

Who has had the main say in the path of the Czech pension reform: politicians, experts – or both?

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CONTENT OF THE PRESENTATION

- Core questions, hypotheses, theories and methods
- Development of Czech pension reform since 2004: themes, institutions, actors, outcomes
- Discussion, conclusion

Who has had the main say in the path of the Czech pension reform:
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HYPOTHESES

- A. In conceiving pension reform, the participation of experts as well as their participation in proposing specific options is necessary.
- B. The discourse about pension reform blended together ideological and cognitive frameworks.
- C. Politicians have the final word on the form of reform.
- D. The broader ideological spectrum of the stakeholders, the more robust is the proposed solution.

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THE THEORY OF DISCURSIVE INSTITUTIONALISM

- Explains the role of ideas and debates in politics.
- Distinguishes between cognitive and normative ideas.
- Brings new possibilities to explain the institutional changes, although we must always take into account the role of traditions and culture, which influence the presentation of ideas and lead the discussion.
- Offers more dynamic approach to the analysis of institutional change.

(Schmidt 2008)

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METHOD OF FRAMEWORK ANALYSIS

- FRAMING as an important tool to understand how discourses are constructed and made up
- FRAMING as a process in which highlighting and naming of a (chosen) aspect of the problem occurs – causing selective attention
- FRAMING can create “an imaginary explanatory frame of sociopolitical reality”
- ACTORS (knowingly, unknowingly) “overlook” some aspects of the problem.

(Rein, Schön 1993, 1996, Schön, Rein 1994)

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STEP 1: The executive team and team of experts (Bezděk Commission I), 2004

- Established as a institutional platform for the expert assessment of pension reform in the Czech Republic.
- The framing of the issue (pension reform) reflected the “climate” of discussions on pension reforms those days in the international context (later called „new pension orthodoxy“) (The World Bank 1994).
- The **diagnostic framing** or the answer to the question “What is the problem?” can be found as a priority issue.

“HOW WILL THE REFORM ENSURE LONG-TERM FINANCIAL SUSTAINABILITY OF THE PENSION SYSTEM?”

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STEP 2: THE EXPERT ADVISORY BOARD PES (Bezděk Commission II) (2010)

- Established as an expert advisory body with broader spectrum of issues.
- The framing of the pension reform by PES was influenced by the fact that it “just” established and updated the activity of the first Bezděk Commission.
- **Framing** of the problem was based, once again, on “**financial sustainability**” of the pension system in the long run.
- “The mobilization vocabulary” can be identified in the final report.

STEP 3: THE NATIONAL ECONOMIC COUNCIL – NERV (2011-2012)

- Restored economic advisory body after early elections (2010).
- NERV followed the work of the previous professional groups, mainly Bezděk Commission I.
- **Framing** based on the thesis about the **financial unsustainability of the Czech pension system due to the aging population**. Urgence and **mobilisation vocabulary** were also presented to the public.
- The proposed solution envisaged the introduction of **a new, compulsory second pillar** of the Czech pension system.

STEP 4: THE EXPERT GROUP: GOVERNMENT WITH THE OPPOSITION PARTY (ČSSD) (2011-2012)

- **Specific framing.**
- **Elimination of a controversial topic** (introduction of a compulsory secondary pillar).
- Focused on pre-defined specific topics, namely “**pre-retirements (*předdůchody*)**”, that would allow participants in the voluntary pension insurance (the third pillar) to retire before reaching regular retirement age by using the accumulated funds within the overarching period.
- Outcome: Adoption of the **Act No. 403/2012 Coll.**

STEP 5: THE EXPERT COMMITTEE ON PENSION REFORM (OK) (2014+)

- Formed by the acting coalition government.
- Broad portfolio of members (permanent – representatives of parliamentary political parties, experts (sociologists, demographers, economists), representatives of social partners and interest groups.)
- Goal: finding consensus about the continuation of pension reform.
- **Framing:** Key criteria – pensioners' dignified life, strengthening the principle of merit, settlement of transfers between family and society and achieving the sustainability of the pension system.

