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Opinion about the EIOPA's proposal to extend the scope of the IORP Directive

(Draft response to Call for Advice on the review of Directive 2003/41/EC, EIOPA-CP-11/001, 8 July 2011, chapter 6 CfA 1 Scope of the IORP Directive, pages 10-23)

This opinion is expressed in private capacity and is structured as follows. Section one briefly describes the CEE mandatory pension systems. Second two presents potential issues that can arise in case of extending the IORP Directive over these systems. Final section concludes.

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1. CEE mandatory pension systems

The natural wish of the EIOPA as a regulator is to cover all pension systems under the unique prudential regulation. Such an outcome is logical as it provides for all institutions with the level playing field.

However, it seems that the EIOPA's document does not fully identifies several features of the CEE mandatory pension systems that actually make these systems quite distinct from the occupational pension framework supervised under the current IORP Directive. The adjectives used to describe the CEE mandatory pension systems at first sight are similar, yet in reality substantially different from their West European context. In effect, what is intended as an act of harmonization of regulations over the same or similar pension schemes may turn out as an attempt to combine "apples with oranges".

1.1. private management

Mandatory pension funds organised in the CEE region[1] are managed by private institutions often called pension fund managing companies. These institutions are licensed only for management of pension savings. To obtain a licence, managing companies must meet quite strict regulations related to fit and proper requirements, minimum capital, banking depositary and so on.

Pension managing companies are private yet they operate in the framework of public-private partnership (PPP). This term means that their actions are under strict supervision, they must meet various benchmark requirements or guarantees imposed by the regulator, their pricing policy is severely reduced (in most of the countries in question the types of fees as well as their maximum level is determined by law[2]), they must also fulfil several information requirements both in terms of providing data to the supervisory entity and to the public at large.

1.2. nature of pension contributions

Mandatory pension systems emerged in the CEE region as a result of their pension reforms which were very substantial both in terms of its scope (covered majority of working population) and depth (introduced the DC systems). Pension contributions in most if not all countries of the region had been curved out of the existing public pension systems. It therefore indicates that funded systems in the CEE countries are not supplementary or additional, because the level of contributions usually stays the same.

Using portion of pre-reform state pension system contributions means also that the part of retirement system income obtained from current working generation was diverted to its individual accounts in mandatory pension fund and cannot be used to finance current pension benefits. In effect, the so-called *transitory debt* has emerged which means that governments must find additional resources to keep up with pension promises accumulated under the previous DB PAYG national systems.

[1] Such systems operate in the following countries: Bulgaria, Croatia, Estonia, Latvia, Lithuania, Hungary, Romania, Poland, Slovak Republic – mandatory and voluntary pension funds; Czech Republic – currently voluntary funds, mandatory funds are to be introduced soon.

[2] See Chlon-Dominczak and Stanko (2011).

Although contributions are paid by the workers (from their gross salaries) into their own individual accounts, they cannot use their savings until reaching statutory retirement age[3]. Recent developments in the CEE region (vide the Baltic States, Hungary, Poland) showed very clearly that it is up to the state to decide about the current level of contributions and the way mandatory pension savings will be used.

Funded contributions must therefore be seen in close conjunction with pension contributions that are paid into unfunded, PAYG state retirement systems. Under current legislation there is no possibility to transfer across borders neither worker's pension entitlements from PAYG systems, nor assets accumulated in public funded mandatory pillars. Instead, in the case of a worker with employment history in various EU countries, his or her pension benefit is calculated independently by each member state where he or she had worked and is paid out by the country of current residence as a pensioner.

This is not the case of occupational pension schemes where cross border activity of pension providers is allowed.

1.3. mandatory participation

Participation in funded pension pillars in the CEE region is mandatory and usually originates from the very fact that a person has entered labour market and become subject to national social security. A member of mandatory CEE pension fund has usually no possibility to choose whether he or she wants to save in the system[4].

Thus public CEE pension systems differ substantially from voluntary occupational systems and also from quasi-mandatory occupational pension schemes such as those operating in the Netherlands.

1.4. occupational schemes

The CEE mandatory pension systems have nothing to do with employers apart from the mere fact that it is an employer that has to pay pension (and other social security) contributions to state agency on behalf of his or her employee. There is no organizational (occupational) link between workers, employers and firms that manage mandatory pension firms. Usually it is even the case that the employer has no knowledge about membership of their employees as such information is in the disposition of state run social security agencies.

