

Institution: University of Essex
Unit of Assessment: 23 – Sociology
Title of case study: Influencing pension policy in the ageing society
<p>1. Summary of the impact</p> <p>Professor Robin Blackburn has written extensively on pension policy and has advocated the need for strong public pension provision. Following the financial crisis that began in 2008, Blackburn's ideas have attracted much interest, especially given that he had identified many of the problems that would come to afflict private schemes. His work has been recognised globally: for example, he was invited to speak at a conference organised by the EU Commissioner for Employment, Social Affairs and Inclusion, and his research has been cited by the United Nations' Department of Economic and Social Affairs. Blackburn's highest-profile work has been in Ecuador, where he has addressed the President, cabinet ministers, and senior civil servants.</p> <p>2. Underpinning research</p> <p>Blackburn began researching pension policy in the mid-1990s and since joining Essex in 1999 has published two monographs in this area, as well as a raft of journal articles, chapters in edited collections, and pieces for newspapers and magazines. Blackburn's approach has involved extensive analysis of pension provision within the UK, but he situates this within a global view that considers Asian, European, Latin American, and North American schemes.</p> <p>Blackburn's research has demonstrated that private pension delivery is inherently costly and is likely to be uneven in its coverage. He argues that as long as competent and honest public administration is available, public pension schemes have proved more economical and effective, with better coverage and a greater contribution to gender equity. His research has stressed various problems with private provision, including the heavy cost of customisation and 'active' fund management, patchy coverage, poor prospects offered to women, and fund management plagued by perverse incentives and hidden risks. Such matters, he argues, had not been given adequate attention by those framing public policy, as the need for private provision had become the received view in the UK. However, he notes that the UK's experience is best understood as part of a global trend, given the World Bank's advocacy for private provision.</p> <p>Blackburn's research has drawn on the findings of over a hundred different studies, which has allowed him to highlight structural flaws with private schemes, especially undue reliance on the workings of financial markets. He was able to draw attention to the mass of evidence that vindicates the record of public provision and challenges confidence in the financial services industry as a reliable and equitable pension provider. The conclusions of Blackburn's research were set out in <i>Banking on Death</i> (2002) and <i>Age Shock</i> (2006), where he argues that private pensions would not be able to supply 60% of total pensioner incomes by 2040 – a promise that had been made by the Labour Government in Britain, under the influence of the World Bank. He showed that private pensions could not be relied upon to cover the livelihood of an aged population whose numbers were set to double in 30 to 40 years.</p> <p>Blackburn's warnings about the problems of private provision were particularly prescient given the financial crisis that began in 2008, which demonstrated that much trust in the financial services industry had been misplaced. In recent work he has addressed the impact of the crisis and argued that the "privatized model of pension provision has been engulfed by the onset of the credit crunch" (2010, p. 389), with schemes losing value and people having to use savings in order to meet their</p>

Impact case study (REF3b)

living expenses. This has vindicated his earlier arguments as countries are increasingly looking to protect their public schemes, whilst private provision is no longer seen as a panacea. As a means of protecting funds he has called for the 'pooling' of funds in order to spread risk. He addresses the effect of the crisis in depth in a 2011 article in *New Left Review* and in the revised edition of *Age Shock* (2011), where he also calls for the introduction of a non-contributory global pension, largely funded by a tax on financial transactions – a topic he also addressed in a 2007 *New Left Review* article.

Blackburn's research in this area is best understood as encompassing academic rigour through his scholarly publications, but also advocacy for the expansion of public provision through his engagement with policymakers (most notably Adair Turner, former chair of the Pensions Commission) and his publication record in newspapers and magazines, including *The Guardian*, *Financial Times*, *Times Literary Supplement*, and *London Review of Books*.