**BROADER FRAMING, NEW AREAS AND IDEAS INVOLVED,
NEW SOLUTIONS APPEARED.**

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SUMMARY: INSTITUTIONAL FOCUS AND POLITICAL OUTCOMES

Characteristic Institute	Time period	Political representation (normative ideas)	Expert representation (cognitive ideas)	Acceptance of proposals by political representatives
The Executive team and Team of experts (Bezděk Commission I)	2004	All political parties represented in the Chamber of Deputies	Yes – economics and demography	No
The Expert Advisory Board – PES (Bezděk Commission II)	2010	No	Yes – mainly economics	No
The National Economic Council - NERV	2011-2012	No	Yes - economics	Partly
The Expert Group: government with the opposition party (ČSSD)	2011-2012	Representatives of the ruling coalition and the strongest opposition party	Yes – economics and sociology	Partly
The Expert Committee on Pension Reform (OK)	2014+	All political parties represented in the Chamber of Deputies	Yes – sociology, demography, economics	Partly

SUMMARY - DISCOURSES

Characteristic Institute	Time period	Cognitive Ideas	Normative Ideas	FRAMING
The Executive team and Team of experts (Bezděk Commission I)	2004	Macro-economic criteria and their projections, demographic criteria and their projections, assuming the pension orthodoxy of the World Bank 1994	Differentiated proposals of political parties on pension reform	New pension orthodoxy
The Expert Advisory Board – PES (Bezděk Commission II)	2010	dtto	Strengthening of the merit, financial stability of the public pension pillar	Fiscal Sustainability
The National Economic Council - NERV	2011-2012	dtto	dtto	Fiscal Sustainability
The Expert Group: government with the opposition party (ČSSD)	2011-2012	Not expressed explicitly	Not expressed explicitly	Thematic framing
The Expert Committee on Pension Reform (OK)	2014+	Sociology, demography, economics	Differentiated proposals of political parties on pension reform	Pensioners' dignified life, merit, family vs. society, sustainability

CONCLUSIONS

A. In conceiving pension reform, the participation of experts as well as their participation in proposing specific options is necessary.

Pension policy has traditionally been an area that required a greater extent of expertise than some other areas. Traditional partners (government, employer and worker representatives) had possessed almost a monopoly in this arena for a long time, including exclusive access to relevant information and data, in most cases, which was available only to governmental entities (statistics, demographic data, data on pension schemes etc.). Although there have been many radical changes needed, the professional approach (data, methodology for design development etc.) has not changed much. Responsible, data-based decision making requires the use of a range of expertise and methodologies, including the use of a wide data base. It can be assumed that the role of experts in this policy area will continue to grow. We can therefore confirm the hypothesis.

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B. The discourse about pension reform blended together ideological and cognitive frameworks.

This hypothesis is clearly confirmed in this paper. Primarily, it corroborates that, views of the almost crystalline reform strategies, which lay on the left-right political spectrum. Secondly, that blending symbolizes the participation of experts (sometimes ideological classifications) and politicians in discussions on the preferred form of pension reform. Knowledge frameworks in some cases are used for the benefits those who hold ideological values. This is true but on the contrary: the ideological framework may, *ceteris paribus*, lead to the selection of some and rejection of other pieces of knowledge.

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C. Politicians have the final word on the form of reform.

This hypothesis in our study confirms not only the refusal of the first recommendation of the Executive team and a Team of Experts in 2004, but (partially) also the case of NERV and the Expert Committee on Pension Reform later on. As an example, the political reality of the coalition governing did not allow to accept the concept proposed by NERV, and therefore political representation adopted the revised draft. This political compromise proved to be unacceptable to the experts, further affecting the communicative discourse of reform. Expert advice is marked by seeking political continuity and consensus. Nevertheless, even as politicians have the final say, their decisions may to a lesser or greater extent refer to the opinions of the experts as well.

CONCLUSIONS

D. The broader ideological spectrum of the stakeholders, the more robust is the proposed solution.

The connection of the concepts of pension reforms with the ideological bases of the political parties intensifies the rivalries of the actors and complicates the search for a workable compromise. Finding a solution that has support across the political spectrum is very tricky in the case of pension schemes which is calculated on the effects of decades of change. Profile cases have shown that solutions (albeit particular ones), which were accepted as part of the discourse in which they were represented, by actors from across the ideological spectrum are more stable (e.g. the work of the Expert Group on pre-retirements proposal) than solutions that lack such support (paradigmatic reform including the Second Pillar). Due to the nature of pension reform (long-term) and the relatively short period in which the discourses are analyzed, we can only partially confirm the hypothesis.

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FURTHER RESEARCH NEEDED!

It is obvious that the period analyzed, though eventful, was not long enough, that we dare to generalize beyond the development discourse of the pension system in one country at a given time.

*We believe, however, that our approach can **inspire** in exercising discursive institutionalism theory and framework analysis, so that the role of experts and policy makers in the design and implementation of changes in social systems within specific institutional arrangements could be better understood.*

The work of the Expert Commission on Pension Reform, established in 2014, will certainly enrich the empirical evidence on this topic.

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**THANK YOU FOR YOUR ATTENTION.
DĚKUJI VÁM ZA POZORONOST.**

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