

DISCUSSION BETWEEN THE WORLD BANK AND THE
INTERNATIONAL LABOUR ORGANIZATION ABOUT
PENSION POLICY RECOMMENDATIONS CONCERNING THE
SUB-SAHARAN-AFRICA DURING 1990-2010

Institutional analysis in the framework of discursive
institutionalism

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This study concerns the discussion between the World Bank and the International Labour organisation about pension policy recommendations for the sub-Saharan-African area during 1990-2010. The study is an institutional analysis in the framework of discursive institutionalism that uses two theoretical frameworks discursive institutionalism and social development.

The research is done of the communicative discourse of the institutions and the actual subject of research is divided into four smaller research questions: who were the actors behind the recommendations; what were the ideas of the actors; what interests did the actors hold; which kind of discussion there was between the actors. The data consist of primary- and secondary documents. As the primary data is used the documents published by the institutions and as the secondary data interpretations made by other researchers of the actions of institutions. The research is actualised with the interpretative method and answers for the questions are found through underlying mechanisms that are actors, ideas, interests and discussion.

The presentation of the results consists in two parts. The first is presented the discourses of two institutions under research. The World Bank presented the discourse of privatisation and framed two concrete programs to actualise this discourse: the three-pillar-pension-system (1994) and the five-pillar-pension-system (2004). The ILO presented the public discourse and spoke for saving the public pension systems. However as also the ILO saw pension reform significant it framed two suggestions on how the system in concrete should be. These were the social safety net and the three tiers (2000) and the pension outcomes (2008). The second part of the results presents the occurring of underlying mechanisms in the discourses. In analysis of the results it is noticed that even though in some parts the underlying mechanisms are similar between the institutions, and they also have similar goals, in general the coherence between their policies does not exist. The institutions are not able to adapt the ideas of the other institution totally. This is seen also as harmful for the success of the dynamic process of social development.

ITÄ-SUOMEN YLIOPISTO, Yhteiskuntatieteiden ja kauppatieteiden tiedekunta
Yhteiskuntatieteiden laitos

FRILANDER, SONJA : Maailmanpankin ja Kansainvälisen työjärjestön välinen keskustelu Saharan eteläpuoliselle Afrikalle suositeltavasta eläkepolitiikasta. Institutionaalinen analyysi diskursiivisen institutionalismin viitekehyksessä.

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Tutkimus käsittelee Maailmanpankin ja Kansainvälisen työjärjestön välistä keskustelua koskien Saharan eteläpuolen Afrikalle suositeltua eläkepolitiikkaa vuosina 1990-2010. Kyseessä on instituutionaalinen analyysi diskursiivisen institutionalismin viitekehyksessä, jonka tarkoituksena on selvittää instituutioiden välisen keskustelusta vastavuoroisuutta. Viitekehys nojaa instituutioiden diskursseihin ja toimijoiden, ideoiden, intressien ja keskustelun vaikutukseen niiden toimimiseksi, tämän vuoksi varsinainen tutkimusongelma on jaettu neljään tutkimuskysymykseen: ketkä keskustelun toimijat olivat, mitä ideoita keskustelussa esitettiin, millaiset intressit toimijoilla nähtiin olevan ja millaista keskustelua käytiin toimijoiden välillä. Kysymyksiin vastataan tulkitsemalla instituutioiden välistä keskustelua kommunikatiivisen diskurssin osalta. Keskustelua tarkastellaan neljän eri suosituksen kautta, molempia instituutiota on valittu edustamaan kaksi kyseisenä ajanjaksona julkaistua suositusta. Tutkimus on laadullinen ja tulkinta perustuu dokumentteihin. Aineistona käytetään ensi- ja toissijaisia aineistoja. Ensisijainen aineisto koostuu instituutioiden julkaisuista, toissijainen aineisto koostuu näistä ohjelmista tehdyistä tulkinnoista.

Tutkimuksessa käytetään diskursiivisen institutionalismin, lisäksi toista viitekehystä, sosiaalisen kehityksen viitekehystä. Tuloksista ilmenee, että joltain osin instituutioiden välillä oli vastavuoroisuutta ja omiin ideoihin sisällytettiin osia toisen ideoista. Analysoidessa asiaa teorian perusteella huomataan ettei suuresta vuorovaikutuksesta instituutioiden välillä ei voida puhua, esimerkiksi yhtäkään ohjelmaa ei toiselta ei kokonaisuudessaan hyväksytty omaksi ohjelmaksi. Syynä tähän nähdään instituutioiden erilaiset diskurssit, instituutiot ovat erilaisia toimijoina, heillä on erilaisia ideoita, erilaiset intressit eikä keskustelu ole kokonaisuudessaan vuorovaikutteista. Instituutioiden välillä ei esiinny tarvittavaa vuorovaikutusta, siten että instituutiot olisivat kykeneväisiä muodostamaan yhtenäisen globaalien eläkepolitiikan. Tällä nähdään olevan vaikutus myös kansainvälisessä mittakaavassa: kansainvälisen yhteisön tavoitteeksi ottama kestävä kehityksen prosessi ei onnistu elleivät kansainväliset toimijat muodosta yhtenäistä poliittista linjaa. Maailmanpankin ja Kansainvälisen työjärjestön yhtenäinen linja eläkepolitiikassa olisi tärkeä, sillä kyseessä on kaksi globaalien eläkepolitiikan vaikutusvaltaisinta instituutiota.

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1 INTRODUCTION

Sustainable development has been on the agenda of the international community since the end of 1980s (see UN 2012, 6). One of the first times it was introduced was in the report of Brundtland published in 1987. According to this report sustainable development can be defined as a development where human beings can fulfil their needs without erasing the same possibility from the future generations (UN 1987, see also UN 2012, 6.) At the beginning of the 2010s, the – definition was still the same however – the international community saw sustainable development as a dynamic process of adaptation, learning and acting, rather than goal or a state to achieve. The most essential aspect in this process is noticing of interconnection between the different aspect of development: the interconnections between the economy, society and natural environment(UN 2012, 6,)

In 2012 the international community stated that the process of sustainable development had not actually even started, despite the fact that various actors had adapted the sustainable globe as a goal (see UN 2012, 13). To achieve sustainable development sustainable choices are needed. Many actors were seen willing to choose sustainable. However, this choice seemed impossible for many. Sustainable choices require circumstances in which these choices are possible. Still in 2012 the circumstances did not fill this requirement. Institutions, corporations, states, communities or individuals, everybody who are making choices did not feel secure enough and had no encourage to choose sustainable. The feeling of security can be provided by empowering people, which means the securing of human rights, basic needs, human security and resilience. These aspects need to be assured firstly only the sustainable choices are possible. In other words: people need to be empowered. As the process of empowerment is part of the process of the sustainable development sustainable development can enlarge to wide extend only when people are empowered. The best progress in both of the processes is achieved when international actors have common understanding about the process and its importance. Significant is also that the international actors take similar goals and are achieving them with similar ways (UN 2012.)

As one example in empowering people, – in assuring human rights, basic needs, human security and human resilience – from the perspective of the international actors, is the interest to build a comprehensive social support system (UN 2012). The comprehensive social support system includes also support during old age, a pension system.

1.1 About the research and structure of the study

Pension systems are in the scope of this study. To be precise the purpose of this study is to analyse the discussion between two global institutions, the World Bank and the International Labour Organisation, about pension policy recommendations for the sub-Saharan-Africa during the 1990-2010. During this time, there occurred a change in the global pension policies.

The pensions are always a current topic to discuss of – there are always be elderly people dependable of support from others. The discussion, however, about pensions at global level was extremely animated between 1990 and 2010 as a will raised for reforming the previous kind of pension system. This study will look at this discussion from the perspective of the sub-Saharan-African as in this area the pension reform seemed the most needed – at least so it seemed at the beginning of the 2010s.

As one reason for the pension reform was the demographic change the World was facing. The effects of the demographic change would affect the most to the developing countries as the number of the elderly people was predicted increase the most in the developing parts of the World (UN 2010a, 4). The sub-Saharan-Africa made no exception the number of people aged 60 or above was seen to increase from 47.9 million to 206.8 million by 2050 (UN 2008c, 24; see also UN 2010a, 4.)

Traditional-pension-systems, which have had a significant role in old age support in the sub-Saharan-Africa, had been weakening at least since the 1990s because of the effects caused by urbanisation, migration or HIV/AIDS-epidemic. Young people have moved to the cities or abroad left elderly behind taking care of themselves.

Traditionally younger generation had been taking care of the older (UN 2010a, 6,7,13.) More than half of people living with HIV/AIDS lived in the sub-Saharan-Africa at the beginning of 2010s: in 2010 there were 40 million people living with HIV/AIDS of which 26 million people had homes in the sub Saharan Africa (UN 2008c, 24; UN 2010a, 7). On elderly people the possible death of the young people effected on two ways they could be left behind without support and/or they could end up as primary caregivers of their orphaned grandchildren (UN 2010a, 7.)

Absorbing in the research of the sub-Saharan-Africa is also the challenge the formal pensions face there. At the end of 1990s the most of the population of area were working in the informal sector. In this sector were working, according to the estimation of the ILO, 72 percent of population (see ILO 2002, 7; also ILO 2006, 28). Especially a great number of women worked in the informal sector (UN 2010a, 6). The great number of people working informally indicates the lack of coverage in the pension systems. Nevertheless, the pension reform discussed during the 1990s and the 2000s indeed concentrated on the reforming or implementing a totally new formal, institutional, pension system.

When speaking of the global pension policy, there have been two influential institutions working for it during times. These institutions are the World Bank (*later WB*) and the International Labour Organisation (*later ILO*) (Orenstein 2008, 207-227.) As these institutions indeed have been the most significant in the global pension policies. That is why the study of their policies seemed natural when wanted to know more about global pensions. These institutions present the international or even global community. Both of the institutions were founded by international community. As well, this community have the confidence of their actions. As told the similar policies as well as similar comprehension between the international actors were needed in order to be on the right track in the process of sustainable development. So even though can be claimed that both of the institutions under observation were signed for the sustainable development, the process could not be successful if no coherence between the policies of the institutions existed. As both of the institutions have given suggestions about pension policies during the 1990-2010 it is significant to find out whether their suggestions were similar.

This study is an institutional analysis effectuated in the framework of the discursive

institutionalism (*later DI*). In the DI, institutional actions are seen to take place in the process of discourse. The process of discourse is divided in two parts: coordinative- and communicative- discourse (see Schmidt & Radaelli 2004; Schmidt 2006; Schmidt 2008; Schmidt 2009; Schmidt 2011a; Schmidt 2011b). This study analyses the communicative discourses of the institutions. The DI sees the institutions as social constructions and emphasises of underlying mechanisms within them. Without understanding the underlying mechanisms the institutional actions cannot be understood completely (see *ibid*). That is why in this study as well the research concerns these mechanisms: the underlying mechanisms chosen to observe of the communicative discourse are actors, ideas, interests and discussion.

Because of the importance of the underlying mechanisms, the main research question (the discussion between the WB and the ILO about pension recommendations between 1990-2010) is divided into the following questions:

1. Who were the actors behind the recommendations ?
2. What were the ideas of the actors ?
3. What interests did the actors hold?
4. Which kind of discussion there was between the actors?

The study is documentary-based including primary and secondary data and as a research method is used the interpretative method. The discourses of the institutions will be contemplated through the four pension recommendations given by the previously mentioned institutions during the time frame. Two recommendations of both institutions are analysed. The WB recommended two pension programs during the time framed, while the ILO designed the guidelines about a pension system in the year 2000 and the pension system outcomes in 2008 (see ILO 2000; ILO 2008; WB 1994; WB 2005).

The study composes in three parts: theory, methods and results. After this introductory part the theory related to the study is presented. The theory part is headlined *New institutionalism and pension policies as a part of social development* (chapter number two). That part will be followed by the presentation of *Research*

questions, methods and data (chapter number three). After that there is a part called *Struggle for pensions* (chapter number four) which will present the results of the study. The study will be finished with the *5. Conclusion*. However before moving to the actual study background information related to the theme of the study is presented.

Before moving in to the background information part, it is significant to notice that this study includes various objects. In conjunction with the actual research subject, the study aims better understanding about the global pension policies, as well as for better understanding about the discussion between international institutions in general. For comprehensive understanding about discussion between the international institutions the first their discourses should completely be understood. Also this is referred to an object of this study. Also the study aims to gain more information about the coherence of the ideas and policies about two institutions under research. As told, at the beginning of the introduction, in order to get to the track of the process of sustainable development coherent actions are needed in the international level. Similar pension policies – in all stages – of two internationally influential actors, the WB and the ILO, would be a huge step towards in the process of sustainable development.

1.2 Background information

The purpose of this part is to provide background information about the global pension policies. The information is essential for institutional analysis and without it the institutional discourses cannot be understood. As soon will be noticed in global sense there have been two meaningful actors in pension policies which are the ILO and the WB. They as actors are presented firstly. Then it is described briefly the global pension policy discussion from the 1940s until the beginning of the 1990s. At the beginning of the 1990s the global institutions started to yield for a pension reform – reasons behind this will are presented next. The reasons, though, do not tell enough of the actions taken, that is why after the reasons are presented the ideologies of the institutions. The ideologies are determining factors for the reform suggestions given by the ILO and the WB during the 1990-2010. Roughly said two kinds of actions were suggested: reform to the private system or continue with the

public systems. The arguments for and against both of these systems types are presented in the end of this part.

1.2.1 The International Labour Organization as actor

The ILO is global institution established in 1919 as a part of Versailles treaty, the same treaty ended the First World War. The ILO became the first specialised agency of the United Nations in 1946. Since the beginning, its belief has been that the universal and lasting peace can be accomplished only if it is based on the social justice. People would not end up at wars with each other when they felt secure and equal to each other (see ILO 2009.) In practice the ILO has been fighting for labour rights. Especially effective it has been in framing the international labour standards (see ILO 2012). In 2011, the ILO had 183 member countries (ILO 2011b). Because of various members, the ILO can be referred to internationally powerful institution.

After the Second World War, the ILO was put in charge about framing the global social policy. The ideas of the ILO about the social policy based on its Constitution from 1919 and the Declaration of Philadelphia adopted in 1944 (see ILO1919; ILO 1944; also ILO 1946, 17-34). These two documents spoke for the effective social support and in fact since then the ILO has championed for the progressive social support systems. However, the ILO never had the governing power in the economy of the World, that is why it has had to rely on moral suasion and moral arguments (O'Brien 2009, 167-182). The ILO saw the question of social security as significant still at the end of the 2000s. In its opinion, the social security has not been provided yet for all: in 2008 the ILO estimated that the 80 per cent of the global population lived in the conditions of social insecurity (ILO 2008, 3).The ILO considered that by providing the social support poverty can be ended. Ending poverty was one of its general aims. The poverty should be alleviated because non poor life is the human right of everyone (see Munro 2007.)

1.2.2 The World Bank as actor

The WB is global institution established in 1944. It is one of the four institutions decided to establish after Bretton Woods conference. The founding of these institutions was persuaded by the US and the UK. Purpose of these Bretton Woods institutions was to stabilise the World economy – it was thought they could prevent the economic crises (see e.g. Voipio2011, 90-92.)

The WB is an international financing institution. Because of the financial abilities, it has always had rule-creating and rule-supervisory functions. This indicates that it has had coercive power in the global policies (O'Brien 2009.) When speak of the WB, it is significant to notice it is committed to promote foreign investment, international trade and facilitate capital investment in all its actions (see e.g. Deacon 2007, 24-44; WB 1989).

The actions of the WB for social support can be observed by observing its development policies. Roughly said the WB have practiced two kinds of development policy. From the time, the WB was established until the 1980s it concentrated on financing (=lending money) specific short-term projects in developing countries, then during the 1980s it practices were changed and the WB started to follow so called structural adjustment policy. As structural adjustment policy concentrated on making changes in the political system of a country its impact has been seen more long-lasting and stable than development policy the WB practiced before the 1980.(see e.g. Deacon 2007, 24-44; WB 1989). With its development policy, the WB has been aiming at poverty reductio. At least this was the case at the beginning of 2012s.

1.2.3 Interaction in global pension policy during times

Global pension policy recommendations are not a new thing, the recommendations have been given since the end of the First World War (ILO 2009, 23). More effectively the global institutions grasped the task, though, after the Second World War. Purpose of these recommendations is to create similar pension policies everywhere

(Orenstein 2008, 211.) Similarity in the pension policies, however, do not necessarily mean that the actual pension systems should be similar everywhere – similarity can be seen also as similar fundamental principles in the systems.

Already told that of the global institutions two have had the most influence in framing the global pensions policies during the times: the ILO and the WB. Time of the ILO was the first as it was put in charge of developing a post-war social policy order – this included pension policy as well. The key role of the ILO in framing global pension policies continued until the 1980s. Principles, the ILO followed during this time, were written in its Constitution and to the Declaration of Philadelphia (see ILO 1919; ILO 1944). According to these documents, the ILO started to recommend state-administered pensions, which included PAYG- pension insurance (pension based previous earnings) (Orenstein 2008, 211; see also ILO 1944). The advising process of the ILO was effective including, for example, high profile regional conferences which concentrated on spreading the new vision of social policy. The recommendations of the ILO were widely accepted and systems implemented in various countries – in Europe, North America and Latin America. Even though national pensions systems of different kind would already have been established before the Second World War, now the changes were according to the recommendations of the ILO (Orenstein 2008, 211.)

In the 1980s, the situation was changed as the WB became stronger in global pension policy and in the end took a leading role (see Orenstein 2008). The agenda of the WB was the reform pension systems. As a replacement of the state-administered systems recommended by the ILO, the WB started to recommend the private-administered pension systems (see WB 1994). Between the 1990-2010 various countries changed or built their pension systems according to the recommendations of the WB.

The reform of the WB became powerful for various reasons – mostly though the reasons were related to the economic crisis of the 1980s. This crisis led for example to the reconsiderations of the practiced policies (practices were changed) and to the Washington consensus (the unofficial deal made by the Washington office-based institutions) (see Held 2009 326-332; O'Brien 2009, 172-182.)

In the analysis of interaction in the pension policies between the ILO and the WB, have to remember three aspects: these institutions have been founded by the global community and their actions have been legitimised by the same community, the global transformation have impact on the actions of institutions and as actor the institutions are different kind. These three reasons are not separate from each other – actually, as we will soon see, they are closely related.

Global community placed the ILO as responsible for organising the pension policy after the Second World War. The ILO accomplished this task successfully. After the Second World War, the WB was also founded by the global community and placed in charge about the stable economy of the World. Also the WB accomplished this task effectively. At this point it was not considered that the social support and the economic development would be significantly related to each other. Also even though in some parts the actions of the ILO and the WB were overlapping, they followed practises of a different kind. The ILO aimed for structural changes in the political systems of countries while the WB concentrated on more short-term development projects. So there were no serious fights at the playground.

As told during the 1980s the WB took the leading role in the global pension policies. The global transformations were the reason for this change. Firstly, the World had faced the economic crisis which forced the WB to reconsider and to change the policies it practised. The WB saw that with the policies it practised the economy of the World would not stay stable that is why it started to follow the idea of structural adjustment policies. The idea in structure adjustment policies was to perform permanent changes in the structural level of countries. These practices were in many ways similar to the practices of the ILO. This indicated that two institutions were playing at the same field now.

The economic crisis was not only reason why the WB change it practices. It can be claimed though that the economic crisis led to the Washington Consensus and through that to start the practice of neoclassical functionalism and to follow the ideology of neoliberalism in the global policies. The Washington Consensus can be defined as agreement made by the institutions office-based in the Washington D.C. In concrete, the Washington consensus is defined as the agreement of economic agenda which focused, among other things, on the free-trade, the liberalisation of

capital market , the flexible exchange rates, the market determined interests rates, the deregulation of markets, the transfers of assets from the public to the private sector, the tight focus of public expenditure on well-directed social aims, balanced budgets, tax reform, the securing of the property rights and the protection of intellectual property rights (see Held 2009, 326.) The ideas mentioned previously mentioned are considered as the ideas defining of the ideology of neoliberalism. In large-scale this led the World to follow the idea of neoclassical functionalism in its actions, of which as one example can be referred to the structural adjustment programs proceed by the WB. From the perspective of the pension systems this indicated to the opinion that state-administered pensions were nonprofitable as they could not provide the economic growth. Actually, the state-administered pension system was seen as a burden to the economy (e.g. Beattie & McGillivray 1995).

As other global transformation which inflected to the change of the leading role in pension policy framing, was the demographic crisis the World was seen to face. Because of the demographic crisis, the total number of elderly people was increasing among the total of the citizens. This directed to consider that the state-administered, PAYG-pensions, of the ILO were no longer sustainable. These kind of pensions would burden too much the economic situation of the working age people and would harm the economy of country in total. That is why the WB argued that the providing of pensions was no longer possible with state-administered systems.

Both of the reasons mentioned above, the economic crisis and the demographic crisis can be claimed as the economic reasons which inflected to the change of leader in global pension policies. As the WB could assure the global actors of economic worries – mainly it had about the suitability of style of the ILO – it could easily take a lead. Easily, because as told the WB have always had a governing role in the World economy which means it has the power create and set the rules for social support systems if it wants. The rules its sets are also for other to follow. While the ILO has never had this kind of power and it has to rely on moral suasion and moral arguments (O'Brien 2009, 172-182.)

Even though the WB took the role of the leader in the global pension policy discussion, the ILO still took a part to the discussion. The ILO agreed to the opinion of the WB about the need for a pension reform, however the ILO had different pension

reform suggestions compared with one's, WB had. As the WB was leading discussion the ILO was not taken that seriously and its' efforts were not often referred to in the global discussion about pension policies.

Table 1. Reasons for the supremacy of the WB compared with the ILO in global pension policies during 1990-2010

The World Bank	The International Labour Organisation
<ul style="list-style-type: none"> • Washington consensus • The economic crisis of 1980s' • One of the economic governors of the World • Rule-creator and rule-supervisor – coercive power • Arguments based in the financing, economy • Changing the functions to the structure adjustment policies • Simply and clear systems • Broad marketing, aggressive and succesful • Lagre public relation sector and big budget for this purpose • Wide programs for implementing around the world • Participation for national pension-debates by advocating • Participating in implementing • Making known own participation to the pension reforms 	<ul style="list-style-type: none"> • No power in the World economy • Arguments based on moral • Weak and slow response for the ideas of the ILO • Criticising the WB, not making own recommendations • In-depth research and in-depth rethoughts about pension-system, but taking too much time for own system • Small public relation sector and small budget for this purpose • Silent participation for the pension reforms

(see e.g. O'Brian 2009)

1.2.4 Reasons for the will to reform pensions

In the previous chapters it has been noticed that at the beginning of the 1990s raised an international will for reform of the pension system. Both of global institution – the ILO and the WB – concerning of pensions saw the reform significant. Both of the institutions based their arguments of the significance of the reform for two reasons: the demographic change – and especially when speaking of developing countries to the weakening role of the traditional pension systems. Even though both institutions argue with the same reasons they saw the impact of the reasons differently.