3. References to the research

Blackburn, R. O. (2002) *Banking on death or investing in life: The history and future of pensions*. London: Verso. ISBN 1859847951

Blackburn, R. O. (2005) How to rescue a failing pension system: The British case. *New Political Economy*, 9 (4): 559-579. DOI:10.1080/1356346042000311173

Blackburn, R. O. (2006) *Age shock: How finance is failing us*. London: Verso. ISBN 1844670139 (Reprinted with new preface, 2011. ISBN 1844677656).

Blackburn, R. O. (2007) A global pension plan. *New Left Review*, No. 47: 71-92.
<http://newleftreview.org/II/47/robin-blackburn-plan-for-a-global-pension>

Blackburn, R. O. (2008) The Anglo-American pension regime: Failures of the divided welfare state. In C. Arza and M. Kohli (eds.) *Pension reform in Europe*. London: Routledge. ISBN 0415663733

Blackburn, R. O. (2010) The global drive to commodify pensions. In B.S. Turner (ed.) *The Routledge international handbook of globalization studies*. Abingdon, UK: Routledge. ISBN 0415686083

Blackburn, R. O. (2011) Crisis 2.0. *New Left Review*, No. 72: 33-62.
<http://newleftreview.org/II/72/robin-blackburn-crisis-2-0>

4. Details of the impact

Blackburn's work has had impact in various contexts. Most notably he has informed pension policy in Ecuador through presenting his research to senior government figures, including the country's President. He has also addressed various international organisations, including the European Commission's Directorate-General for Employment, Social Affairs and Inclusion.

Impact in Ecuador

Blackburn was invited to visit Quito in January 2011 by the government of Ecuador to conduct seminars over three days for its civil servants, ministers and the President, Rafael Correa. These consultations were organised by the Ecuadorean government think tank, Institute of Advanced Studies (IAEN). The seminars were part of the "The New Left's Frontiers" event, which was designed to be a public debate that informed social policy decision-making. Blackburn, drawing on

Impact case study (REF3b)

his research, spoke on the ageing society, pension policy, and the financial crisis. The Rector of the IAEN has confirmed Blackburn's participation and writes that "the seminar was a big public success, attracting many researchers, policy formers and public officials... The event culminated in a two hour seminar with the President Rafael Correa, who appreciated greatly the meeting" [corroborating source 1]. A Minister within the Government of Ecuador has stated that the public policy debates and discussions involving Blackburn were "of great value to the current structural reforms underway in Ecuador". He adds that Blackburn "contributed an informative survey of social policy options" to the seminars [corroborating source 2].

The IAEN invited Blackburn back to Ecuador in September 2012. He gave seminars and lectures on the implications of the financial crisis, which were attended by ministers and other high-ranking government officials [corroborating source 1]. During this visit, he conducted a ninety-minute interview with President Correa, which was published in both English and Spanish. Blackburn and the President discussed *inter alia* the overhaul of the economic system in Ecuador [corroborating source 3]. Further evidence of Blackburn's influence in Ecuador is demonstrated by his *New Left Review* article, 'Crisis 2.0', being published in Spanish in *Línea Sur* – the journal of the Ecuadorean Ministry of Foreign Affairs, Trade and Integration [4].

Blackburn has undertaken further public engagement related to Ecuador and was invited to contribute to two events. In December 2012 he spoke at a workshop on social justice in Ecuador as part of the "Showing Another World is Possible" conference on Latin American Solidarity. The event was attended by over 400 people, including Ken Livingstone and Frances O'Grady, the General Secretary of the TUC [5]. In January 2013 Blackburn contributed to the "Celebrating Ecuador's Citizens Revolution" public meeting at Bolivar Hall, London, where he spoke on the economic situation in Ecuador, including the reform of pension provision [6].

