pillar of the pension system and have become more and more important for employees and employers alike. Since the early industrial days, firms provided company pensions to bind employees and become more attractive. However, they have always been a supplement and not a replacement for the public-funded pensions, which are the largest and most important ones. However, because of the dualization in the public pension scheme summarised above, the pension policy remains also among priorities of employers' organisations. **Employers' organisations in Germany promoted the idea of expanding private and occupational pensions voluntarily to compensate for the benefit reductions in the statutory scheme**.

In Slovakia, the first pillar pension is the public pension scheme, which absorbs the largest part of the budget of the Social Insurance Agency. **The importance of the public pension scheme from the perspective of employers in Slovakia lies in the redistribution capacity of the state budget**. The higher the spending on pension policies, the lower the budget available for other social policies or assistance to marginalized or excluded persons. The related issue is the question of the retirement age. The sustainability of the pension system has declined after a decision to stop automatic life-expectancy-indexed increases in the retirement age and the adoption of a Retirement age cap by amendment to the Constitution (the retirement age is anchored at the age of 64 years). This step, supported by trade unions, was strongly criticised by employers' organisations. **Employer's organisations urge the Slovak government to embrace measures aimed at ensuring stability of the pension system, which will, from their perspective, also bring the overall long-term sustainability of public finances in the Slovak Republic and push the government to support voluntary pension savings** (second and third pillar). The third pillar, with the participation of employers, is voluntary (as a benefit) or may be part of a company or sectoral collective agreement. Acknowledging the priorities of the current government, which has been in the office since 2020, there is a **policy ambition to remove the retirement age capping from the constitution, and pegging the retirement age to a dynamic value**. This policy aim has been transformed into a new pension reform proposal, introduced to the public in November 2020. The proposal includes preparations of a new constitutional law defining the essentials of the first and the second pillar of the pension scheme.

In the Netherlands, all social partners agree that cost-containment for business is a dominant position in all social fields. Nevertheless, in actual social policy-reform intentions, spending in public welfare is more supported. **Public subsidies in pre-pension vision of the Dutch welfare state regime that basic needs are arranged by the government and everything else is left to the social partners to arrange, are reflected in how the pension system is designed**. Social investments in sustainable long-term employability are acceptable. Finally, **employers agreed with introducing new flexible pre-pension arrangements, but keeping their position that early retirement will not become structural again as it was in the two last decades of the twentieth century**. Data from the BAWEU employers' survey showed support to the popularity of private schemes and that they should play a more important role than public pension schemes. **In the second (occupational) pillar of the Dutch pension system, trade unions play a much more important role than in the statutory system.** A legal extension of collective agreements (*erga omnes*) covers nearly all workers with funded occupational pensions. In addition to employer-sponsored pension funds with participation rights for workplace councils, most workers are covered by industrywide occupational pension schemes supervised by social partners.

In Denmark, the pension system is primarily characterised by a strong second pillar in the form of the collective agreement-based occupational pensions. The first pillar is made up of the citizen/residence-based Old Age Pension and ATP (*Arbejdsmarkedets Tillægspension*) lifelong pension. The old age pension is by far the most generous pension scheme of the two. **Employers do not place the pension policy very high on their agenda; however, the employers' organisations praised the occupational pensions linked to the collective agreements and disliked the newly introduced Early Pension Scheme**.

In Italy, a 2011 reform introduced a further increase in the retirement age. Employers praised this reform for having a positive impact on public finances. However, this rise in retirement age causes problems when it comes to the organisation of work within productive processes, due to the impossibility of elderly people to deliver some tasks. These workers are at risk of losing their job, if adequate training policies are not implemented, which are also fundamental to avoid injuries at work. Such training is one of the most important aspects that 'is for the employer to manage', stressing in subsequent paragraphs that the most effective training is made by firms and within firms. Confindustria welcomes the end of the extreme measures taken in 2011 (no penalization for retirement before the age of 62 and the possibility for workers to retire after 41 years of working activity, independent from their age). Furthermore, in several recent documents **Confindustria proposes a retirement window (which could be 62-70), in which the worker gets either a bonus or a malus on the amount of their pension depending on how early or late they decide to retire**. This could result in an initial rise in public spending, but it is acceptable.