The demographic change was defined to the rapid growth of the proportion of elderly people in general population. Two reasons led to this: the rise life expectancy and the declining rate of fertility (see e.g. Orenstein 2008, 209; The WB 1994, xiii; also Cesaratto 2006, 259; Consialdi 2006, 302-315.) The WB (1994) claimed that due to the demographic change state-administered pensions were no longer suitable for, this kind of pension system would burden too much the state and citizens (Eladio & Cararso 2006, 335; Orenstein 2008; WB 1994). While the ILO stated that because of the demographic change reconsiderations in pension policies were needed – but the change did not indicate that the state-administered pensions could not survive. In the end the organisation of pension system depends upon will (e.g. Beattie & McGillivray 1995.)The question is how the system is wanted to organise.

In traditional-pension-systems the support during old age is given by extended family. These kind of pension systems have always had a significant role for old-aged person survival – in the 2000s these systems still had a role in places where no formal systems existed – in many developing countries for example. However the role of the traditional-pension-systems seemend to be weakening. Various reasons such as migration, HIV/AIDS-epidemic and lack of young people were behind the weakening of the traditional-pension-system (see UN 2010a.)

1.2.5 Ideological considerations in reforming pensions

Previously, we have noticed that the reason the ILO and the WB presented in order to reform the pension system were similar. However, the institutions saw the reasons from different angles. The ideas that raised of these reasons were not similar. It can be said that behind the reasonings of the institutions were ideologies of a different kind. Ideologies of a different kind reflected about the solutions presented by institutions.

Behind the will of the WB for the reform inflected the general spirit of neoliberalism and pursuit of the economic growth. These led to the opinion that state-administered pension system prevents the economic growth. While behind the will of the ILO inflected the contemplations of normative basis of a pension and emphasis of the historical background of the pension systems.

Neoliberalism is an ideology which sets the economic growth and development at the first place. In the context of the global pension policy it can be defined as a will to privatise pension systems as after privatising, the pension systems would provide more economic growth than public – state organised – ones (Cesaratto 2006; Eladio & Cararso 2006; Orenstein 2008.) The WB argued state-administered, public pensions, during the 1970s and the 1980s have been harmful for the economic development: these kind of systems were lowering saving rates, were slowing accumulation down – and making contributions, keep the system balanced, expensive to the capitalized World system (Eladio & Cararso 2006, 335). In other words, it was considered the state-administered system was not bringing enough flow in the market. One way to get more flow in to the markets would be the change to private systems (preferably fully funded) as in these systems the pension is contributed to the insurance by individuals. It was seen that with system of this kind more profit would be achieved. The economic development was to achieved with private system because of other reasons as well, for example, private system would encourage labour force to participate with enthusiasm as there would be a close connection between the work and social security contribution benefits (Cesaratto 2006, 297.)

The ILO (2000, 395) counted for the contemplations of the normative basis of the pension system which included for example the question: why does pension system exist? According to the ILO (ibid.) the normative basis of the pension system needs to be build strong otherwise there is not a precise idea about the purpose of a system, or about the structure and about the assignment criteria of successfulness of a system. To build the normative basis concentrations of the moral, social and economic objectives of the system were needed. According to ILO (ibid.) helpful in building of a normative basis were the following questions: who should receive a pension? How much should one receive a pension? Who should contribute? What amount should one contribute? How should the schemes be managed? Whether the management should be public or private? At what age should the pensions begin? Whether the contingencies, other than the old age, should be taken into account? Whether the schemes should be universal and compulsory, or voluntary and selective? How should the systems respond to changing circumstances? (ILO 2000, 395-408.) The point of the ILO in suggesting to think about a normative basis of the pensions system can be argued to be to appeal to moral of pension planners; make them think: is it right if everybody do not receive a pension? Perhaps, the contemplating the normative basis of a pension system indicates that the ILO wanted to proceed with its idea of building a universal pension system.

Behind the ideas of the ILO is also the historical perspective of the pension policies. Firstly this means that according to the ILO all the efforts made in history for the pension systems should not be forgotten (e.g. ILO 2009, 23-25). These efforts are the efforts made after the Second World War for the pension policies. After the Second World War, the pension policy was build, according to ILOs' recommendations. Mainly, these systems were state-administered and ran as PAYG-type. In this sense, the idea about the historical perspective means that work of the ILO should not be forgotten . Also an idea of the historical perspective means the ILO grounded its recommendations about the pension policies to its own constitution and to the Declaration of Philadelphia (see ILO 2000 xxi; also ILO 1919; ILO 1944; Yeates & Holden 2009, 251). In the constitution was declared that universal and lasting peace can be established only if it is based upon social justice (ILO 1919; also ILO 2000, xxi). These fundamental principles of the policies of ILO were strengthened in the Declaration of Philadelphia of 1944 where it was also written that: "poverty anywhere constitutes danger to prosperity everywhere" (ILO 2000, xxi; Yeates & Holden 2009, 251). Grounding the pension policies to the constitution and to the

Declaration of Philadelphia can be referred to as normative ideas as well.

1.2.6 General debate during 1990-2010: private- or public-administration?

The ILO and the WB had similar reasons why they saw the pension reform significant however they had different kinds of ideologies behind their thought of solutions. That is why, during the 1990-2010 they argued for the different pension systems. Roughly can be said the fight was between private and public pension systems. The WB was for private one and the ILO was for the public one. Here are presented some arguments for and against both of the systems. Not only the arguments of the WB and the ILO will be presented, the point is to present in the broader picture of the debate during 1990-2010.

The privilege of the public pension system is that through it the old age support could be provided fairly for everybody. This includes also those who have had no opportunity to make savings or contribute during their working life. Public-pension-systems are based on the refunds within the state and are an integral part of the comprehensive social support system (see Hall & Midgley 2004, 8). As public pension systems are state-administered a risk they hold is shared collectively. Sharing the risk collectively means that individuals do not have to take that much responsibility. Also because the state holds the responsibility, citizens do not have to worry about their pension. Individuals should not be placed as responsible for their future because of two reasons: firstly they may act irresponsible, for example: they do not bother to make any savings for the old age and secondly they do not have all the information about a future needed in order to collect the pension by themselves. Having no information indicates – for example – that they can never know age they are going to reach or how much they should save to cover the expenses during the old age – either they do not know what will happen to the value of the money. For the public pension system also spoke the following argument: the pension coverage is most probably higher and the average retirement age is slower in public than in private system (see e.g. Mesa-Lago 2006.)

The most common argument against a public pension system was that because of the

changed World situation the system was no more suitable. The public pension systems were established during the time period when they were possible to sustain however at the end of the 1980s the situation was changed. By the changed situation it was indicated to the demographic change the World seemed to be facing (Concialdi 2006, 301-304; Eladio & Cadarso 2006, 335-357.) Why it was considered that in this situation public pensions not were suitable? Because the public pensions were based on the refunds which simplifying means that those who are working will pay the pensions of the current elderly. In this sense it is considered the public pension system will burden the employees too much when the number of pensioned people is increasing dramatically among the general population. The public pensions were seen too expensive and it was considered that the expenditures can be reduced by privatising the systems and funding the systems partly or fully by individuals (Concialdi 2006, 304.) As well public systems were not seen profitable from the perspective of economic development.

The changed World situation was also the main reason for privatising the pension system. In here as well it was argued that because of the demographic change the public pension systems were no longer possible to sustain. This reason also reflected in the demographic change because of the demographic change the World was seen to face the public pension systems were no longer considered suitable and that is why these systems should be replaced with the private ones (Concialdi 2006). It was considered that public systems are too expensive as they burden the people still participating in working life. This burden could be relieved by changing the systems for the partly or fully funded private systems which are seen immune to the demographic changes (Concialdi 2006, 304; Febrero & Cararso 2006.) Changing the pension system the expenditures of pensions can be reduced. This would make pensions policy more sustainable to the circumstances of the World. It was as well considered that when pensions are organized privately there will be more funding for the market system while the public pensions prevent the flow in the market (see Concialdi 2006, 304.) It was considered that the private system – especially fully funded systems – would raise national savings and so lead to the faster rate of accumulation and a larger per capita income, as well as to dynamically efficient economies. Also the private systems (funded) offer a higher rate of return on savings than public ones (/PAYG) as in the public systems the contributions rise at the rate of growth of output (see Eladio & Cararso 2006, 335.)

As an argument against the private system can be stated that the demographic change is not a real reason to change to a private pension system. Demographic changes, the longevity life and the fall of birthrate, will not make the public pension systems impossible handle. Firstly, the will for privatising is more political than monetary issues, in fact, when there is a will for public pensions there is a way to provide them. Also the demographic change is not the real burden to the working people. Actually staring the demographic changes will not tell that much about the costs of public pensions. When indicated the future of pensions, have to be looked not only a demographic factor (or number of elderly people) or economic factors, but as well the socio-economic factors. Socio-economic factors have the major impact on financing social security, so pensions as well. Sosio-economic factors, in here, can be for example the age when entering the labour market or the age of retirement (Consialdi 2006, 308.) People enter the labour market later and retire earlier (Consialdi 2006, 308). However there are no proves this structural change would burden that much the people who are working. In this sense, the public pension schemes still seem possible in the future. The demography is, in fact, as Consialdi (2006, 312,313) argued, just an alibi for moving towards pension privatisation. As well the global institutions do not want to privatise only pension systems. The sphere of privatisation is broader (Consialdi 2006, 313.) It is told that the private (funded fully or partially) systems will provide economic growth and have a higher rate of return than public systems, however the empirical research has shown that the cost of pension fund schemes can actually be substantially higher than those of public schemes (Consialdi 2006, 311). These costs include administrative, marketing and selling costs and are often very high. (Consialdi 2006, 311) For low-wage workers, the private systems were seen especially harmful; if the pensions are organized fully (especially when fully) or partly privately in the worst situation would be low-wage workers. The low-wage-workers can only save small amount to the formal pension funds or not at all if they are working in the black market. (Cessaretto 2006, 297). The diversion of PAYG contributions to the pension funds increases the public debt if the government wishes to honour the payments of current pensions, so that the higher mandatory saving is exactly offset by negative government saving, leaving national saving unaffected. Funded schemes will not raise national savings in reality, even though it is used as an argument for the private pensions (see e.g. WB 2001)

As seen the arguments for and against the public and private pension systems have been presented. The arguments though do not lead to the rational choice about the

best system. The arguments for and against the public and private pension systems do not fundamentally tell which one is the best or the most suitable one for the circumstances of implementing area. In fact implementing depends on the political will. Roughly can be argued both of the systems are possible to implement if there just is a will for the system (see: Consialdi 2006, 304.)

It can be claimed that from the beginning of the 1990s it was chosen to privatise pension systems. The choice was justified with the notice of the demographic change and unsustainable of the social support types of pensions in this situation.

2 DISCURSIVE INSTITUTIONALISM AND PENSION POLICIES AS A PART OF SOCIAL DEVELOPMENT

This chapter presents the theory related to the research question. The theory is mostly based on the academic researcher – however some institutional views are explicated in order to get an overall picture of situation. The chapter is divided in two parts: the first part, 2.1, is called *Discursive institutionalism* while the second part, 2.2, is named as *Social development and international institutions*.

The aim of the part 2.1 *Discursive institutionalism* is on presenting the theory of discursive institutionalism (*later DI*) which is one of the sub-fields of new institutionalism. The part explains the theory of institutionalism only from the perspective of a political process. The first paragraphs of this part will define an institution and consider the purpose of the institutions in the World. After, it is explained the function of the institutional process.. As institutions are considered as social constructions, they are changing at the same time with the change of institutional opinions, this makes institutions complex entities and difficult to research. Institutional processes are taking place in the process of discourse, there are two types of discourse within institutional activities: coordinative- and communicative discourse. Both of the discourses will be explained and followed by the presentation of underlying mechanisms of within the institutions. The underlying mechanisms are actors, ideas, interests and discussion and it is seen that the institutional processes take place in the end because of these mechanisms (e.g. Campbell 1998; Campbell 2004; Schmidt 2008). In the end, as the study concerns of the global institutions, is said something of the importance of institutions in a global context. The chapter will be completed with a brief conclusion about it findings.

The purpose of other theory part, 2.2 *Social development and institutions*, is to explicate an idea of social development and what is the role of the global institutions in that. The aim of the part is to explain the connection as well as possible. To accomplish this aim, the part does not consist only of the academic research. It presents the other views for example institutional ones as well. Part could be described as a collection of the views about social development.

Part 2.2 can be divided into three sub-parts according to the perspective is taken. The first part considers social development from the perspective of the international institutions, the second part concentrates on the theoretical perspectives, theoretical ideas behind (such as freedom and poverty) the concept of social development and the third part takes the social development on a concrete level by asking how the social development can be improved in reality (by the institutions). The first sub-part – the one concerning of the institutional views – will define the concept of social development from the perspective of the international institutions.

The second sub-part contemplates the theoretical views behind the concept of social development. Firstly it concentrates on the concept of poverty and then on the concept of freedom. These two concepts were chosen because alleviating the poverty was through the 2000s one of the most important goals in the development work made by the international institutions (see Yeates & Holden 2009, 267-268; UN 2000c; UN 2000d). Poverty alleviation is also seen significant in the empowerment of a person. Through the empowerment the concept of poverty is connected to the concept of freedom (see Sen 1999). That is why the concept of freedom is explained as well.

After the institutional and theoretical views and ideas about the social development will be moved on the third part – to the concrete ideas of how to improve the social development in the country. In here, the social support system is seen as a tool for extending the social development – that is why it is concentrated on present the social support systems and its connection with the social protection. For better understanding about the ideologies lying behind the different social support systems will be presented the different discourses (risks-based, needs-based and rights-based) in social protection (Munro 2007). Then will be moved on to the presentation of the pension systems, which will begin with the presentation of the pension system as a part of a comprehensive social support system. Then will be described ideas of the different pension system designs which have occurred in the discussion about global pension policies. At the end of the chapter it is noted that in the organisation of the pension system also other aspects – not only design – need to be considered.

2.1 Discursive institutionalism

Institutions are in all areas of social existence. Institutions exist in different types and for different purposes. Some institutions exist in order to keep up the world order or to take care of the state structures (for example: government) or to support the aims of international society (for example: multilateral institutions). While others are smaller ensembles which purpose is to keep up the culture of society: there are – for example – different institutions for kinship, religion, polity, law, economy, education, medicine, media and art (Abrutyn 2009.) The role of some institutions is explicit while a role of others is not obvious; also some of the institutions are consciously founded and others have formed due to an unconscious process. Despite the differences, the core of institution is always similar, the institutions exist because of an interaction of the people; institutions are founded, maintained and changed because of an interaction between people. In other words, institutions are social constructions which role is to take care of the World order (see e.g. Abrutyn 2009; Campbell 2004, 1-9; Blyth 2002, 3-45; Schmidt 2008.)

Institutions provide guidance in the World of complexity. The complexity refers to a state of insecurity which arises from the fact that no one has all the information in the World. This leads to inability to predict what follows from actions taken so an individual do not know the right ways for actions. The institutions are helpful: they provide sureness by offering the rules and codes of conduct which a person can count on. In this way, institutions provide sureness for individual – without this sureness institution provides the World indeed seem chaotic. (Campbell 2004; also: North 1991.) As institutions provide sureness about the things, they have been referred to the basic building blocks of communities and societies. Wider institutions can be understood as basic building blocks of global community or society (Abrutyn 2009; Campbell 2004, 1; North 1991, 5.)

In political life, institutions provide a passage for political processes. Some institutions exist only in order to provide this passage. Parliaments, governments and multilateral institutions are, for example, institutions of this kind. Even though these institutions most probably are influential in various areas of society their main purpose is to impact on the political processes within the World. However as politics

is about opinions, the political life is never stable and permanent. There is not existing a fact that would make the politics stable and permanent. This indicates that either the institutions who are providing passage for the political processes are not stable and permanent. Previously it was explained that an institution is socially constructed and sustained in the interaction of people. This leads to fact that when the factual content is reformed the whole construction of the institution is reformed too.

2.1.1 Understanding institutional processes

Institutional processes simply do not consist on factual content but also include the social dimension, as the institutions are socially constructed and only exist in the interaction of people (see Blyth 2002; 3-45; Campbell 2004; Schmidt 2008). This indicates that institutions are always in the process of change and that these, institutional, processes, are challenging to track down (see Campbell 2004 1-123; Schmidt 2008). To track down an institutional process, it is not enough to find out how the political process is carried through, also the research of social factors is needed. The social factors consist of aspects related to the behaviour of people within the institutional framework. In order to understand the behaviour of people, need to be defined who these people are; who are the actors of the institution, it needs to be considered the ideas of the actors , as well as their interests, and find out about the interaction between the actors with their ideas and interests. About the interaction it can be known more by observing of the discussion between them. These aspects actors, ideas, interests and discussion, are the underlying mechanisms of institutional processes (e.g. Campbell 2004, 90-123; Schmidt 2008)

However for the complete understanding about institutional process defining of the underlying mechanisms, mentioned in the latter paragraph, is not enough. The mechanisms need to be placed in context as well. The underlying mechanisms are neither explicit nor separate from each other which indicates that the pointing out actors, ideas, interests and discussion separately do not tell much about the institutional process – also need to be understood interaction between the mechanisms, and in order to understand totally institutional processes need to be understood the context process takes place (see e.g. Tilly & Goodin 2006, 5-17.)

Important in understanding the context is to get to know to the discourses within institutions as the discourses are significant in institutional processes. In fact can be said that the discourses provide a passage for institutional processes within institutions: the processes are happening through discourses.(see Schmidt 2006; Schmidt 2008; Schmidt 2009; Schmidt 2011a; Schmidt 2011b)

The analysis of institutional processes in which the discourse is seen as a fact that provides a possibility for the institutional processes is called discursive institutionalism (*later DI*) (see Schmidt 2006; Schmidt 2008; Schmidt 2009; Schmidt 2011a; Schmidt 2011b). DI is the newest one of the sub-fields of the new institutionalism – at least at the end of the decade of 2000 (Schmidt 2008, 303). The path of new institutionalism in the institutional analyses had been followed since the mid-1980s (e.g. Schmidt 2008, 313.) New institutionalism differed from the so called old institutionalism because of the emphasis the new institutionalism gives to the social factors. In old institutionalism, it was taken opposite perspective. The effect of the social factors on the consistence of institution or to institutional processes was not noticed. The behaviour of the people did not seem to have any effect – people were within institutions just to fulfill the tasks given them outside, to accomplish the factual context based task of institution set in when established(See Campbell 2004, also Schmidt 2008.) This means the role of the underlying mechanisms to the institution or its factual context related task did not see to matter.

Within the framework of new institutionalism along with the DI there are as well other ways to analyse the institutional processes. The other ways or the methods of analysing institutional processes do not count on the discourse as a context where the institutional processes are carried through. The institution existed according to them the institutional processes occur because the context of other kind, for example because of history, culture or rational-logic -based reasons (see Schmidt 2008; Schmidt 2011a, 49-51, also Campbell 1998, 377-383; Campbell 2004, 2-30.)

The major difference between the latter mentioned ways for the institutional analyses and the DI analysis is that the DI regards the institutional processes including institutional change more flexible than the other types of institutional analyses. In fact the DI is only one which considers that the structural changes within institution are possible also after the end of the founding process of institution. In the other types of institutionalism the institutional processes are seen to follow the

rules set during the foundation process (Schmidt 2008, 314; Schmidt 2011a, 51-55.) In the historical institutionalism, for example, is seen that same rules are followed as it depends on history-based logic (institutional change is dependable previously formed structure, set rules and decisions made before), while the rational choice of institutionalism depends on the path-dependent logic where rationality matters (institutional change is dependable on the thought of rational act, institutions work as there are certain rules set before) and sociological institutionalism to the norm-based logic (the change is dependable on the norms – can be unconscious – within institution) (see Blyth 2002, 18-27; Campbell 2004; Campbell 1998; Julkunen 2003, 31; North 1991, 1-3; Schmidt 2008, 314; Schmidt 2011a, 49-55). In the DI it is not counted on any of these logics – in fact it is thought that within institutions actors do not trust to any rules set before. Actually, the DI questions the rules by asking: if everybody would be trusting the rules, how the institutional change could be explained (Schmidt 2008; Schmidt 2011a, 55.) In the DI, the role of actors as constructors does not disappear once the institution is created. Institutional actors are not dependent on any rules set before. In fact the institutions are seen at the same time as given – “as the context within which agents think, speak, and act” (Schmidt 2008, 314) – and as contingent – “as the results of agents' thoughts, words, and actions” (Schmidt 2008, 314).

2.1.2 Coordinative and communicative discourse

It has been told that according to the DI the institutional processes happen in the process of discourse. This process of discourse consists in two parts: coordinative and communicative part. Coordinative discourse occurs in the policy sphere and is referred to a discourse of policy construction, while communicative discourse occurs when spoken out to the public the policies constructed in coordinative discourse (Schmidt 2008, 315; Schmidt 2011a, 56,57; Schmidt 2011b, 13.)

Coordinative discourse exists between policy actors, for example it is used when new policy programs are constrained. The purpose of the coordinative discourse is to generate new ideas and programs. This does not mean thought that all ideas and programs invented among the actors in the coordinative discourse are taken to action. Rather the purpose is to debate and to discuss first and then generate some

kind of cohesion of the ideas. In the policy sphere the coordinative discourse consists of individuals and groups at a center of policy constructions, the ones who are involved in the creation elaboration or justification of policy and programmatic ideas. This refers to all the policy actors for example civil servants, elected officials, experts, and activists (Schmidt 2008, 310; Schmidt 2011a, 56; Schmidt 2011b, 13-15.) After a found the cohesion between the actors is found the ideas can be presented to the general public.

The coordinative discourse is interactive which means it is based on dialogue. The informed actors are expected to express their opinion about the ideas or the change suggested. Expressing the opinion can happen directly or indirectly. When it happens directly there is certain room given to it – it is organised for example policy forum or a governmental discussion. Indirectly, the general public express their opinion by engaging in grass-roots organizing, social mobilisation and demonstrations – also as an indirect way is the voting within elections (Schmidt 2008, 310-311.)