Mandatory pension funds are neither organised nor managed or financially supported (for instance by contribution matching) by employers. The funds are usually huge, mass saving assets managed by licensed private institutions which have no links with employers. Employers in no way affect the performance of mandatory pension systems in CEE region nor are responsible for their operation.

One should bear in mind that, apart from the mandatory pension systems which are described as pillar 1 (PAYG) and pillar 1-bis (funded DC systems), there ARE occupational pension schemes in the CEE region labelled as pillar 2. However due to historical reasons (long

[3] In case of death, family of savers receives accumulated savings.
[4] One of the exceptions is the case of the Slovak Republic where a person has the right of NOT choosing mandatory pension fund. If so, he or she participates in public PAYG pillar only.

periods of the communism that would exclude possibility to offer pension provision by private corporations), difficult labour market situation (high unemployment and still relatively low labour productivity), as well as legal and organisational complexities of voluntary CEE systems, such schemes still constitute a small fraction of total pension savings.

Thus, identification of mandatory CEE pension funds with occupational pension funds merely on the basis that the former ones also manage savings of members who are employed is misleading.

1.5. prudential regulation

Mandatory pension funds in the CEE region do operate under strict legislation requirements and ongoing supervision which is performed by state financial supervisory office, ministry or national bank. The detailed information regarding the supervisory entities is presented in Table 1.

In most of the CEE pension systems there are special requirements imposed on pension fund managing companies related to their minimum required capital (Table 1), guarantees of returns (Table 2), and reserve funds (Table 3)[5].

We would like to argue that one therefore should not assume that there is no prudential regulation in systems in question or that this regulation is not up to international standards.

1.6. definitions

We would like to take a note that the OECD's definition of private plans, used also by the European Commission, is at least controversial and no longer appropriate for present pension landscape in Europe.

The difference between public and private pension plans in the OECD definitions comes from the status of pension fund administrator. However, such a stance seems no longer appropriate since in many countries part of the social security contribution is managed by private entities. Although pension savings are individualized, the use of them is strictly regulated by the state and the final results are guaranteed by the state as well. Modern CEE mandatory pension systems are like Bismarckian schemes but with personalized pension accounts and asset management being provided by private company. The ownership of pension fund assets is indeed complicated, nevertheless in the Polish case the Highest Court stressed that individualization of fund assets during the investment process does not change the public character of the fund.

We believe that one should distinguish between plan administrator and owner(s) of plan's assets. With the public-private partnership the state can let private entities to administer public pension funds for several reasons, but it does not mean that because of such decision they become private pension plans. We would like to draw your attention to the fact that OECD – in our opinion – mistakenly classifies funded part of statutory pension system in Poland (and any other country of the CEE region mentioned in our text) as private one even though such

[5] Efficiency and completeness of such solutions can be argued (compare Kawinski et al., 2010), however they represent part of highly developed prudential system that is present in the CEE region. Moreover, solutions in these systems are under constant development – see for instance constant growth of life cycle funds in the region (Chlon and Stanko, 2011).

system is the part of system organized and guaranteed by the state. If these rules were followed by OECD and the European Commission with other areas of social security, most of social security plans, especially those related to health care and social assistance would have been called private. But they are not!

In our opinion current OECD definitions need some updating to incorporate recent changes in pensions.

2. Potential issues

In this section we would like to point out several problems that might appear in result of establishing the IORP Directive dominant over the CEE mandatory funded pension systems.

2.1. interaction between the social and labour law and the IORP Directive

As it has been already shown in the EIOPA's document, there might be serious problems between amended IORP Directive and Regulations (EEC) No 883/2004 and (EEC) No 987/2009 that cover social security schemes.

Although coverage of pension fund managing companies by prudential regulations does not seem to be a trouble, there might be issues related to pools of pension savings, namely mandatory pension funds themselves (see also point 1.2). If a new IORP Directive were to dominate national legislations it would have require from the Member States considerable efforts to adjust their own legislations which seems to be a substantial exercise.

2.2. moral hazard and sovereignty of social policies

One must bear in mind that in all CEE countries it is the state that is the defender of last resort in case of insolvency of pension fund operator. Also, in majority of these countries (Table 4) governments provide members of public pension system with support in case a pension benefit from BOTH pillars (PAYG and mandatory funded ones) is below guaranteed minimum pension.