International Impact

Blackburn has spoken on pension provision at a number of high-profile international events, most notably a conference convened by the EU Commissioner for Employment, Social Affairs and Inclusion in Brussels, October 2010. The conference was on the Pensions Green Paper and Blackburn spoke as part of the 'The Future of European Pensions' panel, which was chaired by Commissioner László Andor and attended by around 700 EU pension experts and officials. Blackburn spoke on the possibility of an EU-wide pension and his contribution was warmly received by Georg Fischer (Director within the Commission), who stated: "There was a lively and inspiring contribution by one of the panellists, Professor Robin Blackburn, who said why speak of these technical issues, why don't we have a European Pension scheme – a minimum pension scheme that would provide a modest sum for all European citizens" [7].

In February 2007 Blackburn spoke at the 'How to Devise a Global Pension' event organised by Global Action on Aging (GAA) for participants in the UN Economic and Social Council. This led to two further invitations in 2008 to speak at events organised by GAA. The first of these (6th March), organised in collaboration with UN Commission for Social Development, involved Blackburn providing a keynote speech on the subject of older women and pensions. At the second (22nd April) he spoke at a GAA event on the topic of global pensions guaranteeing older people a minimum of \$1 per day [8]. The United Nations' Department of Economic and Social Affairs cited Blackburn's work in its report, *World Economic and Social Survey 2008: Overcoming Economic Insecurity*. This report makes reference to his 2007 piece in *New Left Review*, which addresses the need for a global pension fund to administer a universal pension [9].

Impact in the UK

In June 2009 Blackburn spoke at a Pensions Initiative seminar on The Changing Landscape of Public Sector Pension Provision, organised by the LSE Department of Management. The event was attended by high-profile figures within Whitehall, the City, and unions, including representatives from the Department for Work and Pensions, National Union of Teachers, Institute of Fiscal Studies, Royal Bank of Scotland, and Eversheds. Drawing heavily on his published research, Blackburn spoke on how the financial crisis illustrated the need for stronger public provision and how the pooling of funds was necessary to spread risk more widely. A member of the staff from the LSE has confirmed that Blackburn's argument on pooling was "received with great interest by participants generally... and [was] particularly true for the participants from the Pensions Corporation" [10].

5. Sources to corroborate the impact

All documents are available from HEI on request.

[1] Rector, Instituto De Altos Estudios Nacionales.

[2] Minister, Government of Ecuador.

[3] Interview with President of Ecuador: Rafael Correa (2012) Ecuador's Path. *New Left Review*, No. 77: 88-104 (see pp. 91-92).

<http://newleftreview.org/II/77/rafael-correa-ecuador-s-path>

[4] Blackburn, R.O. (2012) Crisis 2.0. *Línea Sur: Revista De Política Exterior*, 2, May – August. Published by Ministerio de Relaciones Exteriores, Comercio e Integración del Ecuador.

[5] Details of the "Showing Another World is Possible" conference from the Ecuadorean Embassy's website:

<http://www.ecuadoremassyuk.org.uk/news/ecuadors-social-progress-celebrated-in-the-uk>

[6] Details of the "Celebrating Ecuador's Citizens Revolution" public meeting:

<http://www.leftfutures.org/2013/02/lessons-on-ecuador%E2%80%99s-progressive-alternatives-to-neo-liberal-crisis/>

The event was filmed: <http://www.youtube.com/watch?v=P53EIO-z9Xo>

[7] Website for the "Pensions Green Paper Conference":

<http://webcast.ec.europa.eu/eutv/portal/archive.html?viewConference=10294>

See short report on Panel 3 for Georg Fischer's comments. Website provides a link to an MP4, which includes these comments and Blackburn's contribution.

[8] Global Action on Aging's website has details of Blackburn's contributions:

http://www.globalaging.org/about_gaa/highlights.htm

[9] United Nations Department for Economic and Social Affairs (2008) *World Economic and Social Survey 2008: Overcoming Economic Insecurity*. New York: United Nations. See pp. 177 and 181.

www.un.org/en/development/desa/policy/wess/wess.../2008wess.pdf

[10] Lecturer, Department of Management, LSE.