As well the communicative discourse is occurring in the political sphere and the purpose of it is to persuade the general public about the ideas. The communicative discourse takes place between political actors and the public and the point of it is to inform the public. Actors in the communicative discourse are the ones who are involved in the presentation, deliberation and legitimation of the political ideas to general public (Schmidt 2008, 305; Schmidt 2011a, 57; Schmidt 2011b, 15.) “In a mass process of public persuasion, political leaders, government spokespeople, party activists, “spin doctors,” and more communicate the policy ideas and programs developed in the coordinative discourse to the public for discussion and deliberation (see e.g. Mutz et al 1996).” (Schmidt 2008, 310). The main idea is to bring it to the common acknowledge, but as well it is testing: will the general public accept the ideas or not? Nevertheless not only the so called ordinary citizens or voters are the ones who have to be persuaded: all kinds of actors need to be taken account. By this, it is meant: members of opposition parties, the media, pundits, community leaders, social activists, public intellectuals, experts, think-tanks, organized interests, and social movements (Schmidt 2008, 310.)

The interaction between coordinative and communicative discourses can go both ways: from the coordinative to communicative or from communicative to

coordinative. When interaction goes from coordinative to communicative, the political elite – in the framework of coordinative discourse – generate the political ideas and then communicate them to the general public. When the interaction goes from the communicative to coordinative, it means that the actors within the civil society (for example) try to impact on the actors in the coordinative discourse. Also can be that there is no interaction at all between the coordinative and communicative discourse. The coordinative policy ideas may be only presented in closed debates out of public view – either because public might not approve them or because the issues are thought to be too technical to rise the interest of the public. The aim of the political elites is to interweave the coordinative and communicative discourses into one master discourse that presents an at least seemingly coherent political program (Schmidt 2008, 311; Schmidt 2011b 15-17.)

Whether the coordinative or communicative discourse is more powerful in the process of discourse depends on – in most cases – the type of polity the institution is representing. An institution can present either simple- or compound polities. Simple polities (states, governments) have a stronger communicative discourse while in compound polities (multilateral institutions) have a stronger coordinative discourse (Schmidt 2008, 312, 313; Schmidt 2011b, 25.) In the simple polities, the governing activity is channeled through the single authority – this means the wide coordinative discourse between policy actors is not needed. However in the simple polities, the communicative discourse to the general public tends to be quite elaborate. In the compound polities, the governing activity is spread at the many actors – which means the coordinative discourse need to be strong between the policy actors (otherwise a common understanding is not reached). However the communicative discourse to the general public tends to be thin – all the steps taken in the creation of the polities are not seen important to show for the public. Presentation of the conclusion is considered being enough (Schmidt 2008, 312,313; Schmidt 2011a, 59,60.)

2.1.3 Underlying mechanisms

Underlying mechanisms can be defined as social factors existing in the institutions. These social factors are significant in institutional processes: they do not only occur in the institutional discourses – through which the institutional processes take place –

but in fact they provide the discourses. The discourses and institutional processes are not existing without the underlying mechanisms. As the underlying mechanisms are understood actors, ideas, interests and discussion. Need to be understood also that the underlying mechanisms are related to each other – only understanding dynamic between them will tell about institutional processes.

Actors

Actors are people or units who have the social power in institutional processes: interaction between these actors formulates and change the institutions. The actors are the ones who put the institutional processes forward – without them there would not be any processes. Not a single institutional processes could be understood without inspecting the role of the actors which means it is always significant to identify the actors (see Campbell 2004, 100-107)

Actors are people or units who have something to do with an institution. They are not only the people who work in or who are direct in contact with an institution but as well all the others who can have an effect on the institutional processes in any kind (see e.g. Campbell 2004, 100-107.) In a framework of the DI two kinds of actors are found: ones who coordinate the institutional process and others who the process is communicated (see Schmidt 2008; Schmidt 2011a). Actors are not there only to fulfill tasks set at institution outside of them but also they place themselves as part of institution and with their personalities they are changing the institutional structures.

Interaction between the actors is a powerful tool in institutional discourses. All the actors interact, they cooperate all the time – for example by discussion about the ideas they have. Actors are indeed the one who provide ideas – and ideas are seen significant in the institutional processes, especially in the process of change (see Campbell 2004, 100-107.) Institutional processes including institutional change is possible because of abilities the actors have: foreground discursive abilities and background ideational abilities. With these abilities, actors are able to firstly generate the ideas in the certain institutional discourse and discuss the ideas (Schmidt 2008, 314-317; Schmidt 2011a, 56.)

Institutional actors have the foreground discursive abilities and the background ideational abilities which both affect the institutional activities by making the institutional processes, for example the change, possible, as well these abilities are significant when maintaining the institutions. The foreground discursive abilities give actors ability to communicate critically about the institution, these abilities can be for example the logic of communication which enables people “to think, speak, and act outside their institutions even as they are inside them, to deliberate about institutional rules even as they use them, and to persuade one another to change those institutions or to maintain them.” (Schmidt 2008, 314). It can be said that with the foreground discursive abilities the agents are able to express their opinion about the essence of an institution and in this sense so able to inflect to others to change it or to keep it as it is (see Schmidt 2008, 314; Schmidt 2011a, 56; Schmidt 2011b, 3.)

Besides the foreground discursive abilities, all actors have the background ideational abilities which can be described as before hand knowledge about that how things should go or are going. On the basis of these background ideational abilities agents are able to set the institutional activities in the context. The background ideational abilities make actors possible to act in any given meaning context to create and maintain institutions. The background ideational abilities enable actors to form and reform things as these abilities can be referred to the experience about the forming causes (Schmidt 2008, 315-322; Schmidt 2011a, 56.)

On the grounds of the foreground discursive abilities as well as the background ideational abilities institution is in the process of change all the time. This however does not mean that there would be in concrete something changed everyday – at least anything radical or even visible – but the institution is in the slow process of change all the time because the actors bring their ideas in and have a vision how to put these ideas in action in the institutional context (Schmidt 2008; Schmidt 2011b, 3.)

Ideas

For ideas, generated by actors in the process of discourse, is given a great emphasis

in the DI (see e.g. Schmidt 2011a, 49-55). An idea has been defined in various ways (see e.g. Campbell 1998, 384-398; Campbell 2004, 90; Schmidt 2008, 36.) According to Schmidt (2008, 306) ideas have been seen as switches to interests, road maps, focal points, strategic constructions or strategic weapons in the battle for control, narratives that shape understanding of events, the frames of reference, collective memories or national traditions. So: "There are many ideas for ideas" (Schmidt 2008, 306).

Ideas are either cognitive or normative ones (Campbell 1998, 385; Campbell 2004, 93, 94; Schmidt 2008, 306). The cognitive type of the ideas are descriptions and theoretical analyses which specify causal-and-effect relationships. While the normative ideas are values, attitudes and identities (Campbell 2004, 93; Schmidt 2008, 306.) A cognitive idea tells what is and what to do whereas a normative idea indicates what is good or bad about what is in light what one ought to do (Schmidt 2008, 306). Cognitive ideas are more outcome oriented than normative ones (Campbell, 2004, 93). Roughly, it can be claimed that the cognitive ideas represent the formal part of institution, while the normative represent the informal part (see Bleich 2006). Within the institutional actions (including institutional change) both kind of ideas are significant.

In the DI it is considered that ideas occur (for the uses of political scientists) in three levels. These levels are the level of policies, the level of programmes and the level of philosophies. The ideas on the level of the policies concerns of specific policies or policy solutions which are proposed for the policy makers. The ideas on the level of programs are significant as their purpose is to define the problems which need to be solved or issues wanted to change. The actual change – however – takes place in the level of policies. Because of this, a successful program is grounded to the policies. Of course on the level of programmes ideas which are not grounded to policies are presented as well. As the comparison of policies and programmes can be said that the purpose of level of programmes is to find the problems or issues where the change is needed, while a task of the level of policies is find how to solve the found problems within the political system. The third level, the philosophical level, is more unconscious than two previous, the ideas on this level include for example public philosophies, public sentiments and the World views. All previously mentioned are giving fundamental support to the ideas occurring on the level of the policies and the programs as they are organising ideas, values, and principles of knowledge and society. The ideas existing on the level of philosophies is more underlying, they are

not discussed and debated regularly, and as well – the ideas on this level are quite rarely contested. In the end, it can be stated that the levels of policies and programs consist on cognitive ideas while the level of philosophies consists on normative ideas (Schmidt 2008, 306.)

Worth to noticing there is that when wanted to understand the process of discourse, the ideas need to be analysed closely. Ideas need to be placed on their levels (policy, programmatic and philosophical) and considered whether the ideas are cognitive or normative. This however is not enough as well the forms of ideas, whether they are narratives, myths, frames, collective memories, stories, scripts, scenarios or images need to be revealed. Also a concept of discourse does not refer only to structure, what is said, where and how, but as well the agency, so who said what to whom. As well the questions where when how and why something is said are significant. The idea of interaction comes indeed from the answers to these questions (Schmidt 2008, 305-309.)

Interests

In the framework of new institutionalism the interest is seen a significant factor having an effect on the institutional activities. Significance can be described by saying that, when no interest to the idea exists the idea is not taken account. Actors will not proceed with the idea without an interest, even thought the idea would fit the cognitive and normative settings, would be simple and easy to adapt, and properly framed (ideas need to be coherent at all the levels) (Campbell 1998, 400-401; Campbell 2004, 401.) In other words, this means there are no actions if there is no will from the side of the actors itself. Interest does matter although within institutional context can be complicated to find out more of the interests of the actors.

Interests, and especially interaction between ideas and interests, within institution is complex: it is hard to know exactly why actors stress more about some ideas than others (Campbell 2004, 400, 401). To find out more of the interests analysis of the ideas and actors is needed. Behind the ideas and actors are norms, values and cognitive structures which affect a behavior of a person and, probably as well, to her ideas and interests . An affect can be unconscious however it is significant to analyse

it when wanted to find out more about institutional activities.

The purpose of ideas and interest is to frame interactive discussion between the actors within institutions. In this process of discussion all the ideas and interests are presented. It can be claimed that process of discussion consists on ideas and interests. Institutional discussion is interactive which indicates that ideas and interests are presented and exchanged. It is important to keep in mind that actors are not only people who are directly included in the institutional activities but as well for example general public.

Discussion

Discussion is considered significant institutional activity. It is a significant factor within the institutional processes as through it the actors can express their will, where they think the institution should aim, and towards what direction institution should be reconstructed. The ideas of aim of the institutional actions and the institution reconstruction is possible because of the background ideational abilities and expressing of these expectations is possible due to the foreground discursive abilities. All actors have both of these abilities which also make the interactivity within institutional discussion possible (e.g. Schmidt 2008; Schmidt 2011a; Schmidt 2011b) Simplifying interactivity means the opinion change between the actors.

Discussion provides the new ideas however this is not the only reason why the discussion is significant as the purpose of discussion is also to test the idea. During the discussion, it becomes visible if the idea meets with the political and methodological conditions or not. Meeting these conditions is essential for implementing the idea (Chambers 1998, 283,284.)

To implement an idea into action requires (besides the interest) discussion about different options and testing these options. An agreement or a common experience of an idea between discussion participants can lead to actions. Without an agreement or a common experience adapting the idea need to be tested. In any case, the idea needs to be favourable according to the conditions around (Chambers 1998, 283.)

When an idea is wanted to implement into action, it needs to fit in methodological

and political conditions. Methodological conditions are concrete ways or conditions which in practice make implementing an idea into action possible. In other words: there need to exist a concrete and effective method for putting the idea in action. In development cooperation, the participatory method is seen fruitful. This means that in development cooperation a successful idea is such which can be implemented into action with a participatory method. The other condition idea needs to fit, political condition means that an acceptable political environment for ideas wanted to implement exists. Such an environment is for example a sphere where implementing the idea is acceptable. However accepting an idea is not depended only about environment but as well about political rhetoric. When the rhetoric meets the political environment, there is a greater chance that the idea is adapted. In the development cooperation, the aim at the beginning of the 21st century of donor agencies was to reduce poverty. When wanted to implement a new idea rhetoric related to poverty reducing was successful to use, the idea was useful to reason with its possibility to reduce poverty (Chambers 1998 284,285.) In the interaction between the actors, besides the actual discussion about the ideas equally significant is to consider whether the ideas are favourable for the conditions or not.

2.1.4 Purpose of the institutions in a global context

In global context, institutions are significant because they are effective in the framing of the global policies. Especially significant is the power held by multilateral institutions. These can be defined as institutions which have member countries all around the World or as bodies which aspire nearly global membership (see O'Brien 2009, 168; Siitonen & Sitari 1990, 2.) As these kind of international institutions have acceptance of various countries their impact is more significant than single actors. Multilateral institutions always stand behind one decision, which means when the decision is made the opinion of one country no longer matter. For example: the United Nations, the World bank, the International Labour Organization, the World Trade Organisation – as well as the European Union can be referred to international or global institutions.

The global institutions are effective and powerful in the global scale because of various members. Te members give the acceptance for the actions of these institutions. The wide acceptance is useful when wanted to achieve something. When

a global institution adapts a goal, the goal will be more likely reached than in cases when a single country is trying to achieve something.

2.1.5 Summary of the chapter discursive institutionalism

Institutions are significant in order to provide security in the complexity of the World. Of course one institution cannot provide total security, but institutions provide the oases of serenity amidst the complex and chaotic World. In the global context, the institutions are aiming to provide this serenity in a global sense by spreading the recommendations for the smaller actors.

Institutions are social constructions, this means when the institutional opinions, also are changing the institutions themselves are changing. In fact the institutions are all the time changing because of the interactivity the actors provide. In this sense, the processes are challenging to research. Institutional processes can only be understood by placing them in the context – this means careful observations about the underlying mechanisms in the institutional processes. To understand the context, underlying mechanisms need to be set in institutional discourses as these discourses are providing a possibility for institutional processes. Two kinds of discourses exist in institutions: communicative (which concentrates on policy framing) and coordinative (which concentrates on informing public about framed policies). The underlying mechanisms in these discourses are actors, ideas, interests and discussion – however a role of these mechanisms is not only stable within discourses: in fact they are providing the discourse. As all the underlying mechanisms have a social spirit institution is never static. In summing up: the institutional processes including change are possible because of the discourses which are facilitated by the underlying mechanisms.

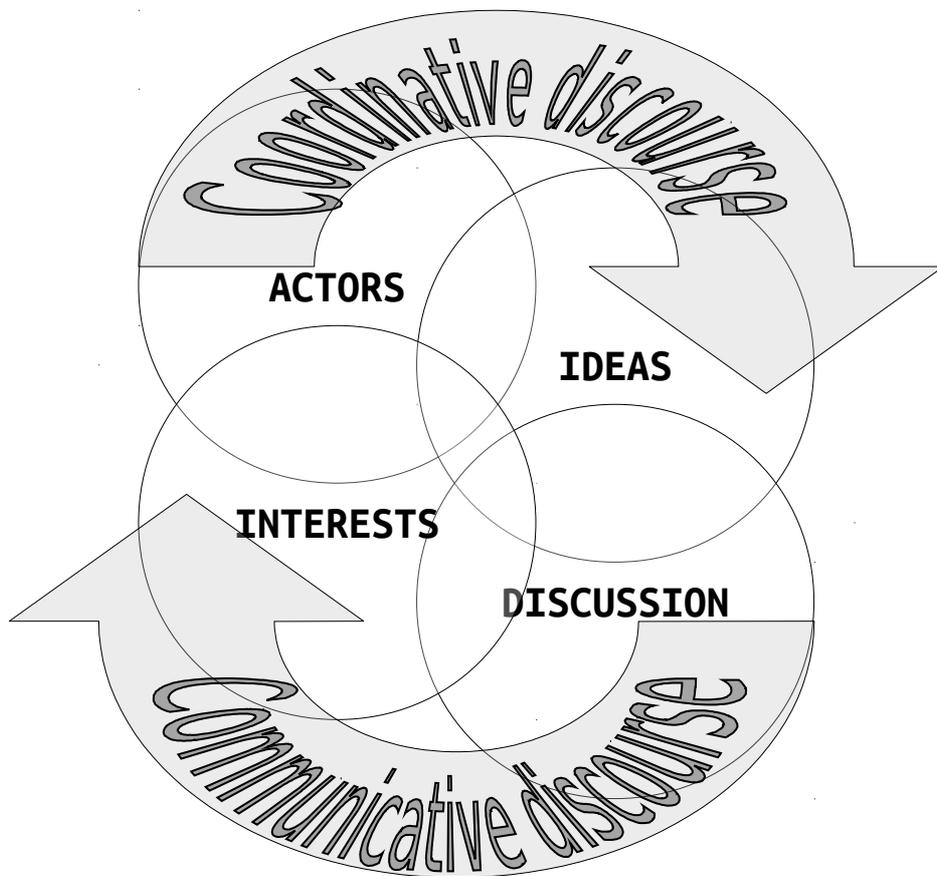


FIGURE 1. Occuring of institutional processes.

2.2 Social development and institutions

Social development is an integral part of the process of sustainable development which came to the agenda of the international community at the end of the 1980s (see UN 2012). In 1987 sustainable development was defined as a development which will meet the needs of the contemporary generation without compromising the future generations ability to meet their needs (see UN 1987). The international community sees sustainable development as a dynamic process in which various components concerning of development are interrelated. These components are economic, social and environmental ones (see UN 2012).

In 2012, the international community claimed that the process of sustainable development it had not really started. As most of the actors would be indeed willing to choose sustainable, the problem in here was the possibility for these choices were lacking. Actors do not have a secure basis for choosing sustainable. Inability to make sustainable choices is related to the lack of a secure basis to make them. The human rights, basic needs, human security and human resilience need to be assured and then the sustainable choices will be made. One aspect in this assuring is to provide social support which closely is connected with improving the stage of social development. This part will explain the social part within the sustainable development.

2.2.1 Defining social development

The social development can be understood as an empowerment of a person. The process of empowerment has been successful when ability to choose and decide of one's own life is increased. The empowerment can be as well defined as the ability of a person to participate fully in various areas of society: for example economic, social, political and cultural. Social development can be extended when the aspects mentioned in the previous chapter – human rights, basic needs, human security and human resilience – are assured. The global community had worked for the social development between 1990-2010 for example by tackling against poverty.

The global understanding about social development was framed in various summits held between 1990-2010. At the beginning of the 1990s, for example, summits: the

International Conference on Population and Development (ICPD) in Cairo and the Global Conference on Sustainable Development of Small Island Developing States in Barbados in 1994 and the World Summit for Social Development in Copenhagen in 1995 were held (see UNFPA 1994; UN 1994; UN 1995a; UN 1995b). Of these meetings, the one held in Copenhagen, as in that it was focused the most on the social development.

In Copenhagen, the well-being of a people was placed at the center of the development; the social development was understood as a process of empowerment of the people by strengthening their own capacities (see UN 1995a). It was thought that when the capacities of people are strengthened, they are able to achieve better life. In the declaration of Copenhagen conference it was spoken of the equitable development and by it was meant the empowering of the poor in such way that the utilising environment resources are sustainable (UN 1995a, 5). The social development was seen as one aspect empowering people.

As well in Copenhagen was adopted the Copenhagen Declaration and Programme of Action (see UN 1995a; UN 1995b). The declaration included ten commitments about how to improve the social development and in the Programme of action were presented more detailed ideas for actions (see UN 1995a, 11-26; UN 1995b). Commitments included an idea of creating an economic, political, social, cultural and legal environment that will enable people to achieve social development. Other commitments considered the reducing of poverty, achieving the full employment, social inclusion, a position of women, education and health services, giving the special consideration for Africa and other least developed areas, the mobilisation of the resources for the social development, capacity-building to implement social policies and programs and cooperation in international, regional and subregional areas. All the commitments included ideas in national and international levels (UN 1995a, 11-26.)

The commitments of Copenhagen were followed up and updated in organised follow-up summits for example in the World Summit for Social Development and Beyond: Achieving Social Development for All in a Globalized World held in Geneva in 2000 and the 10-year review of the implementation of the Copenhagen Declaration and Programme of Action and the outcome of the 24th special session of the General Assembly held in New York in 2005 (see UN 2000a; UN 2000b; UN 2005a; UN 2005b). At the same time there were, though, other summits about the subject going on.

Other summits took place at the same time of these meetings. In 2000, it was held a very significant summit – significant because its aims were still spoken of at the beginning of the 2010s. This summit was called Millennium Summit. In this summit it was considered the role of the United Nations in development in a start of the new millennium and adapted the Millennium Development Goals (*later MDG*) (see UN 2000c; UN 2000d.) The WB and the ILO, for example, among various other global actors have adapted these goals and the purpose was to reach these goals by the 2015.

The MDG consisted on eight goals which aimed for the social and sustainable development. It can be claimed that these goals were in the scope of the global community between 2000-2010 and even after that. The eight framed MDG were: end poverty and hunger, universal education, gender equity, child health, maternal health, combat HIV/AIDS, environmental sustainability and global partnership. The idea was to reach these goals by 2015 (UN 2000c; UN 2000d; also WB 2010a; WB 2011; ILO-UNDP 2005; ILO 2010a.). In publicity, the most commonly known out of these goals became the eradication of poverty. The main idea of MDG, though, was to extend the freedom of a person. Also this, Millennium Summit, have had follow-up summits where the progress made with the goals have been observed in the year 2008 in New York was organised the Millennium Development Goal High-Level Event where new commitments were adapted (See UN 2008a; UN 2008b). All summits and events held by global actors have framed the global understanding about social development.

2.2.2 Concept of poverty

Poverty can be referred to an obstacle of the empowerment of a person and at the same time obstacle of social development. It is the most ruthless killer and the greatest cause of suffering in the World. When people no longer suffer from poverty, they have better possibilities to impact to their own lives. This means that not only the poverty is alleviated but also progress made in social development because people have been empowered(see Gordon 2009,109.) Alleviating poverty was a goal of global institutions during the 2000s. It was taken as a goal in 2000 among the other seven MDG (see UN 2000c; UN 2000d; also WB 2010a; WB 2011). Sometimes it is kept as the most important one of seven MDGs and the others are only to support

this goal.

The international community defined poverty already in the UN World Summit on Social Development in the year 1995 with the ratification of 117 countries. It was stated that two kinds of poverty exist: absolute and overall poverty. Already then, the summit also adapted the reduction of both type of poverty as a goal. In general division of poverty to absolute and overall poverty is widely accepted for example all the EU government have accepted it (Gordon 2009, 92-96.)

Absolute poverty is defined as the deprivation of basic human needs. Basic human needs could be food, clean drinking water, sanitation facilities, health, shelter, education and basic information. Without these, basic human needs, a person is suffering from absolute poverty. Absolutely poverty is two sided, firstly a person suffering of it has no income to provide oneself basic human needs, secondly one has no access to the basic human needs. Having no access means that one does not know how a way to reach these assets (Gordon 2009, 92-96.)