Extending the scope of the IORP Directive over mandatory CEE pension funds is very likely to result in the situation where a particular Member State offers financial guarantees for the final result of asset management actions taken by an entity that, due to its cross-border character, does not operate under domestic prudential regulations and supervision. It will create some kind of moral hazard as the guarantor will have not possibility to shape directly the actions of pension provider.

In similar vein, one may argue that such extension of the IORP Directive will circumvent sovereignty of Member States' social policies because they will not be able to supervise directly a pension provider with its headquarters abroad. Also, they might find it problematic to shape investment laws governing mandatory pension funds which in case of strong demand for financing public debt (partly created by the very fact of introduction pension reforms) and for using national pension savings locally may become politically sensitive issue.

3. Conclusions

It seems that the statement that under the option 2 (EIOPA's text, page 16) "no occupational pension scheme remains unregulated/unsupervised" is missing the point because the CEE pension systems are NOT occupational pension schemes and even if they were, they ARE supervised already.

Moreover, potential outcomes of the decision to cover by the IORP Directive may be analysed not only in the political dimension (which is correctly out of scope of the EIOPA's Call for Advice) but also in terms of political economy. The latter relates to likely decisions taken by the Member States in response to various economic and legislation incentives created by the extension of the IORP Directive.

We believe that there is a probability that the CEE Member States, faced with substantial burden of adjusting their national social and labour laws to the IORP Directive as well as with reduction of their control over pension fund operators, might choose much simpler option – that is to liquidate their mandatory funded pillars.

Such a move seems even much more probable if one takes into account that the CEE governments are already faced with extremely strong incentive to downscale their funded systems. The Eurostat classifies pension funds assets in the EU-10 countries as private which means that the assets accumulated in public mandatory funded pension systems do not offset the transitory debt resulting from pension reforms. In consequence, the CEE countries that have undertaken fundamental pension reforms to improve long-term financial stability of their pension systems are now faced with increased public debt due to the fact that they converted part of their implicit pension (hidden before in their PAYG DB pension systems) debt into the explicit pension debt (shown in their newly introduced funded DC pension systems).

Along with new pension systems' getting more matured, this debt has been increasing considerably and has become a public finance problem in most of the countries. A financial crisis of 2008 has further worsened the situation. During the financial crisis in 2008 and afterwards many of the governments in the CEE region decided to freeze or lower pension contributions dedicated to mandatory pension funds (Chlon and Stanko, 2010). The extreme case here is Hungary which decided to practically nationalize their funded system. No matter how critical one can be about such decisions, it is clear that they do have immediate and positive impact on current public finances. Sending part of mandatory pension fund contributions back to the PAYG pillar allows the CEE governments to "window dress" their public debt and deficit figures without the need of resorting to politically sensitive and economically painful decisions such as an increase of current taxes or reduction of public spending, mostly social expenditures.

Larger scope of the IORP Directive can become an additional incentive for some CEE governments to withdraw finally from pension reforms undertaken a decade ago. It can also serve as a very useful political excuse to move accumulated pension assets back into the unfunded pillar and to use them for short-term public purposes.

References

Chlon-Dominczak A. and Stanko D. (2011). *Mandatory funded systems in Central and Eastern Europe. What is left after the crisis?*, conference report, GUSTO Pensions Workshop, University of Warwick, 6-7 January, Warwick.

Kawinski M., Owczarek J., and Stanko D. (2010). *Protection mechanisms in the pension systems of the CEE countries*, ISSA International Policy and Research Conference on Social Security, "Emerging trends in times of instability: New challenges and opportunities for social security", Luxemburg 29 September-1 October 2010.