Given the relatively generous public pensions, occupational pensions have not played any role in Italy, except for the financial sector and multinational companies with pre-existing funds. In the case of a negotiated agreement, the collective pension fund is governed by employers and elected employee representatives with additional supervisory structures, but investments are undertaken by financial institutions. Although these different pension funds thus far cover only a part of the Italian workforce, they are expected to grow considerably given the long-term decline in the value of public pensions (Ebbinghaus 2017).

Interaction and coordination of policy priorities between employers' organisations and other stakeholders

The research shows that the employers' organisations across all five countries utilise the traditional institutes of engaging in policy-making: mainly (1) tripartite collective bargaining on the national or sectoral level and (2) the direct unilateral involvement in the legislative processes (commenting on the legislative proposals) (see Table 2 above). In general, social partners can influence the public pensions (the first pillar of a pension scheme) mainly through lobbying and consultation, when they are consulted by the government, which is not always the case. The social partners influence is much stronger on the second pillar, the occupational pensions. Nevertheless, there are certain differences that can be observed among the countries.

The Dutch employers prefer solutions based on sectoral collective agreements and arrangements between workers and employers over national legislation to make tailored leave policies. Most sectors in the Netherlands have their own pension fund, governed by employers, trade unions and representatives from the pensioners themselves (second pillar pension). In sectors without a fund, it is up to individual employers to decide whether their company joins an existing fund. Only those working in companies that decide against such arrangements in the (few) sectors without such a fund and the (increasing) group of self-employed workers are not covered by the second pillar pension arrangements and to make their own arrangements. After a long period of public debate, social dialogue and collective bargaining, social partners have agreed in 2019 to reform this second pillar pension system. In the end, this led to a central agreement about pension reforms to which the FNV members agreed in 2020, including the option for the collective bargaining parties in sectors and in companies till the end of 2025 to make arrangements for early retirement.

Compared to the employers' position, in the negotiations on the pension-reform trade unions showed less unidimensional preference in cost-containment, and more eye for income protection for older workers and pensioners. The qualitative evidence collected and analysed within the BAWEU project points to broader preferences of employers than only cost-containment. The provisions of the second (occupational) pillar of the pension system had to be kept private, collectively bargained, agreed and governed with trade unions in the continuing condition of collectively obliged payments of employees and workers in the pension funds. **Employers also reached consensus about making pension schemes more accessible for the self-employed.**

In Germany, employers' organisations and trade unions agree that there is a large demand for pension reforms due to the demographic structure in combination with the current pay-as-you-go scheme. Both sides can agree on many measures while disagreeing on issues like retirement age. With increasing life expectancies, ever fewer new-borns and the large generation of baby boomers slowly retiring, the traditional pay-as-you-go scheme has come under pressure. In the debate, there is a broad array of reform proposals that differ between unions and employers' organisations. **Unions pledge for a stronger intervention by the state in the sense that the (currently modest) subsidisation of the pay-as-you-go scheme through taxes should be increased. Employers' organisations see this point as critical as it would not stabilise the system but only cover up its current instability.** The research findings show that the **pay-as-you-go scheme is in its structure perceived mostly as positive, however, due to demographic shifts it needs a strengthening of the two other pillars**.

Employers would want to increase the private pension provision that may be incentivised through tax benefits (e.g., no capital tax). Furthermore, they aim at strengthening the company pension system (that is co-financed by employers). This policy is also supported by trade unions. Beyond the strengthening of these pillars, employers' organisations argue that **to stabilise the pay-as-you-go-scheme it is necessary to increase the retirement age and make it more flexible**. A flexibilisation of the retirement age would in their argumentation allow persons with physically demanding jobs to retire early and those with less demanding jobs to work longer. Furthermore, they **call for more immigration to counter the strong demographic tilt.**

In Italy, firm-level welfare is key in order to guarantee high quality welfare, although the centrality of public provision is stressed – and this provision shall be universal, which is in partial contradiction with the elements emerged in this report. Social partners agree that supplementary pension is to be encouraged, as it has (to have) an increasingly important role in retirement policy. In addition, pension funds can play a relevant role in supporting the economy through the mobilisation of resources, thus their development shall be helped through tax exemptions and fiscal bonuses. Pension funds (as well as health funds, which lie beyond the scope of the present project) are a pivotal element of the firm-level welfare advocated by the interviewed MNCs. Accordingly, as they boast extraordinary results in this area, they claim that the **state should adopt a more favourable fiscal policy**. At least because **large firms' welfare policies in Italy are complementary to state welfare: the company enters those areas in which there are severe shortcomings from the state**.