In the 2000s it was thought that absolute poverty existed mostly in the developing world, while overall poverty exists everywhere. Overall poverty means that a person has no ability to provide sustainable livelihood for herself. This means one might have access to the basic human needs (described in the previous paragraph) but enough income to provide them. Consequences can be various such as hunger and malnutrition, illness, limited of access to the basic services or education, homelessness and unsafe environments and social discrimination and exclusion (Gordon 2009, 97.) Also, and related to the other definition, overall poverty means the lack of participation in decision-making or to civil, social and cultural life (Gordon 2009, 97.)

To make clear difference between absolute and overall poverty can be said that while absolute poverty means the lack of income and access for basic human needs, overall poverty means only the lack of income. For the person suffering of overall poverty the access to the things needed is visible just the lack of income or productive resources unable her to reach them. While a person living in absolute poverty does not see – maybe does not even know – about the possibilities in life, does not see the way which would lead towards them.

2.2.3 Concept of freedom

The concept of poverty is connected to the concept of freedom. When poverty of a person is alleviated, her freedom is extended which means that she has a better capacity to choose and decide about her own life. In this sense, the development can be defined as a process where the freedom of a person is extended. Freedom, in here, refers to the substantive freedom: the better abilities to impact ones' own life; better abilities to do and be (Sen 1999.) To extend the freedom, the development should be achieved in all its stages.

Substantive freedom includes various components – and either – it cannot be achieved without including all the interconnected components. Components, which need to be included are political freedoms, economic facilities, social opportunities, transparency guarantees and protective security (Sen 1999, 38-40.) These components have interconnections which indicate that one cannot be improved without another: when truly wanted to improve the freedom all of them need to be considered at the same time. Interconnection between the different components in substantive freedom can be improved providing constitutional institutions. Institutions concentrating on democratic systems, legal mechanisms, market structures, educational and health provisions, media and other communication facilities, need to be developed and supported (Sen 1999, 53.) This is traditionally seen as a task of a state and society are seen as a key provider of these institutions but the international actors – especially international development institutions – hold an important role here as well even more important than is often thought.

The role of state, society or a global institution in the extending process of the substantive freedom is not to provide ready-made structures for people – rather the point is to involve and support people in a way that their own capacities are strengthened and their ability to do things will be broader. When people see more possibilities and are in concrete capable of reaching them the process of empowerment has been successful (Sen 1999, 53.)

2.2.4 Poverty and international bodies

Social development is reached when people are empowered. To be empowered need to be free. To be free the obstacles on the way of the freedom need to be removed- Various unfreedoms one need to be moved. Also one way to understand the aim of the international bodies during the 1990-2010 is to see the will to remove the obstacles on the way of freedom. Unfreedoms are – for example – poverty, poor economic opportunities, systematic social deprivation, the neglect of public facilities and intolerance or the over activity of repressive states (Sen 1999, 3,4.)

During the 2000s, the global community saw the unfreedoms through the MDG. The unfreedoms were the contradictions for the goals such as poverty and hunger, lack of education, gender inequity, children diseases, maternal diseases, increase the number of the people suffering of HIV/AIDS, environmental unsustainable and lack global partnership (see UN 2000c; UN 2000d; also ILO 2011a; WB 2010a; WB 2011). Out of the eight MDG tackling against poverty seemed the most commonly known; poverty in general on the top of the list of the global institutions, at least rhetorically (Hall & Midgey 2004, 9). The aim was to reduce the poverty in half by 2015 (see e.g. UN 2010b, 1; ILO 2010b; WB 2011).

As told poverty was defined and accepted by the international community already in Copenhagen 1995 (Gordon 2009, 96). However there have been differences between global bodies how to understand this definition. Therefore there are variations in the ideas and the actions when taking a closer look at the global institutions. These institutions have taken ways of different kind measure the poverty (see Gordon 2009, 97-109.) The UN has development the human development index to poverty measuring for example, while the WB have observed poverty through the poverty line (see e.g. UNDP 2011, 167-176; WB 1998; WB 2010b). The different ways of measurement and the different general aims of the institution have lead to slightly different actions in tackling against poverty (see Gordon 2009, 97-109).

2.2.5 Social support – effective tool for social development

A social support system is considered as an effective tool in work for the social

development and so in the empowerment of a person. A functioning social support system provides a feeling of security for a person; that is why it is kept as one tool for empowering people. Social support strengthens capacities and extends the subjective freedom of a person. A social support system has a great opportunity to alleviate poverty. The purpose of it is to provide support “cradle to the gray” (Hall & Midgley 2004, 4). The comprehensive system, however, does not consist only of income-based aspects: a comprehensive system should include other aspects as well, aspects which are included in the overall poverty. These aspects are for example provision of a health care system, child care, an education system, elderly care and so on. Mentioned aspects were seen also important in the eradicating of overall poverty. Basically, the social support systems have a possibility to reduce both types of poverty, absolute poverty by providing income and overall poverty by providing the organisations of different kind for supporting people participation to the society.

Even though providing the social support has been seen as the task of state the global institutions have had an influence on the organising of these systems. Global institutions have given policy recommendations for the states about implementing the social support system – how the system should be organised. The intense of the recommendations of these institutions is not usually realised. Still, they indeed have had a serious impact on the systems provided by states through times. The easiest time to impact is when the systems are still under construction.

2.2.6 Discourses of social support

Different ideas about the social support exist. Different ideas are based on different ideologies. One way to understand these different ideas about social support systems is to get to know the idea of social protection and different discourses, or different ideologies, of it.

The social support system exists, for example, in order to provide social protection whereas the purpose of social protection is to prevent, manage and beat the situations which unfavourably affect the well-being of the people (e.g. UN 2008c). Social protection can be described consisting of policies and programs which are designed to reduce poverty and vulnerability. The idea of the social support system in this sense is to provide social protection. Social support systems have been framed

differently because of different ideologies existing. As the social support system and social protection are closely related one way of finding out more of the ideologies is to get to know the different discourses of social protection. One way of classify the discourses concerning about is to divide them into three: risks, rights or needs (Munro 2007, 1,2.)

In the *risks-based discourse* the purpose of social protection is to fill in the failures of a market systems (Munro 2007, 2,3).The contemporary market system suffers failures time after time, this is when the state organised social protection is needed (Barr 1992, 749; Munro 2007, 2,3). In other words, the social protection should protect citizens in the parts where the market fails to provide this protection. This, risks-grounded, discourse leans on the utilitarian in terms to justify the measures of social protection: the real or potential welfare failures rise from the losses of the market, but with the help of public action these losses are prevented or compensated (Barr 1992; Munro 2007, 3.) The neoclassical risks-based literature has concerned the poverty. However mainly it has concentrated only on i the terms of income.

When speaking of the *needs-based discourse* in social protection, can be referred to Thomas Hobbes (1661) who was in an opinion that without the security of a person and property there cannot be a decent life (see Munro 2007, 7). Needs-based social protection argues for the basic needs or a necessity of a person. This means the need for nutrition, shelter, sanitary living conditions and clothing as examples. This tradition has roots in poverty studies. The idea of basic human needs became more powerful during the 1970s (in the school of development studies) when it was noticed that the observations of the development should not be based only on the economics (Munro 2007, 7)

The *rights-based discourse* of social protection grounds its arguments on the idea of human rights. The tradition came popular in the year 1948 when the United nations published the Universal Declaration of Human Rights (Munro 2007, 7; see UN, 1948). The main idea of the discourse is that state has to provide the social protection for citizens because the social protection is a fundamental right of the citizens (see also Barrientos & Hulme 2009, 442; Munro 2007, 4). In this sense, the social protection is an issue based on human-rights. The underlying questions in here are the following: where the human rights come, how an issue is defined as a human right of a person, why people have human rights? There are three different traditions in human rights school, each of them describes human rights differently and each of them would

answer to question presented differently. Traditions in question are: natural law, constitutional law and international law and theory of human needs (Munro 2007, 4). The sentence: "All humans have rights because of their inherent human dignity" (ibid) describes the tradition of natural law the best. The tradition is based on a few articles of faith and it is quasi-theological, rooted in Judeo-Christian tradition. At the beginning of the 19th-century in the natural law tradition was included also the economic and social rights of human rights with more traditional rights, such as civil and political rights. The tradition of the constitutional and international law has been mainly created after the end of the Second World War by developing a large corpus of international law. Corpus includes for example international human rights law and international humanitarian law (ibid.) Two of the most important parts of it are the Universal Declaration of Human Rights (see UN 1948) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) (ibid; see also: UN 1948; UN 1966). It can be argued that this tradition is based on law, which means that according to this certain traditions the human rights exist because the great majority of the countries have ratified the certain number of human rights treaties. On a national level human rights exist because the national constitutions confer the rights of their citizens. To sum up can be said that in this tradition human rights are based on legal obligations, they are not the question of charity or moral (Munro 2007, 4.)

The difference between the two already presented traditions and the tradition of human rights is that the first one has a faith-based character and the second one is legally grounded. The third one, the needs-based theory of rights, is skeptical towards previous two. It asks: if the human rights are based on faith, what about non-believers? (Munro 2007, 5.) If the human rights exist because a great amount of states has ratified certain conventions concerning human rights, what would happen if they withdrew their ratification? Before of these conventions there have not been human rights? The need-based tradition of human-rights sees human rights as a part of moral philosophy (ibid.) In the system of moral philosophy a great role is given for a moral agents. The moral agents are capable of making choices and especially to choose between good and bad. Human-rights can be defined for the things which a moral agent requires for surviving and avoiding the serious harm. What does this include then? That is somewhat hard to define, but in general it means, for example, physical and psychological security, the ability to participate in decisions that affect oneself and one's community, health care, basic education, adequate nutrition, an adequate livelihood. One needs these things to remain as a moral agent, that is why one has the right for them (ibid.) Although these three traditions of human rights

have differences they have similarities as well. In each version of human rights theory is thought that the rights are binding obligation which means that someone is obligated. Someone usually refers to the state but as well it can be a fellow citizen (Munro 2007, 6.)

There have not been that much interaction between three previously presented (risks, needs, rights) discourses of social protection. In some parts, the discourses take a path together, but in most parts they take their own directions. The economist from risks- and needs-based traditions confront the rights-based tradition with scepticism, for example (Munro 2007.)

2.2.7 Pensions – integral part of social support

Pensions are a significant part of social protection and a comprehensive part of a social support system. The purpose of a pension system is to provide support during the old-age when a person is no longer able to participate in working life. A pension provides support in the other end of life, it enables people to have recourses for a decent life and capacities to participate in the society, so that people do not end up in poverty when they are old (see Hall & Midgley, 2004, 4.)

In the implementing of a pension system its objectives need to be considered. It is significant to make the objectives clear in order to make the pension system steady and permanent. Everybody who have something to do with the pension system should have the same understanding about it in order to avoid misunderstandings. The consideration of the pension objectives leads directly to the fundamental question behind these systems: why the pension systems are needed; what for are they established; what is the purpose of a pension system?

Together with the pension system objectives, also the normative basis of a pension system needs to be considered. This can be based on the answers to the following questions: who should receive a pension and how much; who should contribute to the pension systems and with what amount; how the pension schemes should be managed (should it be public or private); at what age pensions should begin; should the contingencies, if other than old age, to take account; should the schemes be universal and compulsory rather than voluntary and selective; how should the

systems respond to changing circumstances ? (see ILO 2000, 395-408.)

One significant objective of a pension system is to ask who should administer this . In the past, the old age support was provided the extended family. Since the First and Second World War, the pension has been provided either by the state or the private institutions. Effective actors in providing have been -together with the state - for example civil society, private sector and international development institutions (see Hall & Midgley 2004, 11-20; Orenstein 2008, 208.)

2.2.8 About the global discussion of pension policies

Global pension policies can be defined as recommendations given by international institutions for the countries around the World. These recommendations have been given since the Second World War. After the Second World War, the ILO was put in charge about organising the pension policies among the other aspects in social policy. The states around the World formed the pension systems according to the recommendations by the ILO. The ILO was in charge until the beginning of the 1990s – after that the WB became the most influential global institution in the global pension policy recommendations (Orenstein 2008.) During times in the global pension discussion have been spoken about three pension systems designs: traditional, single-pillar and multi-pillar-systems.

A traditional-pension-system is an informal pension system. Informality means that it is not founded nor administered by any institution. In this kind of system the support comes from extended family. The extended family takes care of elderly people and taking care of them is the normal task of community. As well old-aged people are participating in the live of the community when possible. Most probably there will always be informal support existing. However the most significant systems of this kind can refer to be in the countries where no formal pension system exists.

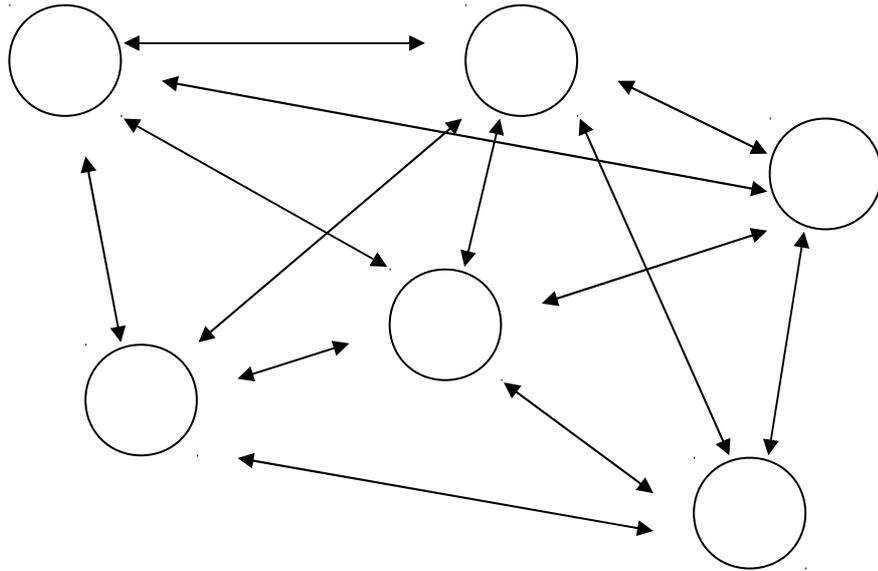


FIGURE 2. Model of traditional-pension-system (circle presents individual)

A *single-pillar/-tier-pension-system* is a formal system which means that it is administered by an institution. In a single-pillar-system, the pension is administered by one institution. In other words, the collection of pension as well as and its redistribution is made by one source. Decision of organising the system is left to the state. The state is responsible for deciding whether the system should be administered by public or private-institution. If the system is publicly-administered, the state is responsible for organising pensions.

The purpose of the state-administered pension system is to provide a basic support during the old-age for all its citizens. All the citizens are entitled to contribute the pension system (the amount of contribution depends on the earnings), however contributing is not that obvious as generally it happens together with other taxation. Usually, the single-pillar systems indeed have been state-administered (in the global discussion about pensions the ILO recommended the state-administered single-pillar-systems), however a single-pillar private-systems is as well possibility.

Opposite to the state-administered single-pillar/-tier-pension-systems is the private-administered-system. Private-administration indicates that the system is administered by some private institution. This private-administrator may be for example a private pension fund. This means there is a third party (not the state or individual itself) to

administrate the pension system. Individual oneself is responsible for the contributions, either directly or the contribution can be set as a task of the employer.

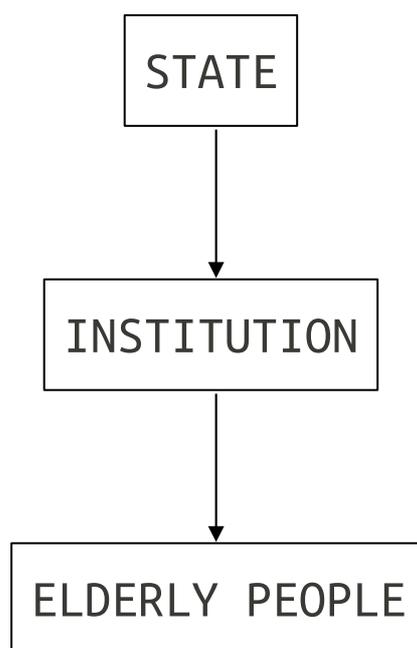


FIGURE 3. Model of single-pillar/tier-pension-system.

Like the single-pillar system a multi-pillar/tier-system is a formal system. Like in single-pillar/tier-systems also in multi-tier/pillar-systems, the state is the one who firstly decides to implement multi-pillar/tier-system and then how to organise it. The multi-pillar/tier system consists on many pillars/tiers which are generally administered by different quarters. In multi-pillar systems pillars/tiers can be administered by state and private-institutions. Also this kind of system can include voluntary pillar, individual savings and non-financial-aspects. In the latter mentioned administration is left for individual. The first, at least in the global pension policy discussion, multi-pillar-pension-system was presented by the WB in the year 1994 (see WB 1994).

As told in the global pension policies have existed three different designs for pension systems: informal traditional-pension-systems and the formal, single and multi-pillar/tier-pension-systems. Besides the decision of the design in the concrete establishing of the pension system, the considerations of the other aspects are needed as well. When organising a pension system, it has to be thought how the system is administered; how to arrange the contributions; who are entitled to the benefits and how the system is financed?

Useful in the pondering of the organisation of a system are the four fundamental characteristics: contributions, benefits, financing, and management or administration. Four characteristics exist in every formal system, they just occur differently. The occurring depends on two aspects, firstly the objectives behind the system and secondly of the system which is decided to organise (Meso-Lago 2006, 318.)

To make an example can be explored how four characteristics occur in the publicly and privately-administered pension systems. Of four characteristics, the administration is already fixed in these systems. In the public-administered systems, the other three characteristics typically take the following forms: contributions are undefined, benefits defined, and the system unfunded by the participants. While in the privately-administered-system the other three characteristics are typically taken these forms: contributions are defined, benefits undefined and the system is fully funded by the participants (Meso-Lago 2006, 318, 319.)

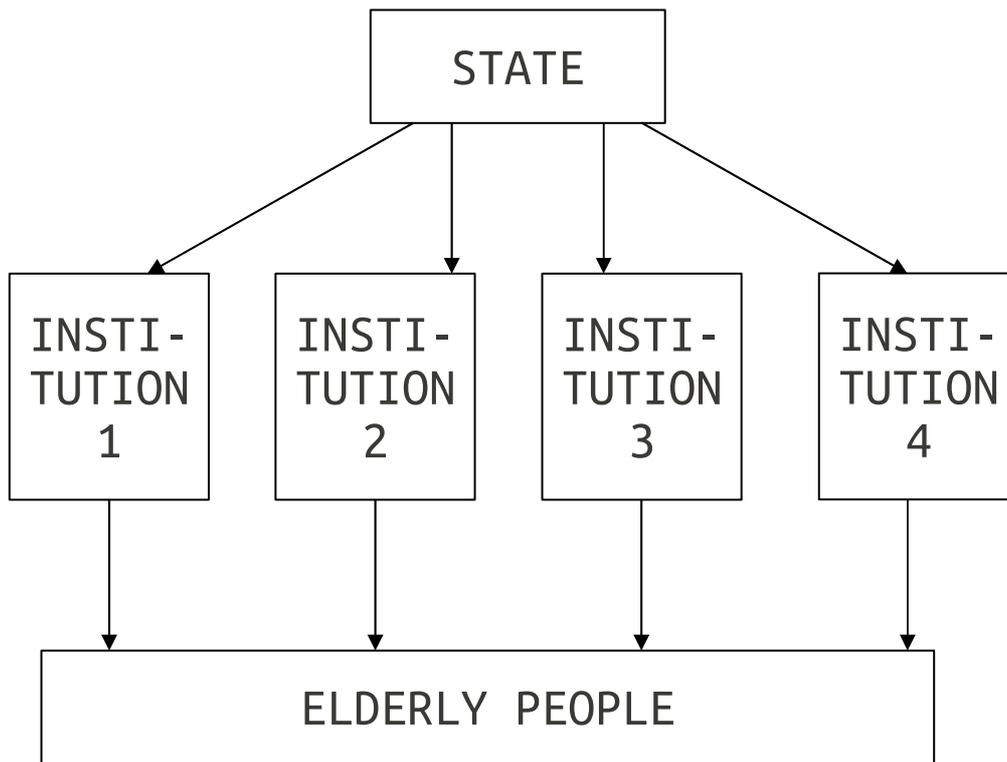


FIGURE 4. Model of multi-pillar/-tier-pension-system

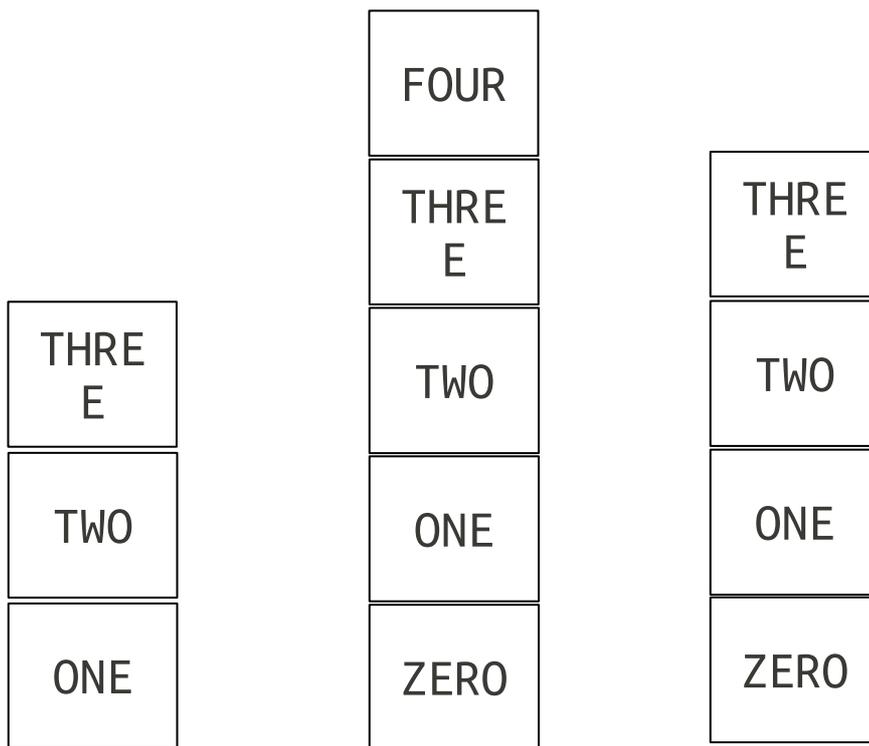


FIGURE 5. Examples of different multi-pillar/-tier ideas. From left: Three-pillar-pension-system, Social safety net and three-tiers, Five-pillar-pension-system.