Tables

Table 1. Supervisory institutions in mandatory CEE pension systems as of August 2011

Country	**Supervising institution**	**Coverage**	**www**	**Minimum capital for pension managing company (in local currency or euro)**
Bulgaria	The Financial Supervision Commission (FSC, ? ?? ?????? ?? ? ??????? ??????)	Segments of financial market - capital market, insurance market, health insurance market, pension insurance market.	http://www.fsc.bg/Home-en-1	Mandatory pension system - min. 5 m BGN (approx. 2,6 m EUR).
Czech Republic	Czech National Bank (Ceská národní banka)	All financial market institutions.	http://www.cnb.cz/	Current voluntary pillar - 50 m CZK; mandatory pillar to be created soon - 300 m CZK (1€ = 24,3 CZK)
Croatia	Croatian Agency for Supervision of Financial Services (Hrvatska agencija za nadzor financijskih usluga)	Non banking financial services (investment and pension funds, insurance, leasing, factoring, stock exchange, securities issuing and trading).	http://www.hanfa.hr/	Mandatory PFMC 40 m HRK, Voluntary PFMC 15 m HRK.
Estonia	Financial Supervision Authority (FINANTSINSPEKTSIOON)	Credit institutions, insurance companies, fund management companies, securities market, payment service providers	http://www.fi.ee/index.php?id=11659	n/a
Latvia	Financial and Capital Market Commission (FKTK, Finanšu un Kapitala Tirgus Komisijas)	Credit institutions, insurance companies, fund management companies, securities market, pension funds (mandatory and voluntary).	www.fktk.lv	min. 125 000 EUR
Hungary	Hungarian Financial Supervisiory Authority (PSZÁF, Pénzügyi Szervezetek Állami Felügyelete)	Insurance market, fund market, capital market, money market.	http://www.pszaf.hu/en/	No minimum capital for pension fund
Romania	Private Pensions System Supervisory Commission (CSSPP, Comisia de Supraveghere a Sistemului de Pensii Private)	Funded pension system.	http://www.csspp.ro/	Mandatory pension system - min. 4 m EUR; voluntary pension system - min. 1,5 m EUR
Poland	Polish Financial Supervision Authority (KNF, Komisja Nadzoru Finansowego)	Banking, securities market, insurance, pension system (mandatory and voluntary).	http://www.knf.gov.pl/en/index.html	Mandatory pension system - min. 5 m EUR; own capitals at any moment must not be lower than 1/3 of this limit

Country	**Supervising institution**	**Coverage**	**www**	**Minimum capital for pension managing company (in local currency or euro)**
Slovak Republic	National Bank of Slovakia (Národná banka Slovenska)	Financial system: banks, investment firms, intermediaries of investment services, stock exchanges, management companies, mutual funds and collective investment undertakings, reinsurance undertakings, pension fund managing companies, pension funds, supplementary pension fund managing companies.	http://www.nbs.sk/en/home	Mandatory system: Own funds of the pension fund management company are adequate, if a) they are not lower than 25 % of the general operating expenses for the previous calendar year, and b) the ratio of difference of the liquid assets, liabilities and value of the receivables against all pensions funds to the assets under the management of the pension fund management company is not less than 0.005.Both conditions need to be met. If a pension fund management company has been running its activity for less than 1 year, the 1st condition should be evaluated to 25 % from the value of the general operating expenses stated in its business financial plan. Voluntary system: Capital of a supplementary pension asset management company is adequate, if it is not below a) the sum of the value 1,65 m EUR and 0,05% of the asset value in supplementary pension funds (includes the total value of assets managed in the supplementary pension funds) exceeding 165 m EUR; this amount cannot increase further once it has reached 16,5 m EUR, and b) 25% of general operating costs of a supplementary pension asset management company for the previous calendar year. Both conditions need to be met. If a supplementary pension asset management company has been running its activity for less than 1 year, the 2nd condition should be evaluated to 25% of the value of general operating costs stated in its business-financial plan.

Source: Own elaboration based upon the e-mail questionnaire.