An important actor in the pension system, especially in the 1st pillar, is always the current government. **In Denmark's general election, which led the social democrats back into power in the summer of 2019, their key promises to their electorate were to introduce a reform allowing for a 'differentiated old age pension' to allow persons which have had an especially burdensome work-life to leave the labour market with a type of old age pension earlier than others**. The beneficiaries would be the social democrats' core electorate.

The Danish Confederation of Employers (DA) remained very sceptic about the initiative, both prior to and during the meeting. The main argument of the DA was in this early period - as well as during the whole decision-making process - that a differentiated pension, no matter how it was designed, would reduce labour supply, and this at a time when labour and skill shortages were rising in the Danish labour market. **The Danish Trade Union Confederation was strongly supporting the government plan of a differentiated pension and preferred a tripartite agreement on the issue prior to the parliamentary**

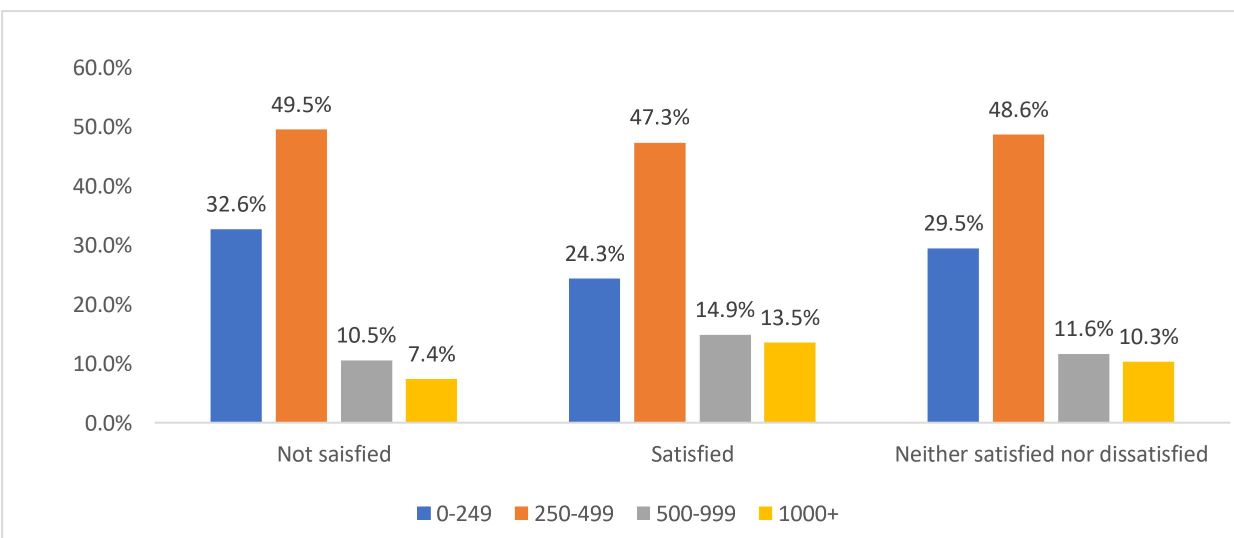
process in 2019. The government also wanted tripartite negotiations in order to facilitate the political negotiations, which could be foreseen to be difficult.

Qualitative evidence within the BAWEU project provided opinions of the main employers' organisations positions on pension issues in Denmark. The issue was seemingly not very high on the agenda in the employers' organisations, but negative evaluation can be observed from the EO interviewees due to its foreseen negative impact on labour supply. Moreover, although the EOs often question the quality of Active Labour Market Policies (ALMP), it was criticised during the interviews that the Differentiated Old Pension Scheme will be financed by a near 10% cut in the overall budget for ALMP.

Employers support the continuation of occupational pensions' connection with the collective agreements and some even see them as a cornerstone of the Danish collective bargaining system. The occupational pension schemes could also be seen as in the employer's interests as they reduce wage-increases and increase the pension funds investment in private companies – however these factors were not mentioned during the interviews. A will to protect the occupational pensions had consequences for some of employers' organisations' positions on a third pension-related theme from the interviews, the Pension Commission. Some of the employers' organisation interviewees were worried that the proposals would include a state-financed pension supplements for those not covered by the collective agreements. This could, according to the interviewed stakeholders, be problematic, as the covered employees have 'paid' for their occupational pensions with wage-restraint. Among other unintended consequences, it **could lead to disincentives for further increasing the collective agreement-based occupational pension schemes**.