3 RESEARCH QUESTION, METHODS AND DATA

The purpose of this study was to analyse the discussion between two global institutions: the World Bank (*later WB*) and the International Labour Organization (*later ILO*). As the research topic was set the discussion between previously mentioned institutions about the pension policy recommendations concerning the sub-Saharan Africa during 1990-2010. The study was made in the framework of the discursive institutionalism (*later DI*) and it is an institutional analysis.

Due to the wide range of existing data about the topic, the research question was limited to concern only two pension system recommended by the WB and one pension system and one pension outcome recommended by the ILO during the time line. This indicated that discussion between the institutions was analysed only through four recommendations given. In the study, the discussion was analysed of the communicative discourses of the institutions. To broad perspective the point of this study was to analyse the discussion: which kind of discussion there existed between institutions; was there interactivity; were the opinions of the other taken really a notice and included in their own ideas?

The purpose of this part is to explain the research question (3.1), describe the framework and methods (3.2) and the data (3.3) more completely. However the latter mentioned subjects are closely related, which means the following three chapters will in some parts be overlapping and some aspects are explained various times.

3.1 Research question

As the analysis was carried out in the framework of the DI the discussion could not have been explored without understanding all the underlying mechanisms within the institutional context. The mechanisms explored were actors, ideas, interests and discussion. Only by defining these, could be evaluated the discussion between the institutions: whether there has been interactivity or not. (More about the DI in chapter 3.2 which concerns of the method of the study) That is why the research question was divided into four following questions:

1. .Who were the actors behind the recommendations ?
2. What were the ideas of the actors ?
3. What interests did the actors hold?
4. Which kind of discussion there was between the actors?

For complete understanding of the underlying mechanisms understanding the aims is significant. That is why the aims of the underlying mechanisms: actors, ideas, interests and discussion were as well observed during the research and the results of the aims are presented at the same time with the answers of the actual research questions. Knowing the aims of the underlying mechanisms is significant for complete understanding about these mechanisms.

3.2 Framework and method

The research was effectuated in the framework of DI. In DI institutions are seen as social constructions which have been founded, are maintained and changed through the process of discourse. In fact it is considered that all institutional actions happen in the process of discourse. DI defines institutions as social constructions – this means that the human-based factors are kept as a key for institutional activities. In this study, the human-based factors were called the underlying mechanisms. The underlying mechanisms were actors, ideas, interests and discussion. In DI, the latter mentioned mechanisms were seen to provide the process of discourse. The process of discourse exists because of these mechanisms.

DI claims that to understand the process of discourse it needs to be looked behind the scenes. This means the analyses through underlying mechanisms. If wanted to know about institutional change, the analysis of the underlying mechanisms is significant. The abilities of actors in DI are seen extremely significant for the institutional activities. Actors are seen to have two kinds of abilities: the foreground discursive abilities and background ideational abilities. It can be said that DI considers an institution is not stuck in its existence once its created. This is because , the actors are not stuck with the rules either. The actors are not stuck as they hold two mentioned abilities. (Schmidt 2008; Schmidt 2011b; also see theory part 2.1)

The discourse in the DI analysis is divided into two parts: coordinative and

communicative discourse. The coordinative discourse indicates to the part where politicians exchange their ideas and frame the policy programs coherent. The communicative part is the part where these programs are presented and informed (communicated) to the general public. In practice these two parts of communication can be mixed as the general public has opportunity to comment on the programs after they have been communicated to them – this means that the coordinative part needs to start again in order to change the program (Schmidt 2008; Schmidt 2011b.)

This study concentrated on the analysis of the communicative discourse of the WB and the ILO. The purpose though was not to examine ways of the institutions to communicate to the general public, rather the purpose was to see how these two institutions discussed between each other. The main purpose was to provide information about the interaction between these two institutions.

The study is a qualitative research in which was used an interpretative analysis as a research method. Interpretative analysis was seen the most suitable for the framework the study was carried out. Because of two reasons the interpretation was as well seen as an only way to find out information about this subject: firstly institutions are social constructions and secondly institutions are complex organisations. Social existence means that within institutions everything is socially constructed which indicates that actors affect institutional construction (with their foreground communicative abilities and background ideational abilities). However the actors themselves may not realise their effect and the effect of underlying mechanisms. This is because of the complexity of the process of discussion. Ideas and interests frame the discussion, however during the ongoing discussion also the ideas and interests might be changing. That is why one might not understand the importance of her own ideas in policy framing – especially when they are not successful ones. As well as the programs are a sum of many ideas and the one who is asked tells about the programs adds her own opinion to the story. In other words it can be claimed that if the subject under the research would have been – for example – asked from the institutional actors their answers would not have been comprehensive as they cannot see all the institutional actions because of the complexity of the institution. As well it is possible that they have not noticed their role as the social constructors of the institutions.

Various doubts have been presented about the objectivity of the interpretative method, these doubts mainly concern of the influence of an interpreter on research.

It cannot be denied interpretative analysis would not be influenced by a researcher – however this is not a reason for not seeing it as a scientific research method. A research is always depended about the preconceptions of a researcher and a research frame is always depended on previous assumptions. The previous assumptions are – for example – personal views about the subject. These views can be based for example former studies a researcher has red about the subject.

Interpretative analyses as a research method which is commonly used in the social sciences and the use can be grounded to the argument that social actions can be only understood by other social actors. Subjects need to be placed in their contexts (Tilly & Goodin 2006.) The significant point in the interpretative analyses is to understand that the researcher as an educated social scientists sees the situation in the broader picture than an actor in the researched situation. Of course a researcher needs to be familiar with the idea of institutional analysis in order to understand the essence of institutions and to understand that the institutions are social constructions where it is only possible to understand the actions socially. It is significant for a researcher to understand how institutions are constructed and that actors have the ability for change in them. As well an institutional analyst must know the institution under research. To get to know to the institution under research the analyst may, for example, read about institutional history, get familiar with the constitution of institution and get to know the members of the institution and find out the backgrounds of the people working in institutions.

The study was made in two parts: firstly it was got to know to the recommendations given by the institutions and secondly these recommendations were analysed with the interpretative method. Basically, this means that the results were the interpretations of the researcher. In concrete, the research results were found by reading the data and interpreting the subjects red through the knowledge researcher had or what she had gained in during the first part of study. However before the actual research it was got to know to the institutions under the research, it was red about the institutional history, got to know the constitutions of institutions, it was red the institutional views about social development and poverty and as well got familiar with to the relevant theory. This before hand knowledge constructed the interpretation skills of the researcher and had an impact on the results.

The research was based on the underlying mechanisms which were seen to exist in institutional context and which were essential for the function of institutional

discourses. The mechanisms were actors, ideas, interests and discussion. These mechanisms were defined of the data-in-use. Some of the underlying mechanisms were easier to define than others. It can be said that actors and ideas were easier to define than interests and discussion. In fact can be claimed that the actors were already known when the research question was framed, as the research happened only on the institutional level. The ideas came visible when it was started to get familiar with the data. Defining the interests of the institutions was more difficult and not possible only by reading the pension recommendations the institutions had made. Also it was needed to read the other institutional opinions, as well as find out the main goals of the institutions in their work. The institutions were committed to some ground rules – these rules had an impact as well to their ideas about the pension system. As well defining the interests the constitution process and history of the institution were kept in mind. The defining of the discussion between the institutions was made simply comparing the concrete ideas made by the institutions: by comparing the pension recommendations. The comparison was made between the ideas on from the administrative and financial perspective.

3.3 Data

This study is a documentary-based study of the un-structured data. As the data was un-structured it was not produced directly the purposes of the study: originally it has been published for other purposes (see Finnigan 1996, 141). The data consist on primary and secondary data (see Boulton & Hammersby 1996, 282; Jupp 1996, 299). As the primary data were used the documents published by the institutions under the research and as the secondary data were used the documents related to these programs. The primary data consist in four publications: two were publications of the WB (three and five-pillar-pension-systems) and two of the publications of the ILO (the guidelines of the social safety net and three tiers and pension outcomes). The secondary data consist on the various interpretations made about the recommendations of the institutions by researchers in different fields, mainly it was used five publication. The lists of the primary and secondary (five which were the most in use) data are as appendices one and two of this study.

Have to be noticed that, even though, in the programs under research or in the documents related to them recommendations specifically to the area of research

(sub-Saharan Africa) were not always suggested. In these cases the recommendations which were considered suiting the best for this area were used. It was taken a notion the recommendations, for example, for developing countries or low-income economies.

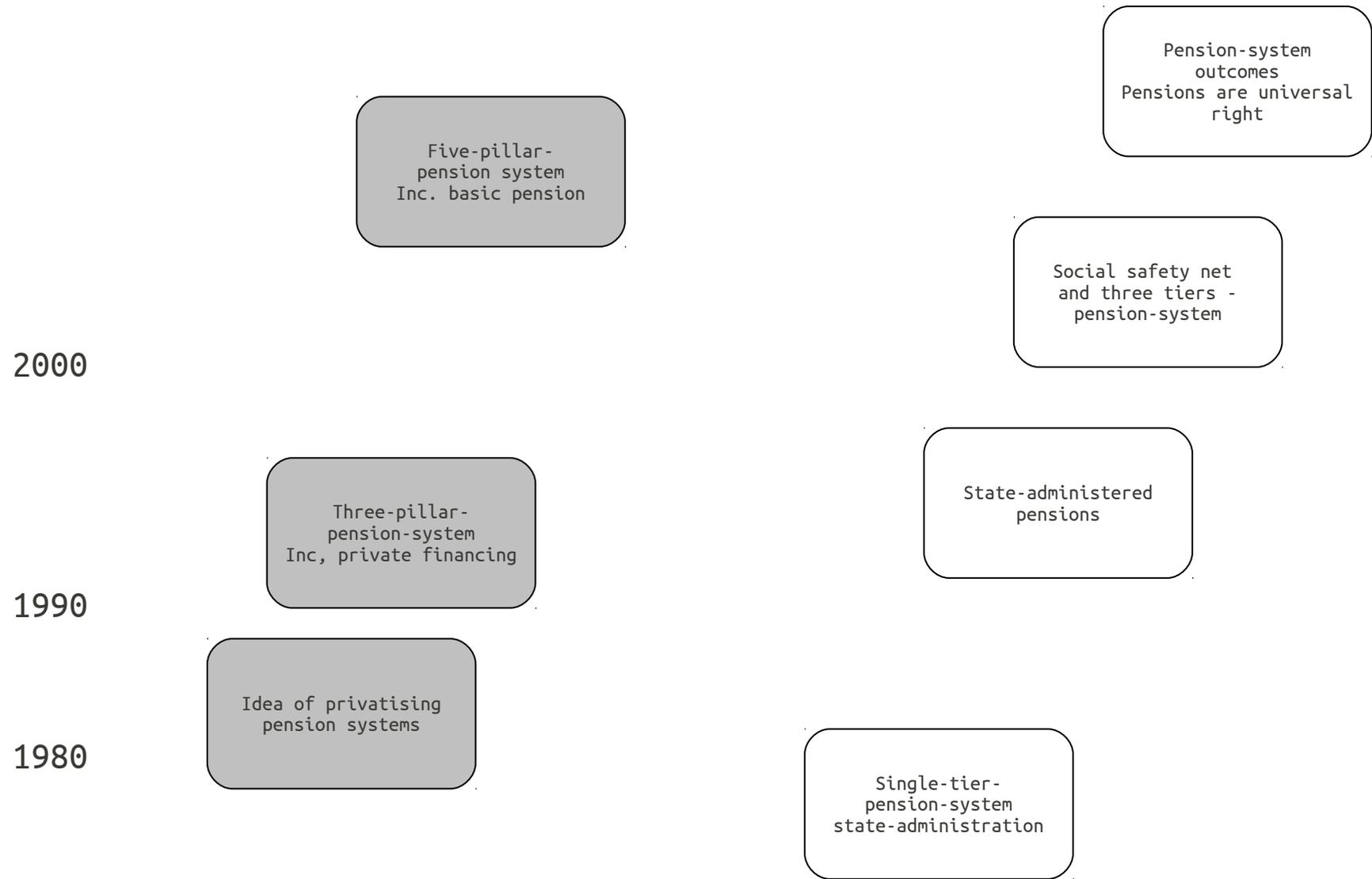


FIGURE 6. Starting points of the research. Grey: the World Bank, white: the ILO.

4 STRUGGLE FOR PENSIONS

The purpose of this part to presents the results of the study. The part is divided in two; the first chapter *4.1 Pension policies of the World Bank and the International Labour Organisation between 1990-2010*, will present the discourses – the pension policies – of the institutions during that time. This chapter concentrates on present the political processes, changes in their politics, within institution. The second chapter, *4.2 The Underlying mechanisms in the discourses of the World Bank and the International Labour Organization*, will present the underlying mechanisms found during the research. These two chapters possess different purposes: the aim of chapter 4.1 is to explicate of the global pension discussion during the 1990-2010, while the aim of chapter 4.2 is to explicate the interpretations made of the global pension discussion.

The chapter 4.1, begins with the presentation of the discourse of the WB. This includes the presentation of the two multi-pillar-pension systems recommended by the WB during 1990-2010. Firstly, the three-pillar-pension-system published in 1994 will be reviewed and this review is followed with the review of the five-pillar-pension-system from 2005. The WB recommended similar systems for all countries – however how a country should build up these systems differed. As the study concerns the sub-Saharan-Africa the system building recommendations which concerned about that area will be presented. The WB did not spoke, though, exactly about the sub-Saharan-Africa that is why under the research it was taken the recommendations which were seen to suit the best to the area, the recommendations concerning of the young low-income economies. These will be presented in the end of the part.

Secondly will be explained the discourse of the ILO. The chapter will start with the criticism of the ideas of the WB where the ILO seemed mainly to concentrate during the 1990s. However in the year 2000 the ILO adapted the multi-pillar/-tier-idea to its guidelines. Instead of the word “pillar”, though, it used the word “tier” The guidelines of the ILO were called the social safety net and three tiers (see ILO 2000.) The ILO considered that not one system suitable for all the countries exists – for this reasons it constructed the guidelines of various different kind. Which one of these guidelines was then suitable for a country depended on the circumstances of it. The ILO (2000, 468-475) did not speak specifically about the sub-Saharan-Africa in its guidelines,

because of this, the guidelines concerning of countries with low-coverage will be presented. Various sub-Saharan African countries can be referred to countries with low-coverage because of the lack of people working in a formal sector (see ILO 2002, 7; also ILO 2006, 28). At the end of the 2000s it seemed the ILO changed its mind about the suitability of the multi-tier-pension-system as it stated strongly than before that it had no interest to give guidelines about any specific pension system. Instead of the system recommendations, it framed the pension outcomes which purpose was to guide countries in the process of building and maintaining of pension systems (ILO 2008; ILO 2009.) These will be presented in the end of the discourse of the ILO.

The second chapter of the part results, chapter 4.2, will present the results of the interpretative research about the underlying mechanisms in the discourses of the WB and the ILO. The underlying mechanisms in the discourses were considered the actors, ideas, interests and discussion. Found results will be presented in the same order. The underlying mechanisms will be presented from the perspective of one institution, except the discussion which is presented interactively. The research included the interpretations about the aims of the underlying mechanisms and the aims are presented as part of the results.

At the end of the part 4, is presented summarising remarks out of two chapters concerning of results. This chapter is *4.3 Summarising remarks out of the part struggle for pensions.*

4.1 Pension policies of the World Bank and the International Labour Organisation between 1990-2010

Purpose of this part is to present the discourses of the WB and the ILO during the time line of 1990-2010. A discourse, in here, is referred to a policy practiced by an institution. The discourses are presented from the perspective of the pension policies of the institutions, however it is significant to notice that at the same time they present the general discourse of the institutions. Pension policies are not a separate part of institutional activities.

4.1.2 The discourse of the World Bank

Although the WB had already supported pension reforms during the 1980s (for example in Chile 1980/1981 (see e.g. ILO 2009, 23)) the globally noticed pension reform suggestion was presented only in 1994. The pension reform was presented in the publication called "Averting the old age crisis" (WB 1994; see also Orestein 2008, 209). This publication suggested that, social security type, single-pillar-systems should be changed to multi-pillar-systems. If a pension system not existing yet, one should be build directly as multi-pillar-one. In practice the WB recommend the countries take three-pillar-pension-system in use. (see Orenstein 2008, 209; WB 1994.)

The three-pillar-system consisted on the following pillars: the mandatory publicly managed pillar (first pillar), the mandatory private managed pillar (second pillar) and the voluntary pillar (third pillar) (see WB 1994, 15). The purpose of the first pillar was to provide a minimum pension. The pillar was planned as state-administered and financed with tax-revenues. Participation and contributing to this pillar was mandatory for everybody. Either everybody would receive the same amount of pension from this pillar (flat-rate) or receiving the pension could be based on means-testing. As the pillar was administered and financed by the state, it can be described as a redistributive pillar where risk is shared collectively. The purpose of the second pillar was to provide a pension based on personal or occupational savings. The pillar was planned as privately administered and to be financed with the individual

contributions. However, the contributions were planned mandatory and regulated. From this pillar the pension would only receive those who have had opportunity to contribute in it. The purpose of the third pillar was to encourage people to make individual savings for old age, This pillar was, as well, planned as privately-administrated based on individual contributions. In here the contributing was voluntary and not necessarily taken care by some instance. However if it was wanted this pillar could be planned as an additional occupational pension plan. This pillar would provide pension only for those who had money and will to make savings during their years at work (WB 1994, 15)

TABLE 2. Consistent of the pillars in three-pillar-pension-system recommended by the WB in year 1994

Pillar one	Pillar two	Pillar three
<ul style="list-style-type: none"> • Mandatory publicly managed pillar • Guarantee of minimum pension • Means-tested or flat-rate-benefit • Tax-financed • Redistributive 	<ul style="list-style-type: none"> • Mandatory privately managed pillar • Personal or occupational-savings • Regulation of savings 	<ul style="list-style-type: none"> • Voluntary privately-managed pillar • Personal or occupational-savings

According to the WB (1994) the concrete organisation of a pension system depended on the circumstances of a country. Equally significant was that the system would not be based on one pillar because this would make the system unsustainable (WB 1994). In the multi-pillar-pension-system, the discourse of privatisation was obvious as always be a part of a pension private-administered and funded by individuals. Also from this parts a pension would be only provided for those who have had the possibility to make contributions.

Although in general the three-pillar-system was planned to implement as similar to all countries the WB (1994, 19) saw a process of implementing would be different in different places. According to the WB (1994, 19) it depended on the economic status of a country how the system should be build. In here the implementing

recommendations concerning of the young low-income economies are presented as they are the most suitable for the sub-Saharan African. According to the WB (1994, 19) a young low-income economy is a country which has young population and low income per capita. If this type of country had a pension system, it would probably consist on either a small public pillar or a publicly managed provident fund. Mainly, the pension systems in these countries covered only the government employees (WB 1994, 19.)

According to the WB (1994) the young low-income economies were not able to establish the three-pillar-pension-system directly because these countries did not have possibility to establish a decentralized funded pillar. The decentralised pillar, pillar one or two, was not possible to establish because of the lack of the financial markets and/or the regulatory capacity needed for it. That is why the WB (ibid) recommended that the young low-income economies should wait before the implementing of the three-pillar system in total. However the process of implementing could be started by building supportive environment for the voluntary pillar (pillar three). Then later on, it should be supported on both, the mandatory pension and personal saving plans (WB 1994).

TABLE 3. Recommended building order of the three-pillar-pension-system for young low-income economies

To be build the first	To be build the second	To be build the third
Pillar three	Pillar two	Pillar one (should be kept small)

In general the WB (1994) saw important that the steps would be taken directly towards the multi-pillar system. When the system is built directly as a multi-pillar-one ending up with a large public-based pension is avoided (WB 1994, 19,20.) The large public pillar was considered as unsustainable. In order to build up a multi-pillar-system it was recommended to keep the existing public contributory pillar small, flat, and only limited to the urban areas and for the large enterprises. The only purpose of the public pillar was to provide a social assistance to the poorest group in the country. To avoid the large public pillar the WB guided to act for example in the following ways: it should be to carry out simulations of long-run impact of alternative

public plans (coverage, benefit level, retirement age) on taxes and the distribution of transfers across and within generations; it should be dispensed with centrally managed provident funds (as they are often misused); it should be set up the legal and institutional framework for personal saving and occupational pension plans requiring full funding; benefits should be portable, and disclosure of information for the portability of benefits should be provided; it should be given equivalent tax treatment to occupational and personal retirement plans that would meet prudent standards; it should be avoided crowding out the informal support systems and should be offered incentives to families to continue to take care of older relatives; it should be made efforts to avoid overgenerous pensions, early retirement and benefit contribution structures that encourage evasion or discourage saving; it should be avoided perverse redistributions to high-income groups on public plans and unregulated, unfunded, nonportable occupational plans (WB 1994, 19, 20.)

Across the board in the building of pension systems the WB (1994) saw the promoting of the economic growth as significant. All economies should aim for the economic growth, this would also be helpful in the building of the pension-systems. In order to achieve the economic growth the WB (1994, 19) recommended, for example, to keep inflation down; to avoid interests rates and exchange controls; to establish reliable saving institutions, which would be accessible to people in rural as well as urban areas; develop a regulatory framework which gives people confidence in banks, insurance companies and other financial institutions; institute an effective tax policy and a tax administration system and to build a human capital essential for the effective management of financial and regulatory systems (WB 1994).

In 2005, the WB published a revisited version of multi-pillar-pension-system. This new version was published because the one presented in 1994 was realised to be inadequate. The WB noticed the system of 1994 was not good enough for example tackling against the poverty (see WB 2001). The system of 1994 had been as well criticised by the other parties (e.g. Beattie & McGillivray 1995). The new system included five pillars of which three were identical to the system of 1994 (see WB 1994; WB 2005). With this five-pillar-pension-system the WB took a stronger approach to poverty alleviation which it saw as one of the tasks of old age pensions. Ideally, a pension should provide at least a minimal pension or when possible an income replacing pension (WB 2005, 93.)

Pillars one, two and three were the same as in 1994 while pillars zero and four were

new additions (see WB 2005). The purpose of the pillar zero was to provide basic or social pension or at least social assistance. It was planned as state-administered and also to be financed by the state (either state-budget or tax-revenues) This indicated that the individuals did not have to contribute to this pillar. This pillar would provide pension either for everybody or at least for those who are in the poorest and the most vulnerable situation. It was seen that with this pillar poverty could be tackled against to. The purpose of the other addition the pillar four was to integrate the other aspects related to social policy as part of the pension system. This indicated, for example, following aspects access to informal support (extended family), other formal social programs (health care) and other individual financial and non financial assets (for example: homeownership). This pillar was as well targeted to everyone , the participation was of course voluntary (WB 2005, 10, 42.)