Table 2. Guarantee funds in funded pillars of CEE countries as of 2010

Country	Guarantee fund?	Details
Bulgaria	yes	Return reserve fund up to 1% financed from investment profits (if the rate of return is higher than the average). Reserve fund of 1-3% financed from own assets of pension managing company. If there is a deficit, first the return reserve fund is used, and subsequently the reserve fund of the managing company.
Croatia	yes	Each managing company (II pillar) is obliged to create its fund with 1 m HRK for each new 10 000 members above 50 000.
Czech Republic	yes – voluntary pillar	1% of total assets managed by the pension funds. The fund is financed by 5% of achieved profit each year.
Estonia	yes	Guarantee Fund for pensions "*pensionikaitse osafond*" [Pension Protection Sectoral Fund]. The Guarantee Fund covers the losses caused to the unit holders of a mandatory pension fund which are not subject of prudent men responsibility of a managing company. The compensation is up to 10 000 euro for specific loss event and 90% of any excess of this limit. The managing companies pay a single contribution of 15 000 kroons per pension fund managed by it (it's made only on establishment of the fund) and quarterly contributions The value of quarterly contributions cannot exceed 0,2% of net AuM. The value of quarterly contributions is 0,01% of net AuM. The payment stops if the value of the Sectoral Fund is at least of 1% of net value of all pension funds and exceeds 1 m euro. The quarterly contribution is lowered to 0,025% once the Sectoral Fund exceeds 1 m euro. http://www.legaltext.ee/text/en/X60018K3.htm.
Hungary	n/a	–
Latvia	no	–
Lithuania	no	–
Poland	yes	Each managing company invests own assets of the value between 0,3% and 0,4% of AuM in its own fund (so-called additional part of the Guarantee Fund) and puts own assets of the value of 0,1% of AuM to The National Depository for Securities (so-called primary part of the Guarantee Fund).
Romania	no	The law on such a fund is now in the parliament, it will be funded by all pension fund administrators.
Slovak Republic	no	–

Note: AR – average rate of return of pension industry, usually calculated as a market share weighted average of returns of individual pension funds. In Poland the market share is capped at 15% whereas in Romania – 20%. AuM – value of assets under management. pp – percentage points.
Source: Kawinski M., Owczarek J., Stanko D. (2010). Protection mechanisms in the pension systems of the CEE countries, ISSA International Policy and Research Conference on Social Security, "Emerging trends in times of instability: New challenges and opportunities for social security", Luxemburg 29 September-1 October 2010.

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Country	Guarantee fund?	Details
Bulgaria	yes	Return reserve fund up to 1% financed from investment profits (if the rate of return is higher than the average). Reserve fund of 1-3% financed from own assets of pension managing company. If there is a deficit, first the return reserve fund is used, and subsequently the reserve fund of the managing company.
Croatia	yes	Each managing company (II pillar) is obliged to create its fund with 1 m HRK for each new 10 000 members above 50 000.
Czech Republic	yes – voluntary pillar	1% of total assets managed by the pension funds. The fund is financed by 5% of achieved profit each year.
Estonia	yes	Guarantee Fund for pensions "*pensionikaitse osafond*" [Pension Protection Sectoral Fund]. The Guarantee Fund covers the losses caused to the unit holders of a mandatory pension fund which are not subject of prudent men responsibility of a managing company. The compensation is up to 10 000 euro for specific loss event and 90% of any excess of this limit. The managing companies pay a single contribution of 15 000 kroons per pension fund managed by it (it's made only on establishment of the fund) and quarterly contributions The value of quarterly contributions cannot exceed 0,2% of net AuM. The value of quarterly contributions is 0,01% of net AuM. The payment stops if the value of the Sectoral Fund is at least of 1% of net value of all pension funds and exceeds 1 m euro. The quarterly contribution is lowered to 0,025% once the Sectoral Fund exceeds 1 m euro. http://www.legaltext.ee/text/en/X60018K3.htm.
Hungary	n/a	–
Latvia	no	–
Lithuania	no	–
Poland	yes	Each managing company invests own assets of the value between 0,3% and 0,4% of AuM in its own fund (so-called additional part of the Guarantee Fund) and puts own assets of the value of 0,1% of AuM to The National Depository for Securities (so-called primary part of the Guarantee Fund).
Romania	no	The law on such a fund is now in the parliament, it will be funded by all pension fund administrators.
Slovak Republic	no	–

Note: AuM – value of assets under management. n/a – data not available.
Source: Kawinski M., Owczarek J., Stanko D. (2010). Protection mechanisms in the pension systems of the CEE countries, ISSA International Policy and Research Conference on Social Security, "Emerging trends in times of instability: New challenges and opportunities for social security", Luxemburg 29 September-1 October 2010.