Figure 4 shows that covering all studied countries, the **level of satisfaction of companies on the capacity of the employers' organisations to influence the level of expenditure of the pensions system is quite equally distributed between agreement and disagreement with this statement, also in terms of the size of the companies.**

Figure 4: Level of satisfaction of companies on the capacity of the employers' organisations to influence the level of expenditure of the pensions system by company size (N=316)



Source: BAWEU employers' survey 2021-2022. Question: How satisfied is your company with the capacity of the employers' organisations in your country to obtain the following results?

Conclusions

The BAWEU research project investigated private sector employers' attitudes and preferences towards pension policies, their interaction with national employers' organisations and the articulation of employers' interests in pension policy to national-level policy makers. The empirical study covered five EU Member States (Denmark, Germany, Italy, the Netherlands, and Slovakia) with different welfare state and industrial relations traditions. The following conclusions can be derived from the analysis:

- **Businesses' preference in pension policies is strongly influenced by the national legislative framework and the existing pension system.** There is a great diversity in pension schemes, while the majority of pensions is provided across the studied countries by the public pension system. Additional pension schemes vary across countries, including occupational and firm-level pension supplements.
- Businesses place pension policies at different priority levels in their hierarchy of goals, targets and interests. **In the Netherlands and Denmark, where pension reforms have been implemented, employers were more closely engaged and prioritized the theme of pension policy. In Germany, where a pension system reform is under debate, employers formulate and articulate their preferences, while the outcome is not yet clear.**
- Core topics regarding employers' attitudes in pension schemes differ across the studied countries: **in the Netherlands, pensions are viewed via the lens of cost containment; in Denmark via the strong role of sectoral bargaining; in Italy via a central regulation of the retirement age that is on the one hand welcome by employers, on the other hand a longer working life causes challenges with work performance.**
- **The following themes within pension policy can be identified as part of the discourse of businesses' pension policy attitudes across all of the studied countries**:
    - Government responsibility over the (public) pension system
    - Retirement age
    - The role of occupational and other, voluntary, pension schemes supplementing the public pension schemes
    - The interplay of private and public pension schemes and the relevance of the private ones in this context
- Finally, although employers (e.g., in Italy) admit issues with a longer working life, in general employers across the studied countries agree that the growing attention to pension policies derives from population ageing; and share a positive approach to extending the retirement age for eligibility in public pension schemes.

Recommendations for EU-level employers' organisations

- **Facilitate exchange of information and expand the knowledge of employers' organisations in the EU Member States about priorities in pension policies and explore opportunities to coordinate these priorities across the EU Member States.**

- **Produce regular surveys on employers' priorities on pension policies, methods of national policy influence across all the EU Member States**, and ways of articulating the national employers' interests to the EU-level of policy making

- **Use the outcomes of national surveys to develop an EU-level and EU-wide employer preference regarding the position of public vs. private/additional pension schemes, and support EU-level regulations in this regard.**

- In the context of often opposite approaches to pension policies by employers and trade unions, **cooperate with trade unions at the national and EU levels and seek consensus for a joint preference of a certain type of pension policy and consider articulating this joint interest to EU-level policy makers with the outlook of declaring EU-wide values and EU-level pension regulation.**

- **Provide trainings for member organisations of EU-level employers' organisations to align national and EU-level priorities of employers in pension policies and thereby to increase their bargaining power in policy impact.** This knowledge may be then forwarded to the member organisations by formulating sector-specific or occupation- specific guidelines on pension preferences in the context of sustainable public finances. Such a step would improve the implementation of existing legislation and embedding further stipulations on pension contributions in the collective agreements on the company level. This process can facilitate a stronger role of social dialogue in determining a pension policy.

- **Consider EU-level priorities based on the diverse inputs on Member States' evidence on employer preferences and the modes of their policy influence.** Acknowledge diverse policy interests not only across the Member States, but also across sectors and companies of different sizes as well as the specific positions of multinationals (operating simultaneously in various policy frameworks).

- **Facilitate peer review sessions for national employers' federations from peers in other EU Member States to develop feasible occupational of company-specific pension policies** and articulate their interests vis-à-vis national legislative bodies, trade unions and other stakeholders.

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