TABLE 4. The five-pillar-pension-system recommended by the WB in year 2005

Pillar zero	Pillar one	Pillar two	Pillar three	Pillar four
<ul style="list-style-type: none"> • Publicly managed-pillar, • Non-contributory "basic-pension" • Universal or residual • Tax-financed or state-budget 	<ul style="list-style-type: none"> • Mandatory publicly managed pillar • Guarantee of minimum pension • Means-tested or flat-rate-benefit • Tax-financed • Redistributive 	<ul style="list-style-type: none"> • Mandatory privately managed pillar • Personal- or occupational-savings • Regulation of savings 	<ul style="list-style-type: none"> • Voluntary privately-managed pillar • Personal or occupational-savings 	<ul style="list-style-type: none"> • Voluntary-pillar • Including of not pension system related aspects • Financial and non-financial assets

Like in 1994 in 2005 the WB made suggestions for different areas how in concrete the implementing of the five-pillar-pension-system should be carried out WB 2005, 84-92). The WB (2005, 85) agreed that it depended on the circumstances of a country how the reform should be carried through or which kind of reforms were even possible. Countries with a high income rate were seen to have more options than the ones' with the low income coherence (WB 2005, 85).

Most of the sub-Saharan African countries could be referred to have a low economy. For the low income economies it was presented different ways to move towards pension reform depending on the circumstances of a country. A country could be in a post-conflict state, could have a low-level equilibrium or be emerging and reform orientated (WB 2005, 84-92).

Countries in the state of post-conflict had no existing pension systems (WB 2005, 85). The pension reform in such countries was considered essential in order to protect the most vulnerable, however capacities to implement multi-pillar – or actually any kind of – pension systems were not existing. It was recommended to: “Provide basic support and services via social funds, nongovernmental organizations, and international aid and avoid the introduction of costly civil servant schemes and the compensation of freedom fighters via pensions” (ibid).

For the countries the WB (2005, 85) considered being in a state of low level equilibrium countries it recommended to build a pension-system based notional defined benefits for the public sector with limited coverage reforms. When wanted to implement the reform in these countries, it should be focused on the fiscal costs and extending the coverage. The environment for these changes and to the reform in general in these countries was limited. Countries faced limitations as there was no macro or fiscal space, no financial sector and only limited administrative capacity. The WB (2005, 85) also claimed the governments of countries – in many cases – had no will to reform a pension system. The following recommendation was given: “Undertake a parametric adjustment of the system and provide community-based support for the vulnerable elderly” (WB 2005, 85)

For countries in the state of emerging and reform orienting the WB (2005) made two kinds of reform options as there were existing two kinds of pension systems in these countries. A pension system was based either notional defined benefit for the public sector with limited coverage or a funded defined contribution/defined benefit for the public sector with limited coverage. For the system based on notional defined benefit reforms should consider fiscal costs and on the efforts of extend the coverage. In this type of country there was typically no willingness to reform, and no administrative capacity or fiscal sector ready, also the macro and fiscal room were said to be limited. It was suggested: “Undertake parametric reform of the unfunded system (perhaps with a view to notional defined contribution); introduce, regulate, and supervise the voluntary system; introduce and test noncontributory pensions”

(WB 2005, 86). In countries with a publicly administered pension system based on a funded defined contribution or a defined benefit, the coverage was limited. That is why the reform was seen needed in extending coverage. Also the rate of return was needed to improve. According to the WB (2005, 86) these countries had will for reform but there were problems of generating the change as both macro and fiscal room were limited and as well there was lack of administrative capacity and limited financial sector. In concrete it was suggested following: "Improve governance of the central or provident fund; introduce, regulate, and supervise a voluntary system; introduce and test non contributory pensions" (WB 2005, 86).

Compared with the year 1994 somethings were changed in 2005. In 2005 the most low-income countries the pension reform – or the creation of a pension system should start with the basic pillar while in 1994 it was said that reform should be started from the creation of voluntary pillar (see WB 1994; WB 2005.) Across the board in 2005 it was advised to provide a basic pension in the advanced age and keep the level of benefit low. As "this would ensure self-selection with a low budgetary cost" (WB 2005, 97). Thoughts of budgetary were seen important as there were other benefits needed to provide not only pensions (WB 2005, 97, 98).

4.1.2 Discourse of the ILO

During the 1990s, the ILO seemed to concentrate on one hand to criticise the discourse of privatisation which was followed by the WB and on other hand to defend on the public-administrated pension policies. Even though the ILO did not support the kind of reform the WB recommended, it agreed with the WB about the importance of pension reform (see Beattie & McGillivray 1995)

As pension reform was needed, the ILO considered it important that new ideas were generated and different pension systems weight up and. In this sense, the system of the WB was appreciated. Also it was noted that all systems had their failures which needed to be corrected: this did mean the failures of single-pillar/tier (public-administered) as well as the multi-pillar/tier (including public-and private-administration) systems.

The ILO did not though agree with reasons presented by the WB about the

superiority of the private-pension-system (Beattie & McGillivray 1995, 5.) Beattie and McGillivray (1995) argued, in the article published by ISSA, that it was unfortunate that debate about privatization was mixed up with pension reform as well: in the reform the idea of the WB privatization of the pension system was wanted. According to the Beattie and McGillivray (1995) two assumptions behind the system framed by the WB in the year 1994 existed (see WB 1994). Firstly the system counted on the economic growth which private pension system would provide. The private administered pension system could provide the growth as it would be more effective than the public-administered and social support based systems. The economic-growth would be achieved because of fully funded aspects in the system. The fully funded aspects would increase the saving rate and lead to increase of productive investments. The second assumption was the expected efficiency of the private-system compared with a public one. Private-system was considered in general more efficient as it would be free from political interference and competitive (Beattie & McGillivray 1995, 6.)

Besides the two assumptions mentioned above the WB had as well listed various reasons why the public-/social-support-type of pensions were no longer successful: the public pensions systems were not able to protect benefits against the inflation; the public pension systems encouraged to the early retirement; the public pension systems paid higher benefits to the rich than to poor; the public pensions had over-generous benefit formulae and often high administrative costs (Beattie & McGillivray 1995, 6) The ILO did not share this opinion.

In general Beattie and McGillivray (1995) stated that with the three-pillar-system of the WB included a high rate of risk and was unable to provide safety for the old-aged people. The second pillar of the system was taken – especially - under the eye of inspection. The WB (1994) had recommended that the pillar should be a private one (contribution based on defined schemes). This would not provide a greater guarantee of pension benefits – and holds a higher risk than a properly designed and administered – public – (defined benefit) scheme (Beattie & McGillivray 1995.)

According to Beattie and McGillivray (1995) the WB not to see all diversities as they did not see any redeeming features of the public pension systems – even though the public pension systems had been successful in many aspects. The public pension systems, recommended by the ILO during the 20th century, have had a great role in poverty alleviation among elderly as well as in providing the workers a competent

replacement rate compared with their previous incomes. It was seen that with the public pension system support during the old-age could be secured. The administrative costs of the public pension systems had been calculated to be very low as well, this makes the public system very effective (Beattie & McGillivray 1995, 6.)

As seen the ILO criticised the multi-pillar-idea recommended by the WB – especially though the private aspects it holds during the 1990s. During the 2000s ILO adapted the multi-pillar/tier-idea. In 2000 the ILO based its guidelines to the multi-tier-idea first time (see ILO 2000). Unlike the WB – who generated systems or models and based its recommends to those – the ILO rather spoke about the principles or guidelines. The guidelines the ILO recommended in the year 2000 were referred to the social safety net and three-tiers (ILO 2000). The ILO used the term “tier” instead of “pillar”. Guidelines of the social safety net and three-tiers included four different parts of which the total pensions consisted – tiers from zero to three. Have to note that the system guidelines – which will be presented here – were particularly directed to the developing countries. The ILO stressed that especially tier zero was significant for the countries because the purpose of this tier was to provide social assistant for the poor outside the pension system. This tier was planned as state-administered and to be financed by the general revenues. Everyone would be obligated to make the contributions to this pillar. However a pension from this pillar would be provided for poor, the entitlement of receiving a pension was to be based on means-testing. The purpose of the tier one was to provide occupational pensions mainly for formal sector workers but the tier could be extend to include the informal sector workers when possible. The tier was planned as state-administered and it should be financed with mandatory contributions. Financing could happen with the PAYG-system or be partially funded. The idea of the tier was to provide a replacement rate between the 40-50% of average life time income. The social safety net and tier one based on the redistribution and in them the risk was shared collectively. These could be organised differently in the second tier – if wanted. The purpose of the second tier could be described providing an additional pension. The tier could be administered by the state or some private institution and be financed fully by the individual contributions. Contributing to this pillar could be mandatory or voluntary – as wanted. The tier could be consist on an individual saving plan or an occupational pension plan. The tier would provide the pension only for those who had possibility to make contributions or savings. The purpose of tier four was to integrate other social policy related aspects as part of the pension system. These aspects were for example health-care, housing and support from the family. Also savings could be included. The

participation was voluntary and the individuals were responsible for financing this pillar (ILO 2000, 464-468.)

TABLE 5. Guidelines of social safety net and three tiers recommended by the ILO in year 2000

Tier zero	Tier one	Tier two	Tier three
<ul style="list-style-type: none"> • Social safety net, publicly administered • Participation mandatory • Means-tested • Tax-financed 	<ul style="list-style-type: none"> • Mandatory publicly administered tier • “Occupational pension” • PAYG or partially funded 	<ul style="list-style-type: none"> • Mandatory or voluntary publicly or privately administered tier • Individual contribution 	<ul style="list-style-type: none"> • Voluntary tier consisting • Savings and non-pension benefits and aspects • Funded by individuals and state

Compared with the WB, the ILO was in opinion not single type of system would be suitable for all countries around the world. That is why the system presented in the previous chapter was directed to the developing countries. Concrete suggestions how to implement the system were also presented (see ILO 2000, 468,469). The ILO stressed about extending coverage in order to implement the multi-tier-system in the developing countries. However, it was also claimed that actually implementing of the multi-tier-system could be helpful in extending coverage. The Establishing of system might bring more people within the pension system and in that sense to extend coverage (ILO 2000, 468, 469.)

How the ILO suggested the system should build up in concrete then? The social safety net should be planned as such that it would provide extremely poor workers a social assistance pension (financed by state budget). The tier one should be divided into two parts. One part should provide basic flat-rate benefit. This part could be structured so that years of contributions would increase it. Also it should be designed to meet the social goal of providing a minimum benefit that prevents poverty during the old age for people who are working or otherwise have the possibility to contribute to the pension. Purpose another part of the tier one would be in providing an earnings-related benefit. Only workers earning more than a minimum amount

would have a possibility to contribute to this part: the purpose of it was to provide earnings-related benefits for the middle and upper-income workers. In the financing of the tier one, it was recommended to firstly keep flat-rate-benefit (the first part of pillar one) low level – otherwise the system might end up in trouble. The low level in financing indicated that the eligibility for this benefit should be limited. The limitation could be done, for example, by entitling the disability and survivors benefits to this program or by providing retirement benefits starting at relatively old age (60 or 70 years) (ILO 2000, 468.) The financing of the flat-rate-benefit could be done in a few different ways: as PAYG-basis and keep the mandatory contribution rate low (2, 3 or 4 per cent). Other way for financing the flat-rate-benefit would be to finance it from the same fund as the earnings-related benefit. Alternatively as well general government revenue could be used to subsidize the fiat-rate benefit. Administrative costs of the flat-rate benefit should be kept low as well. According to the ILO, this could be done by paying attention to the contribution collection. From people who would only be participating in the first part of tier one the contribution could be collected quarterly. While the contributions to workers participating in both tiers could be collected monthly. The purpose of tier two was to include voluntary savings in the pension systems. The pillar was designed to meet the social goal of allowing upper-income workers to supplement their mandatory benefits through voluntary saving (ILO 2000, 468, 469.) The purpose of the last tier, the tier number three in the pension system was to combine other social support related aspects as a part of the pension system. Also the idea of tier three can be seen in promoting the role of traditional support system which means the support from family and relatives (see ILO 2000.)

After publishing the guidelines of the social safety net and three tier, the ILO did not publish any other multi-tier-type-system during the 2000s. In fact at the end of the 2000s, the ILO saw its role as a promoter of the idea of pragmatic parametric reforms. The ILO was in opinion that dramatic changes that can incur major social risks, that is why this kind of changes should be avoided in pension systems (ILO 2008, 9.) As a major change it was indicated to a total change of the pension system.

At the end of the 2000s ILO also stated – maybe even stronger than previously – that it has no strong, ready-made, architecture for national systems nor the will to frame one (see ILO 2008, 10). However, the ILO framed ten social outcomes which the national pension system should meet after established(ILO 2008, 9). These ten out

comes were the following:

1. Universal coverage: Everybody should have a right to affordable retirement through pension systems that provide all residents with at least a minimum level of income protection in old age and disability.
2. Benefits as a right: Entitlements to pension benefits should be precisely specified as predictable rights of residents and/or contributors.
3. Protection against poverty: Pension systems should provide a reliable minimum benefit guarantee that effectively protects people against poverty.
4. Income security: Those with lower than average incomes and whose contribution have been paid for at least 30 years should not have a total of pensions from different sources which is lower than 40 per cent of their pre-retirement income (this reflects the minimum requirements set by ILO Convention No. 102).
5. Actuarial equivalence of contributions and pension levels: A minimum replacement rate for all contributors adequately reflecting the level of the contributions paid should be guaranteed.
6. Guarantee of a minimum rate of return on savings: The real value of contributions paid into savings schemes should be protected.
7. Gender fairness: Benefit provisions should be gender-neutral and gender-fair for working parents.
8. Sound financing: Schemes should be financed in such a way as to avoid uncertainty about their long-term viability.
9. Fiscal responsibility: Pension schemes should not crowd out the fiscal space for other social benefits in the context of limited overall national social budgets.
10. State responsibility: The State should remain the ultimate guarantor of the right to affordable retirement and access to adequate pensions.
(ILO 2008, 9, 10)

As well at the end of the 2000s the ILO reminded the global community that universal social support has to be provided for everyone as social support is a human right of everyone. Also the level of benefit has to be adequate (ILO 2009, 9,10.) According to ILO there was no such a poor society that it could not share: also the developing countries were seen have to afford for basic social security. From the perspective of old age support the developing countries could have afforded to

provide a basic pension for all (ILO 2009, 13-18.) So implementing of the basic pension can be referred to a recommendation of ILO at the end of the 2000s.

4.2 The Underlying Mechanisms in the Discourses of the World Bank and the International Labour Organization

The purpose of this part is to present the underlying mechanisms found the discourses presented in the latter chapter(4.1). Institutional discourses function always only because of underlying mechanisms, in here these mechanisms were considered actors, ideas, interests and discussion. The underlying mechanisms are related to each other – that is why the following presentation is in some parts cumulative. Also the aims of the underlying mechanisms are considered.

The pension policy is not separate from the other actions of institutions, because of this during the research at some parts it was seen meaningful – to achieve complete comprehension – to take an account of these other actions. When the other actions were taken account, it is told among the results.

4.2.1 Actors

In this study, the actors occurring within the discourses were simply two institutions the WB and the ILO. The purpose of this two institution was – as this study concerns of the global pension policy – to generate ideas about pension systems and then to recommend these for the countries – in order of course to get the countries adapt these recommendations. These actors have been even assisting in the implementing of the recommended systems.

There were also other aims to which were trying to reach and which can be seen to reflect on the framing of pension recommendations. Across the board can be said that during the 1990-2010 the actors wanted to affect the stage of social development of countries in a positive way. As these institutions saw social development as a part of development: the point is to increase the development (e.g. WB 2008). Also both of the institutions achieved for the end of poverty. The will affect for the latter could be found out of the commitments the institutions made for MDG (see e.g. ILO 2010a; WB 2010.) Committing to the MDG also told about the will to take a part to the processes of social and sustainable development.

TABLE 6. Actors and their aims (during 1990-2010)

Actor	The WB	The ILO
Aims (1990-2010)		<ul style="list-style-type: none"> • Generate pension systems • Recommend pension systems • Get countries to adapt the recommended systems • Assist implementing • Social development • End of poverty

4.2.1 Ideas

The ideas found were either programs (pension systems, models, guidelines or principles) or philosophical thoughts presented by the institutions. During the 1990-2010, the WB generated three ideas: the general idea of a multi-pillar-pension-system, the three-pillar-pension-system in 1994 and the five-pillar-pension-system in 2005. While the ILO generated four ideas: the idea of social safety net, the idea of including non-pension-related aspects in the system, the guidelines consisting on the social safety net and three tiers and the pension outcomes. The ideas of the multi-pillar-pension-system, about the social safety net and the non-pension aspects were more philosophical ideas than the other four which can be referred to programs.

TABLE 7. Ideas of the institutions during 1990-2010.

Institution as actor	The WB	The ILO
Ideas 1990-2010	<ul style="list-style-type: none"> • Multi-pillar-pension-system • Three-pillar pension-system 1994 • Five-pillar pension-system 2004 	<ul style="list-style-type: none"> • Social safety net • Non-pension-related aspects • Social safety net and three tiers 2000 • Pension system outcomes 2008

According to the DI, ideas exist at three levels: levels of policies, programs and philosophies. The idea of the multi-pillar-pension-system, of the social safety net and the including of non-pension related aspects to the pension system were ideas at the level of philosophies. Even though it can be also said that these ideas were not exactly on level philosophies but they seemed to reflect very well about that level as the purpose of these ideas was to organise and/or support ideas from the value-perspective. In general the philosophical level of ideas constructs the World and gives fundamental support to the other ideas. The philosophical level of ideas also helps in organising ideas at other levels, as well as values, and principles of knowledge and society. In this study, the previously mentioned, the ideas at the level of philosophies were seen to construct the thoughts about pension systems on the fundamental basis. Also the other ideas of the institutions were based on these ideas. In other words, the ideas about multi-pillar-system, social safety net and include non-pension aspects in the pension system gave firstly support and secondly framed the other ideas generated. Without the ideas on the level of philosophies, the other ideas on the level of programs would not have been generated.

As said, the ideas at the level of philosophies tell about the values of institutions. The multi-pillar-idea reflected the values of the WB while the idea of social safety net and non-pension related aspects reflected of the values of the ILO. These ideas as well reflected how the institutions preferred the pension systems to be organised. Of course these ideas did not tell directly the values – the point only is that the perspective of the values from these ideas is got. The ideas on the philosophical level of the WB indicated about the will to include private aspects in the pension system, as well as the will for economic growth – which the WB always targets as one of the governing financial institutions in the World. The ideas on the philosophical level of the ILO indicated about its will to provide support for every one – the idea of the ILO has always been that stable circumstances of the individual indicate the peace. The stable circumstances were seen reachable when a comprehensive social support is provided.

The other other ideas, the concrete ideas about pension systems occurred on the level of programs. The purpose of the level of programs is to generate ideas which frame the first level of ideas, the level of policies. Here the pension system recommendations were generated as the institutions would like the countries to adapt policies according to these recommended systems. The purpose of the programs was to convince the countries to change their pension policies according to

the programs. The program based ideas are cognitive ideas as they can be described as conscious ones, telling what there is to be done.

The aim of ideas on different levels was different – however the aims of the ideas in both levels were seen related to each other. The ideas which were reflecting of the philosophical level were seen as persuasive ones – their purpose was considered to justify the ideas on the level of programs or even frame the ideas on the level of programs. In here the aim of the ideas which were on the level of programs, was to persuade countries to take these programs to part of their policies. Even though, the ideas were the single programs made the institutions, they were generated as such that they would present the general aims of the institutions under research.

TABLE 8. Ideas and the aims of ideas divided by the level.

	Level of philosophies	Level of programs
Idea	<ul style="list-style-type: none"> • Multi-pillarism • Social safety net • Non-pension-related aspects 	<ul style="list-style-type: none"> • Three-pillar-pension-system • Guidelines of social safety net and three tiers • Five-pillar-pension-system • Pension system outcomes
Aim	<ul style="list-style-type: none"> • Provide the fundamental basis for the pension ideas in the level of programs 	<ul style="list-style-type: none"> • Provide the concrete ideas about pensions for the policies of the countries

4.2.3 Interests

The interests found in the discourses were the will to privatise pension systems and the will to remain them as publicly organised. The interest of the WB was to privatise the pension system in order to promote economic growth and the interest of the ILO was to keep it as publicly administered in order to promote a pension for everybody.

The interest of the WB to privatise a pension system was discovered of various aspects. In the 1980s, the WB started to argue that the publicly ran pension system is

preventing the economic growth. The economic growth has been the aim of the WB since it was established. As financial institution, in all its actions it needs to take into account the economic growth. This means that in all of its actions the WB is committed to promote foreign investment, international trade and facilitate capital investment (e.g. WB 1989). The WB saw the economic growth – or development – as a significant factor in other kinds of development, in fact the economic development was seen as the key in promoting other aspects of development.

The reasons mentioned above had an impact on ideas that the WB had about pension policies. The fact that the WB is a financial institution that is committed to promote economic development was visible in the multi-pillar-pension-systems it did framed. These systems included privately-ran parts, which made, according to the WB, the pension systems more sustainable in the eyes of the economic development.

Interest behind the will for pension reform of the WB can also be understood by observing the discourse the institution obeys in general thinking of social support. According to Munro (2007) the WB was following the risks-based-discourse in its actions of social support. In this discourse, the purpose of social support was to cover the parts which cannot be covered with the economic system. In other words, all the actions should rise from the needs of the economic or market system, and be efficient on the grounds of this system. Only when the economy fails to provide wellbeing for people the social support by the state should be provided. In the pension policies of the WB, this seemed to be accurate. The idea of multi-pillar-system was – especially the one which was presented in the year 1994 – that parts of the pension were provided through private-administered pillars. Basically, this means that pension funds are circulated through the markets, so that the profit would be gained with them. Only as the last source of pension was kept the state-administered part.

In the system, generated in 1994, two of three pillars were privately-managed. The privately managed pillars were pillar two and three. The pillar two was planned to be mandatory and the pillar three voluntary. By adding these two pillars in the pension system it was thought it would promote more economic growth, for example it was seen that because of these there would be more funds to invest. Pillar one – the publicly (state) managed – was considered only as a substitute when through the two and three the pension could not be provided as the pillar one was recommended to keep low. This was the case at least for the low-income economies to whom it was

recommended that the reform should be started with building the voluntary pillar (pillar three) and then add only a small publicly-managed-pillar (pillar one). All the actions should, however, be taken so that all the three pillars would be achieved finally.