Table 4. Summary of minimum pensions in selected CEE countries

Country	Requirements	Details
Bulgaria	points number (100 men, 93 women), equivalent to contributions payments of 37 and 32 ½ years, respectively	about 103 GBN (52.5 €, 2007), determined annually by the National Assembly with the Law for the Budget of the Public Social Insurance (PSI), average gross monthly wage 420.83 GBN (2007)
Croatia	minimum pension - only applicable for those who retire after 1999 without participating in funded pillar	average wage from 1998 multiplied by 0.825% for each year of insurance coverage; 56.59 HRK (8 €, 2009) indexed by rate of pension indexation
Czech Republic	retirement age (61 5/6 men, 56 1/3 – 60 1/3 women, depending on number of children) plus 25 years of coverage (this requirement for persons born after 1968 is 65 men and 62-65 women) plus 25 years of coverage (this requirement will increase by 1 year for each year until reaching 35 years in 2018)	flat-rate part of the benefit formula, 2170 CZK (86 €, 2010), average gross monthly wage 22748 CZK (1Q 2010)
Estonia	retirement age (63 men,61½women, by 2026 both 65) plus 15 years of coverage	Minimum guarantee 2009kroons (128,45 €, 2010), average gross monthly wage 11 865 kroons (758,3 €) (1Q 2010) pensions in general are not taxable; net monthly wage 9845,85 kroons (629,29 €). Real value of 15 years coverage pension is 1793,44 + 15x 67,94= 2813 krooons (114,6475+15x4,343 = 179,80 €)
Hungary	retirement age (62 men, women) and 20 years of contributions payment	about 28 500 HUF (100 €, 2009), no link to indexation (government's ad-hoc decisions), average gross monthly wage 199 775 HUF (2009)
Latvia	retirement age (62 men, women)	less than 10 years of insurance record – state's social security benefit 45 LVL (64 €, 2010); 10-20 years - 1,1 (49.50 LVL or 82.5 LV if disabled person since childhood); 21-30 years - 1,3 (58.5 LVL or 97,5 LVL); 31-40 years - 1,5 (67.5 LVL, 112.,5 LVL); over 41 years - 1,7 (76.5 LVL, 127.5 LVL), average gross monthly wage 430.67 (1Q 2010)
Lithuania	retirement age (62 ½ men, 60 ½ women) plus 30 years of contributions payment	110% of the basic pension, 316 litas (92 €, 2007), average gross monthly wage 1 802.4 litas (2007)
Poland	retirement age (65 men, 60 women) plus years of coverage (25 men, 20 women)	706,28 PLN (170 €, 2010); this guarantee relates to both pillars (NDC+FDC), indexed as pension benefits, average gross monthly wage 3491,57 PLN (March 2010)
Romania	"social benefit for pensioners" granted to all pensioners with benefits lower than particular threshold	350 RON (about 82 €, 2010), 45% monthly average salary), indexed to inflation growth
Serbia	retirement age (by 2011 increase to 65 men, 60 women) plus 15 years of qualifying period (effective as of 2011); or 53 with 40/35 years respectively or at any age with 45 years of qualifying period.	11.088 RSD (107 €, 24.3% of average gross salary, 2008), indexed as other pensions (by inflation)
Slovak Republic	no minimum pension	n/a
Slovenia	state pension applicable to <u>residents</u> of Slovenia aged 65 or more who have	35% of minimum pension base (57.5% average net wage, 2008) i.e. some 20% of average net

	resided in Member State for 30 years when aged 15-65, means tested	wage

Notes: Values in € are as of July 2010 and serve to general comparison purpose only.
In Bulgaria there is also a social pension for old age; means tested for persons aged 70 or more whose annual income per family members is less than the national guaranteed minimum income in the previous 12 months. Its value is 100,86 BGN (50 €) and is decided ad-hoc twice a year by the Council of Ministers. In Estonia there is also minimum pension to those persons who are not entitled to the pension depending on the work contribution, if they have lived in Estonia for at least 5 years before applying for the pension. The amount of the national pension is 2008,8 kroons (130 €; PensioniKESKUS, 2010). In Hungary the increased old age allowance for elderly single persons over 75 is granted as 130% of the minimum pension if they income is lower than this value. In Lithuania there is the social assistance old age pension equal to 0,9 of the basic pension. In Serbia there is the Family Financial Support with value depending on household composition where the budget tops up the difference between the threshold and the family's income. In Slovak Republic the social assistance provides minimum subsistence level equal to 2/3 of minimum wage.
Source: Kawinski M., Owczarek J., Stanko D. (2010). Protection mechanisms in the pension systems of the CEE countries, ISSA International Policy and Research Conference on Social Security, "Emerging trends in times of instability: New challenges and opportunities for social security", Luxemburg 29 September-1 October 2010.