Interesting was, though, that in 2005 when the WB generated a new pension system including five pillars, a publicly ran pillar was added. The purpose of this pillar number zero was to provide a minimal level of protection. The state should finance this pillar. Also in 2004, a pillar to integrate social policy related aspects into the pension system was added. Both of the pillars were kept as tools against poverty. In 2005, it was recommended that the pillar zero would be build first (at least for the low-income-economies) and only then to move on to the other pillars, in the same order it was suggested in 1995. In general the interest of the WB was to provide economic growth which the privatisation of the pension system would support.

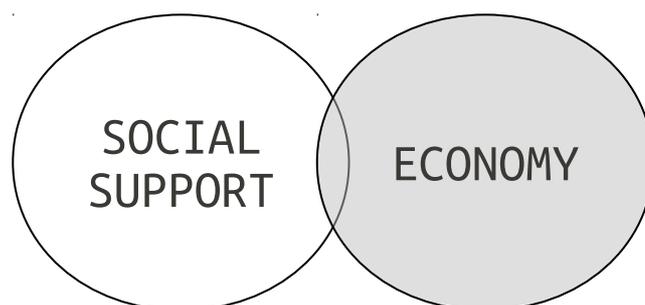


FIGURE 7. The interests of the World Bank in behind pension-system recommendations.

Compared with the WB the ILO saw things from a different perspective. The interests of the ILO, to remain pensions publicly administered and secure social support during the old-age for everybody, were found following aspects. First of all, the ILO was established to maintain the World peace and claimed that peace could only be long-lasting if the social support for everybody is provided. The latter mentioned ideas were noticeable in the pension policy recommendations made by the ILO during the 1990-2010. The ILO recommended the publicly-administered pension system that would also be financed publicly for countries during the 1990-2010. The ILO argued for this kind of system as well. At the end of the 2000s, the ILO's opinion on the universal basic pension seemed to increase greater (see ILO 2008; ILO 2009).

The ILO followed in its actions concerning social support the rights-based discourse (see Munro 2007). This discourse considers social support as a human-right of every and each individual. The ideas about pension policies framed by the ILO referred to this discourse: the ILO recommended the publicly-/state-administered pension-system that would provide a pension for everybody no matter previous incomes. As well the ILO reminded the pension policy framers that they should contemplate a normative basis of the pension. The reflections of a normative basis mean a pondering of the fundamental basis of the pension system. This moral argument told that the ILO wanted other actors to note that when the pension is not provided for all neither are the human-rights of all full-filled. The rights-based discourse was noticeable in all ideas of the ILO. All ideas high-lighted the importance of the public-administration and public-financing.



FIGURE 8. Idea behind the interest of the ILO in pension recommendations.

The interests were behind the pension ideas of both institutions. The point was that with pension policies of the certain kind could be in achieved something in a larger scale as well. Because of this, the recommended pension policy should be harmonious with the other activities of institution. The general interest of the WB was to promote the economic growth and make the market system efficient. Privatising the pension system was helpful for this target. The other institution the ILO considered that the social support could provide peace and that a pension is the human-right of a person.

TABLE 9. *Interests and aims of the institutions during 1990-2010*

Institution	Interests	Aims
The WB	<ul style="list-style-type: none"> • Privatising of pension systems 	<ul style="list-style-type: none"> • Economic growth, efficient market-system
The ILO	<ul style="list-style-type: none"> • Public pension systems for everybody 	<ul style="list-style-type: none"> • Comprehensive social support system, stable and sure support for everybody

4.2.4 Discussion

The three-pillar-pension-system generated in 1994 by the WB was the first multi-pillar-pension-system – at least in global perspective. Before that only traditional – and single-pillar/tier- pension systems existed. The global recommendations given before this three-pillar-pension-system had been given by the ILO. The ILO had recommended the single-pillar-system which was administered by a state and financed collectively.

The idea of a public pension remained in the three-pillar-system of the WB. The pillar number one was planned as a state-administered and state-funded one. This can be seen as the impact of the ILO on the system of the WB. The other two pillars in the system of the WB were privately-administered. The pillar number two was planned as mandatory to participate but ran by some private sector institution while the pillar number three was planned as a voluntary one – it was up to individual whether to participate in that or not.

The ILO adapted the multi-pillar-idea and based its own guidelines on this in 2000. However, the ILO spoke of tiers not pillars. Opposite to the WB (1994) the guidelines of ILO (2000) counted more on state-administration and state financing. The tiers zero and one were planned to administered and financed by the state. The tier two could be administered by public institution (=state) or a private institution and the tier would be financed by individuals. The tier three was planned as a voluntary one that consisted on the non-pension-aspects. Part the tier three was administered publicly and partly this tier included aspects that could be only administered by individuals.

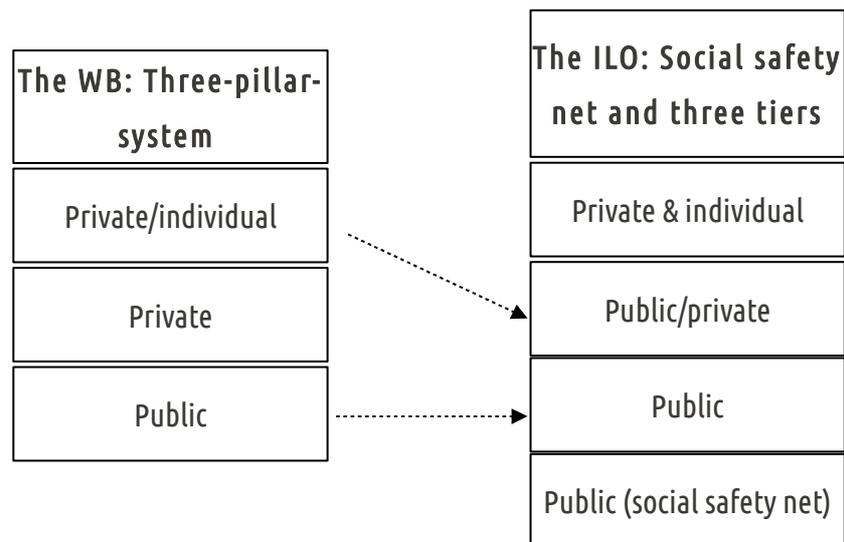


FIGURE 9. Administration of the three-pillar-system by the WB in year 1994 and the guidelines of social safety net and three tiers of by the ILO in 2000.

From the administrative perspective, an impact between the institutions in these systems is found. The WB included a publicly-administered and financed pillar in its system in 1994. The ILO adapted the multi-pillar-idea in 2000 and included a possibility in it that one tier could be administered privately and that would be financed by individuals.

In the system of the WB in 1994 the pillar one was financed by the state and the other two pillars were funded by the personal or occupational savings. This means that the pillars two and three were planned as fully funded by the individuals. In the system of the ILO in 2000, the tiers zero and one were financed by the state (either by the general revenues or PAYG-basis). However the tier two would be fully funded by the individuals and tier three was partly funded by the state and partly by individuals.

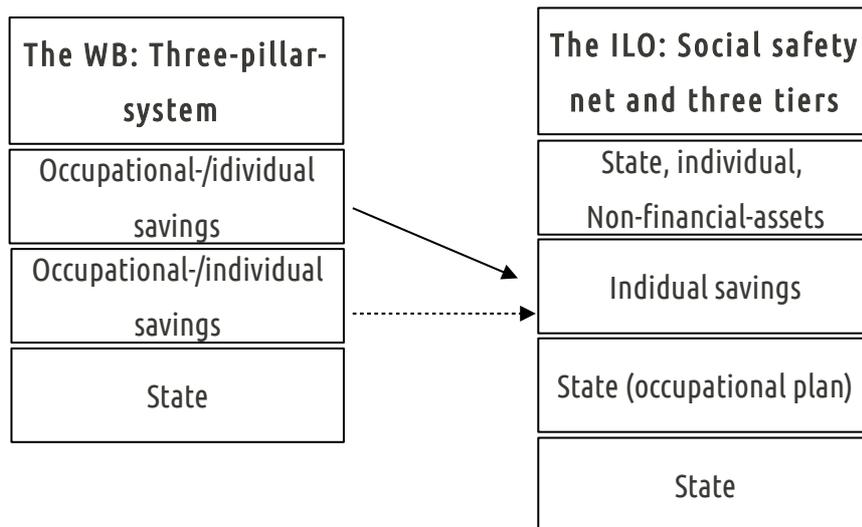


FIGURE 10. Financing of the three-pillar-system by the WB in year 1994 and the guidelines of social safety net and three tiers of the ILO in 2000.

From the financing perspective, the interaction between the institutions seemed the following: before the WB published the idea of three-pillar-system it had been followed the recommendation of the ILO that based on state-funding. In this sense, shall be argued the WB integrated the idea of the ILO about (pillar one would be state-funded). The ILO included in its multi-tier-system parts that would be funded by individuals (tiers two and three) this idea was adapted from the WB , too. This means the interactivity between theses systems is found.

The WB reframed the pension system in 2005. Two pillars in the three-pillar-system were added. The new pillars were pillars zero and four. The pillar zero would be state-administered that would provide a basic pension for those who have no other possibility to receive it, for example lifetime poor (social pension or social assistance). Pillar four would be partly administered by the state – however the other part would be left to administrate by individuals. The purpose of pillar four on the other had was to promote non-pension – non-financial – aspects as a part of old age support. These aspects were for example informal support from the family and relatives, homeownership, health-care and so on. It can be reckoned these pillars (zero and four) were added to the pension systems that it would better respond to needs of the lifetime poor. The idea that the low-income-countries should start with voluntary-pillar was no longer considered sustainable.

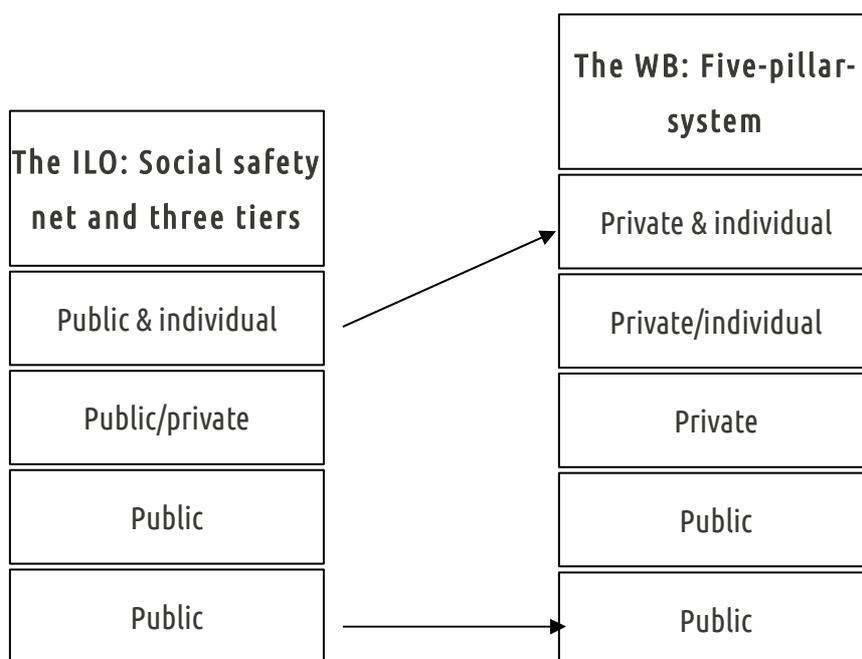


FIGURE 11. Administration of the guidelines of social safety net and three tiers of by the ILO in 2000 and the five-pillar-system by the WB in 2005

From the administrative perspective, the interaction between the systems ILO 2000 and the WB 2005 is discerned. The WB adapted two pillars the from ILO (in the system of the WB the pillars zero and four). Both of the institutions planned the pillar zero/the social safety net as public-administrated. In the pillar/tier four/three the administration was partly public, partly left for individuals.

In 2005, in the system recommended by the WB, the pillar zero was planned as a state-funded one. The other new pillar – pillar number four – would be partly funded by the state and partly by the individuals – however this pillar included the non-financial aspects such as support from family members and home-ownership.

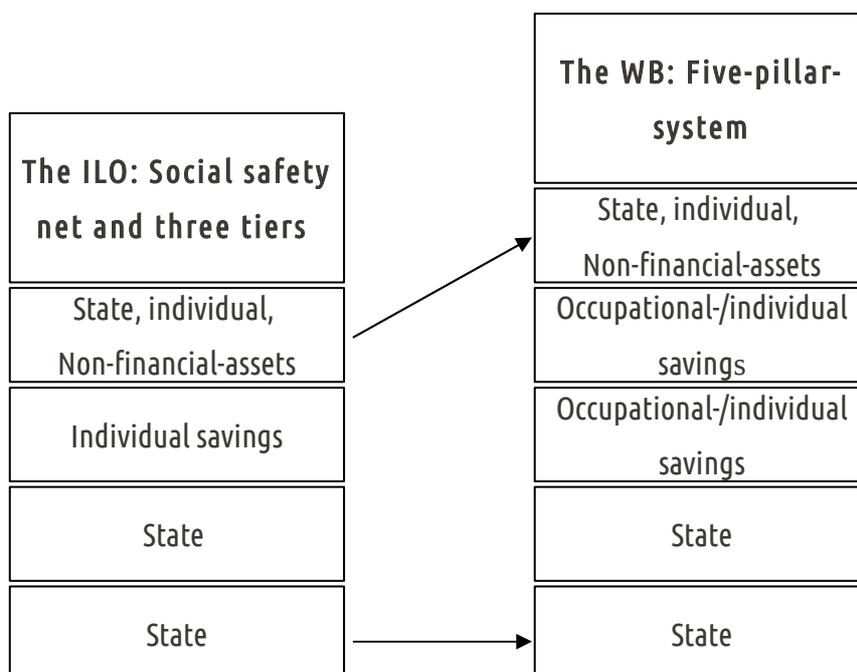


FIGURE.12. Financing of the guidelines of social safety net and three tiers of by the ILO in 2000 and the five-pillar-system by the WB in 2005

From the financing perspective the interaction between the ILOs' guidelines in 2000 and the WBs' five-pillar-pension-system in 2005 was noticeable. The WB planned the financing of the pillar zero and four similar to the tiers number zero and three in the system of the ILO 2000.

Between the 2005-2010, the recommendations of the WB and the ILO are difficult to compare as the ILO did not frame any other multi-tier-system. The ILO (2009, 10), however, was in an opinion that universal pension with adequate benefits should be provided. Also, the ILO (2008, 9) stated that not the total change of a pension system (when the system already existed) should be made, rather it should be concentrated on small changes within the systems. For developing countries (this includes sub-Saharan-Africa) the ILO recommended to start with a basic-social-pension. These ideas were totally different compared with the WB that latest recommendation was the multi-tier-pension-system in 2005.

If it is wanted, the preferred pension outcomes recommended by the ILO in 2008 and the system framed by the WB in the year 2005 can be compared. When spoke of the developing countries two significant points were noticed of the outcomes

recommended by the ILO. These points were the universal pension (at least basic-pension) and the sureness of receiving the pension (see ILO 2008, 9, 10). Some kind of similarity with the pillars zero and one in the system of the WB (the system in 2005) can be noticed. Also it can be reckoned that through the outcomes the ILO strive for the employment pension (see ILO 2008, 9, 10). This idea was similar to the idea of pillar two of the WB (2005). However, a similarity between the ILO and the WB in these aspects had already existed before and had been adapted by the WB from the ILO. In this sense, can be said that not a fruitful interaction between the institutions occurred during this time.

4.3 Summary of the chapter Struggle for pensions

The general discussion about the global pension policies took two sides during the 1990-2010. There was a side (represented mainly the WB) that spoke for the privatisation of the pension system and a side (represented mainly the ILO) that spoke for remaining the pension system public. The WB, though, seemed to have had the leading role during this time.

The WB started the pension reform in 1994 by presenting the first multi-pillar-pension-system that made it a creator of the multi-pillar-idea. The system included three pillars mandatory publicly administered, mandatory privately administered and voluntary privately administered. With the help of this idea, the WB wanted to get out of use the pensions that were totally administered by a state. For the sub-Saharan-African countries, the WB recommended to start the reform by creating a voluntary pillar and move on otherwise towards the multi-pillar-system. When creating the multi-pillar system, one had to be careful not to build up too a large public sector. Preferably the public pension would be entitled only for the people could not otherwise survive (see WB 1994.)

The three-pillar-system was critiqued widely and after the time even the WB noticed that it was not enough. Especially, this system was not suitable for the developing countries (including the sub-Saharan Africa) that had no possibility to establish this kind of system. As well with the system the old age poverty, which is seen as the main goal of the pension system, was not effectively alleviated. Alleviating old age poverty was seen as the main goal of pension systems. In 2000 a new multi-pillar pension-system that included five pillars was presented. This system included two new pillars that were the pillar number zero and four. The zero pillar was referred to a basic pillar, which was created to provide the minimal level of protection for everyone. In the developing world, this pillar was supposed to, for example, provide a pension for the informal sector and to cover the coverage gap that occurred because of a large informal sector. The purpose of the fourth pillar was to make efforts to improve the non-financial support systems during the old age, such as the role of extended family or the health care. It can be considered this five pillar model took a better approach to the pension reforms needed in the developing world (see WB 2005.) The developing countries, young low-income economies, including the sub-Saharan Africa (mostly) were recommended to start to build the system starting with help of the

pillar zero (the basic-support) and the pillar three (voluntary pension) (WB 2005.)

During the 1990s, the pension policy of the ILO concentrated on criticising the reforms driven by the WB. The ILO did not share the opinion of the WB about the pension system privatising. According to the ILO privatisation of pension policies followed by the WB based on two economic assumptions the private (fully funded) pension system would lead to the economic growth and as well as it would be more efficient than the public system because a privately managed system is free from political interference and competition. The ILO saw this differently, it considered the strategy of the WB as risky. The ILO was in an opinion that with the public pension system the poverty could be alleviated while with the private system it would not be possible. Actually, the promoting of a public pension in the developing countries could lead to the economic growth as the security they would provide encourages people to work in a formal sector. The administrative costs of the public pensions were not that high in real (see Beattie & McGillivray 1995.)

After criticism – because the ILO saw the reforms in the pension policy significant, this was where two institutions agreed – the ILO adapted the multi-pillar-idea, instead of the word “pillar” it was used the word “tier”. In 2000, the ILO presented its new guidelines, the guidelines of the social safety net and three pillars (ILO 2000). The purpose of social safety net was to provide a pension by the state for a people who have no other opportunity to receive a pension. The tier one was planned as a mandatory publicly administered while the tier two could have set as a mandatory or voluntary and publicly or privately-administered tier. The tier three was purposed as a voluntary tier that would concentrate on promoting the other possible support systems during the old age. These guidelines were recommended for the countries with low-coverage (including the sub-Saharan-Africa). The ILO considered one system was not suitable everywhere (see ILO 2000.)

However when the decade of the 2000s started to fall to its end the ILO stated stronger than previously that it does not want recommend a specific system. The ILO framed, though, ten outcomes that a nationally planned pension system should fulfill in order to be sustainable. The point of the outcomes was to promote of providing pension all (with a adequate level of benefit) and the sureness about receiving the pension (see ILO 2008, 9, 10). It was seen even the developing countries could provide – at least basic pension – if there is a will to organise it (see ILO 2009, 13-18).

In this study the underlying mechanisms in the discourses of the institutions were considered actors, ideas, interests and discussion. As the actors, in the discourses, it was defined simply the institutions: the WB and the ILO. The aim of the actors was to provide pension recommendations and get the countries to implement pension systems according to these recommendations.

Three ideas of the discourse of the WB and four of the discourse of the ILO were discerned. Some of these ideas were on the level of philosophies while others were on the level of programs. The WB published the idea of multi-pillar-pension-system (philosophy), the three-pillar-pension-system (program) and the five-pillar-pension-system (program). The ILO presented the idea of social safety net (philosophy), the idea of including the non-financial-aspects in the pension systems (philosophy), the guidelines including social safety net and three tiers (program) and the pension outcomes (program). The aim of the ideas was considered the providing of the recommendations about the suitable pension systems.

The interest of the WB was to privatise the pension system in order to proceed with the economic growth (aim), while the aim of the ILO was to remain the public-pension-systems in order to provide equally for everybody (aim). Various reasons reflected behind these interests, mainly the reasons were related to the differences between these two actors.

About the discussion between the institutions seemed interactive. The ideas generated of the one institution (=actor) have had an influence on the ideas of the other and other way around. The most visible aspect of the interaction is that the ILO adapted the idea of multi-pillar-system of the WB in 2000. However, signs about interaction were noticeable already earlier. The WB framed multi-pillar-system in the year 1994. This system was not totally new though as pillar number one was planned to be publicly-administered – so the kind the ILO had recommended since the 1940s. Even though the ILO adapted the idea of multi-pillar/tier-system in 2000, otherwise it kept its idea of the importance of the state-administered pension-systems. As despite the multi-pillar-idea it did not follow the example of the WB. The ILO framed its own kind of multi-tier-system, where the possibility of privatisation and individual funding was only included in one pillar. The WB adapted various aspects in 2005 of the ILO's multi-tier-guidelines. Two pillars were adapted almost directly – the pillar which purpose was to provide basic support for everyone (ILO 2000, the social safety net, WB 2005, pillar zero) and the voluntary pillar consisting on non-pension-benefits

and non-financial assets (ILO 2000, pillar four, WB 2005, pillar five). At the end of the first decade of 2000 the ILO changed its mind a bit as it claimed the radical changes should not be made with the existing pension system – if the changes are wanted to make they should be small within the pension system. The ILO as well stated that it will not recommend a specific system for the countries. The ILO, however, framed outcomes that the framed system should meet after its implementation. For the developing countries the ILO recommended the implementing of (at least) the basic pension system (see ILO 2008; ILO 2009). Similarities found between these recommendations of the ILO and the system framed by the WB in 2005 were such that had already existed before.

TABLE 10. Summary of the findings of the study.

STRUGGLE FOR PENSIONS		
Actor	The World Bank	The International Labour Organisation
Ideas	<ul style="list-style-type: none"> • Multi-pillar-idea (philosophy) • Three-pillar-pension-system (program) • Five-pillar-pension-system (program) 	<ul style="list-style-type: none"> • Social safety net (philosophy) • Non-pension-related aspects (philosophy) • Social safety net and three-tiers (program) • Pension systems outcomes (program)
Interests	<ul style="list-style-type: none"> • Privatising of pensions to achieve more economic growth 	<ul style="list-style-type: none"> • Public pensions to provide social support for all.
Discussion	<ul style="list-style-type: none"> • Adapting suggestions of the ILO 	<ul style="list-style-type: none"> • Adapting some suggestions of the WB

5 CONCLUSION

The purpose of this part is to analyse the results in the theoretical frameworks. The analysis is realised a question by question answering four research questions set before. The analysis is presented first in part *5.1 Analysis of the findings of the study*. As this chapter is the conclusion of the study the analysis of the results is followed by three parts: *5.2 Generalisation of the Results*, *5.3 Critical Observations of the Study* and *5.4 Suggestions for Future Research*.

5.1 Analysis of the findings of the study

At the beginning of the study, four research questions were set. This part will provide answers to the questions according to the findings of the research. Purpose in the answering of these questions is to analyse the findings. That is why the answers will not only be limited to the findings from research but the findings will be situated in the context, too. This means that the findings will be seen as a part of institutional actions and in here placed in the broader context of the actions of the institutions. That is why the other aspects known of the institutions have been noted in the answers, such as the history of the institutions, the institutions as actors and the current aims of the institution. It can be claimed that the research questions were not separate from each other so as well the answers, as soon will be noticed, are related and complementary to each other. In the previous chapter have been presented how the underlying mechanisms occur in institutions – in this presentation the institutions were not compared though. When answered to the research questions, the underlying mechanisms are also compared between the institutions.

After answering the actual research questions, one more topic need to be contemplate in order to find the final answer to the question whether there have been a really interactive discussion between the WB and the ILO in their pension policy. The final topic is the contemplation of all the four research questions at the same time. As the research questions were interrelated, the research would not be completed if this interrelation was not considered. Also in here it is thought the role

of discussion between these institutions from the international perspective. It is asked, for example, what does the success or the failure in their discussion mean for the common goals of the international community. As seen in the introduction part the international community has taken the dynamic process of sustainable development as a goal. However at the beginning of the 2010s it was seen that this process had not even started. As one reason the process had not started was kept the inability of international actors to frame coherent policies (see UN 2012.)

5.1.1 Who were the actors behind the recommendations?

To the question one, can be answered that the actors behind the documents under research were the institutions and the actors within them and aim of them was to generate pension policy recommendations. Two institutions under the research the WB and the ILO were considered as actors in this study – as they were those who generated the pension policy recommendations. These institutions were socially constructed as they consisted on various individual actors. The WB and the ILO were seen as actors at the institutional level. Both of the institutions presented compound polities, which means that the interaction within the institutions was not visible for the general public that includes as well the other institution.

Their aim was noticed to be to formulate ideas or remoulds the older ones. In this study, the ideas were the pension policy recommendations. In the larger scale, the aim of the actors was to inflect to the global pension policy and get countries to adapt their pension policy recommendations. The aim of the actors was to take a part to the global discussion about the pension policies as well as take a part to global policy in general. The recommended pension ideas were seen as one part of achieving the general aims of both of the actors that were increasing the state of development and alleviating the poverty. When spoke of the development, it is significant to keep in mind that especially social aspect within development was considered significant to improve.

Even though the aims of the actors were similar, as actors these two institutions were not alike. The WB has been and is a financial institution and one of the economic governors in the World. It has the economic power in the World politics. Also – as

financial institution. It has always been devoted to take economic growth account in all its actions. While the ILO was an institution working for the labour rights and has always been also fighter of progressive social support systems but without economic power it had to count on the moral arguments. The ideology behind the actions of the ILO was that sustainable peace can be only achieved when everybody has a feeling of security. Difference of the actors is significant to notice when red the answers to the following questions.

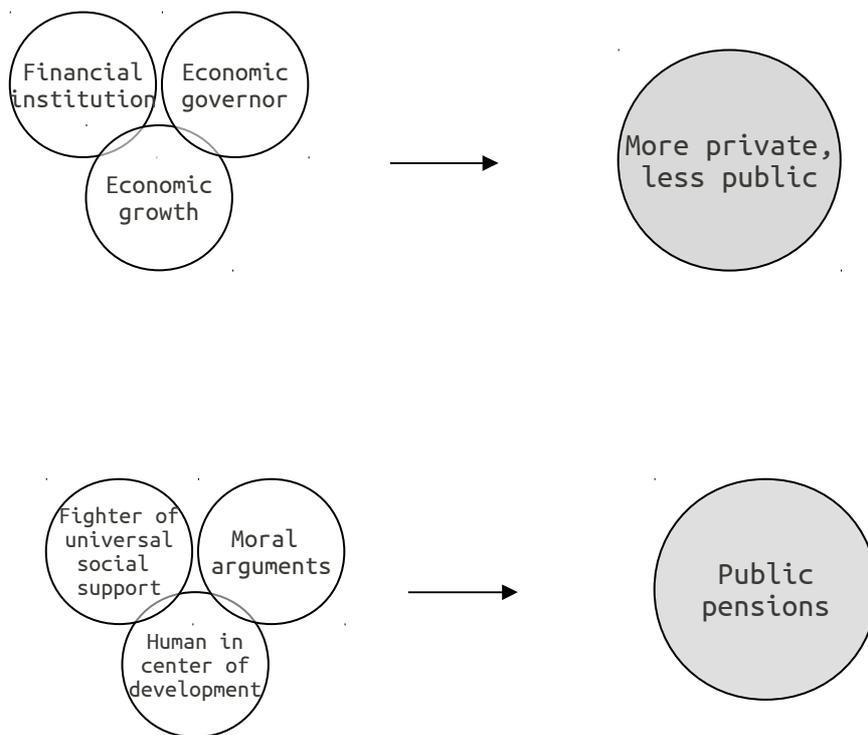


FIGURE 13. Essence of the actors and its impact to the pension recommendation. The World Bank above, the International Labour Organization below.

5.1.2 What were the ideas of the actors?

To the question two could be answered that the ideas which were generated by the actors in the discourses consisted on one philosophical idea and two program based ideas from the WB and two philosophical ideas and two groups of program based formulated by the ILO. The aim of the ideas was to provide either theoretical or concrete solutions for the pension system in general. All of these ideas were formulated in during the 1990-2010. The ideas of the WB were the idea of multi-

pillar-pension-system – in general – (philosophy), the three-pillar-pension system (program) and the five-pillar-pension-system (program). While the ideas of the ILO were the idea of social safety net (philosophy), the idea of including the non-financial-aspects in the pension system (philosophy), the guidelines consisting of the social safety net and three tiers and the guidelines consisting of four tiers. The philosophical ideas were taken account as it was considered that they received a stable status in the global pension discussion. The idea of the multi-pillarism/-tierism was – in global scene – new. While the idea of the social safety and non-financial-aspects where new additions to the multi-pillar-system. The novelty of the philosophical ideas was inter alia reason they were considered ideas which were generated in the discourse. The other reason why they were referred to was the affect they had – seemed that once presented they became and inseparable part of global pension policies.

The aim of the ideas was to frame the global pension policy, the ideas were presented to the countries in order to get them adapt them as part of their own pension systems. However the ideas at the different levels seemed to have different aims. The philosophical ideas aimed at the framing of the ideas at other levels while the programs as ideas aimed more directly to inflect to the policies of the countries. The point of the programs was to get the countries to adapt ideas their policies.

As well the ideas presented the general aims the institutions were achieving with their actions. Both of the institutions were willing to work effectively to reach sustainable development and as part of it social development which indeed was only possible to reach in the cooperation of all aspects in development. Both of the institutions were as well assigned to the MDG in 2000 and so they were assigned to make efforts to alleviate poverty and promote the well-being of the people. However as earlier noticed the ideas developed by the institutions to achieve the goals were not similar.

5.1.3 What interests did the actors hold?

To the question three, about the interest of the institutions and the aims of the interests, could be shortly answered that the interest of the WB was to privatise pension-systems in order to reach the economic growth with the help of the pension

system. The interest of the ILO was to provide security with social support for everyone, that is why the ILO wanted to save the public pensions. The difference of the interests inflected to the given pension recommendations. Also in the theory part it was noticed that the WB and the ILO were aiming for the social development – or in general for the development. Both of the institutions considered that social development could be achieved only if all the other aspects of development were taken under consideration, too. Even though the institutions were achieving to the same goals as seen earlier the ideas developed were different. This indicated that interests behind the actions were different. The interests in the creating process of the ideas are significant to reveal: it can be claimed if there is no interest idea is not going further in the process. The interests were not directly written to the programs presented by the institutions as interests are always a such which need to be interpreted as they lie behind the ideas. To interests it is inflectional as well which kind of actor is behind the actions. This will soon be noticed in practice.

The WB was established to a financial institution. It kept economic growth as a key for another kind of growth as well. The WB has followed a risk-based discourse in its actions. The WB was established together with the other Bretton Woods institutions and it is a financing institution that provides loans for developing countries for capital programs. All its actions must meet certain conditions, the actions must be committed to promote foreign investment, international trade and facilitate capital investment. By knowing this it was considered that as well the pension programs had to work similarly. The programs generated by the WB included the aspects of privatisation that can be explicated in the following way: the pension systems need be economically productive, too. This could be explained with the risks-based-discourse that the WB holds as well. In the discussion about the social support systems, the risks-based-discourse, meant that the support from the state should only be provided when with economy fails or cannot provide it. It was noticed that the interest of the WB was to privatise the pension systems as this fitted to its aims in general. The interests of the ILO differed dreadfully.

The ILO considered the social support had an opportunity to provide peace and the ILO followed the right-based discourse with its actions. The ILO is an institution which has worked for the rights of the labour force. It was established by the international community already after the First World War and after the Second World War it was put in charge organising the social support systems. The ILO has always thought the peace will happen only if a social support is provided for all – this opinion was

discovered in the pension recommendations as well. The ILO highlighted the normative basis of the pension which simply means that the pension should be provided for everybody. This is noticeable in the recommendations made by the ILO, especially from the fact that it included the social safety net and non-financial-tier in its recommendations. As said the ILO followed the rights-based discourse in its actions about social support that includes the pensions. This means it saw the entitlement to the pension as a human-right. The aim of the interests of both institutions was to reach the general goals. The pension recommendations were planned so that they would work for this aim.

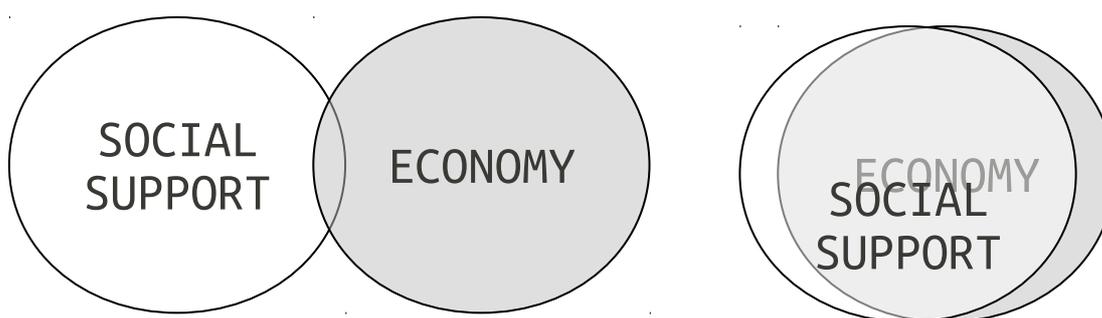


FIGURE 14. Interests behind the pension recommendations of the the World Bank (left) and the ILO (right).

5.1.4 Which kind of discussion there was between the actors?

To the question number four – which kind of discussion there was between the actors – could be answered that the interactive dimension from discussion between the institutions was noticeable in the administrative and financial perspectives. The aim of the discussion can be seen as a will to participate in global discussion about pensions.

The results of this study showed that there had been an influence of the other institution: the WB adapted the idea of the pensions provided by a state from the ILO in the year 1994. The ILO adapted the multi-pillar-idea from the WB – although in its guidelines it used the word “tier” instead of a “pillar”. In 2000, the ILO published the first time guidelines including the multi-tier-idea, the guidelines that were called the social safety net and three tiers. The WB adapted two ideas out these guidelines the

ideas of the social safety net and the inclusion of the non-financial-pillar from ILO by including them in its own recommendation in 2004. The social safety net was firstly seen by both of the institutions as a separate one from the other pension system: ILO's guidelines (2000) were called the social safety net and three tiers, while the WB included the social safety net as a pillar zero in its system. However later the ILO took a step back with its recommendations and started to claim more clearly that it will not recommend any specific system. Also when it comes to the developing countries it said the most significant aspect was the establishment of the universal basic pension with the adequate level of benefit.

The aim in participation in the discussion can be seen as a will to take a part to the global discussion about pension policies. If an institution is not taking a part the global discussion, its ideas are not be definitely counted and the recommendations not given a weight. Also the institutions were willing to develop their own policies as well as the policies of the other institutions. This can be said about the basis of occurred interaction between the institutions.

5.1.5 Conclusion of the Analysis – whether there really have been a interactive discussion between the WB and the ILO?

The main purpose of this study was to analyse the discussion between the WB and the ILO about pension policy recommendations for the sub-Saharan-Africa during 1990-2010. Analysis was based on the communicative discourses of the institutions. The study was made in the framework of the discursive institutionalism, which means the analysis of underlying mechanisms providing the function of the institutional discourses. In the previous chapters have been answered to the set research questions, how actors, ideas interests and discussion appeared in the communicative discourse of the institutions. Looking at the situation through one mechanisms only it seemed that there was an interaction between the institutions. However, now the purpose is to look at all the underlying mechanism together as only by doing this can be found out whether the institutions had impact on each other in real. In this context, the real impact implies to the complete understanding about ideas of the other and adapting them as part of self-own policies. Also this chapter will consider whether in the policies of these two institutions can be found coherence. The coherence in the policies would mean the progress in the process of sustainable

development.

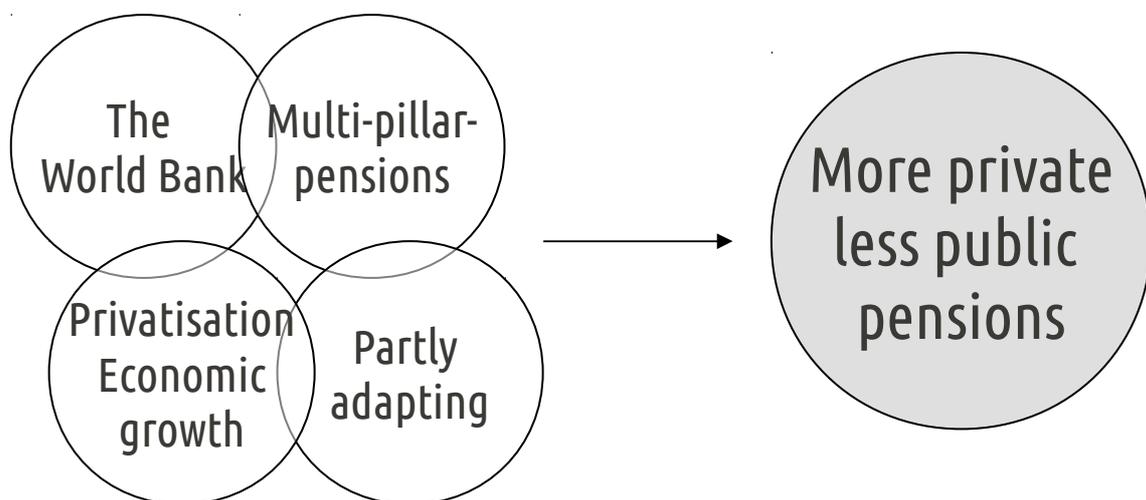
From the answers of the research questions was noticed that the WB and the ILO were actors of a different type, they had a different type of ideas and the different interests. Because the underlying mechanisms are the factors that actualise the discourse when the mechanisms were different the discourses were different too. As noted, in this case the underlying mechanisms were different which indicated that the discourses were too. Both of the actors, the institution, were socially constructed, however as institutions they seemed to be different: firstly they were founded for different bases and had different opportunities for action. The WB was seen as a one of the financing governors in the world and this was why it had the rule-creating and enforcing power in the World. The ILO was acting powerfully for the social support however had only moral arguments to plead on. The actions of the actors were justified by the international community which was considered as a significant element when thinking of the powerfulness of the institutions. The difference between the institutions reflected at the interaction as the institutions had a different type of arguments – and when the arguments were not at the same level it seemed to be difficult to take account of the arguments of the other participant. Also the power of the actor seemed to have an effect to the discussion between these two institutions the one who had more power was the one that other should followed. One clear example of following was the ILOs' adaption of the multi-pillar-idea from the WB.

The institutions as actors had ideas of a different kind. The WB created the idea of multi-pillar-idea in order to add privately-administered parts to the pension system. The ILO adapted the multi-pillar-idea (however it was using a tier instead of a pillar), but not in the private-administered parts in it – the ILO added to the system the parts to support better the elderly: it included the social safety net and tier consisting on non-financial-aspects. The WB adapted this to its new version of multi-pillar-system, however did not erase of the system the parts which it had added to make it more private-administered. This leads to a notion that even though it was visible that there was an exchange between the ideas, the ideas of the other institution were very different from the self-own, because of this the ideas could not be adapted fully. Part of the institution self-own ideas remained when institutions were framing new ideas..

Even though the general aims, such as social development and end of povert, of the institutions seemed in some parts similar the institutions had a different type of

interests. The WB aimed for the economic growth and the ILO wanted to provide security by aiming at the comprehensive social support system. This made the discussion between them difficult because the ideas about pension recommendations needed to be harmonious with the interests. This indicated that the aims of the pension policy have to be seen in a broader extend than only as the pension recommendations. In fact, the pension policy was part of the broader construction of the World. When the institutions had the different interests (= understandings how they wanted to the World be), it made the discussion between the institutions difficult because the other one had no similar view and the ideas generated by the other institution did not seem to be harmonious with ones' own general views about the consistence of the world.

In conclusion about the discussion between the WB and the ILO shall be claimed that the interaction according to the observations of discussion was noticeable, but when on account was taken the other underlying mechanisms the interaction in the discussion did not see to be sublime, Also it was noticed not a single program from counter part was adapted by other counter part as a whole. Partly the ideas were adapted but as the institutions had very different discourses that were functioning through the different type of underlying mechanisms, so the complete including of the ideas of other to own ones remained impossible.



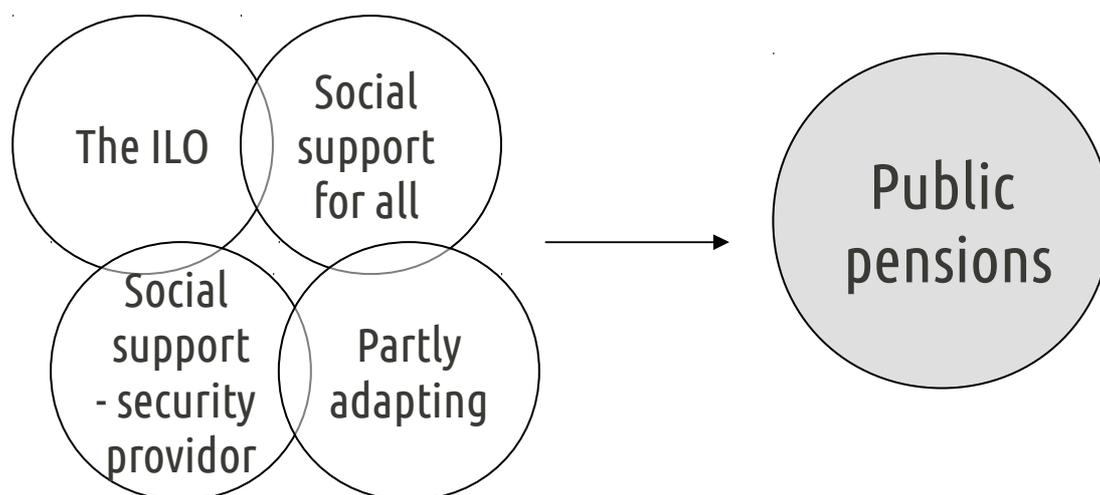


FIGURE 15. Discourses of the World Bank (above) and the ILO (below).

Because the institutions followed the different type of discourse and the underlying mechanisms sustaining them were different they were not able to create coherence policies. The incoherence between the policies of two internationally powerful institutions has a broader impact in the international policies – the impact does not stay only at the level of pension policies. Incoherence takes the start of the dynamic process of sustainable development further away. In the introduction part it has been told that the dynamic process of sustainable development has been taken as a goal of the global community but can only be started when all the global actors work coherently (see UN 2012). In this case, the situation is not a such yet. Coherency is needed in order to understand that sustainable choices are possible and worthwhile in long-term. Also, in order to have encourage to choose sustainable the secure surroundings need to be provided. For example, the secure surroundings mean comprehensive and integral social support systems that will provide security during all stages of life. This aim is still faraway from reality.

5.2 Generalisation of the findings

The aim of this study to was to find out which kind of discussion between the WB and the ILO in pension policy recommendation concerning of the sub-Saharan-Africa

during 1990-2010 had been. From the broader perspective the aim of the study can as well be considered to be to achieve a better understanding about the dynamics between the institutions as actors.

Findings can be generalised to concern all the discussions between the institutions. When there are two (or more) institutions discussing about some topic differences in their opinions always exist. This is because of different discourses they present. This can be noticed by analysing the actors, ideas, interests and discussion. The discourses need to be taken seriously, as sometimes (like in this study) the goals might seem similar – however when the discourses are different the meaning of the goals is different as well.

It is also possible to generalise for the other similar situations that when the discourses of the discussion partners have a difference there will occur problems to including completely the ideas of other partners to one's own discourse. Existing ability to include the ideas can be argued to depend on the degree of the differences between the discourses. As well institutional actors seem to have a will to stick with their own ideas – however as it was noticed on the basis of this study there is a possibility to include totally new ideas within self-own ideas at least until some extend.

5.3 Critical observations of the study

Two theoretical frameworks were used in this study: the new institutionalism more precisely the discursive institutionalism and the framework of social development. The choice between these two however was not perfect as either of them could not totally explain the empirical findings.

According to the discursive institutionalism there are two parts in the discourse coordinative and communicative. In this study analyses based only on communicative discourse – due to the data in use. For complete understanding about the discourses of the institutions could only have been achieved if as well the coordinative discourse would have been possible to analyse. In this sense – can be claimed – discursive institutionalism was not the most functional theoretical framework for this study.

The other theoretical framework, social development, also explained research results only partly. Actually only a few details were able to explain with this theoretical framework. However, as this study is a document-based, the purpose of this framework in fact was not to explain that well the results. Rather the purpose of this presentation was to provide background information that it would be achieved a higher understanding about the institutional discourses. As well social development was not considered – in this study – as a comprehensive academic theory, rather the purpose of the part was to explain different views and opinions that are somehow related to social development or of which social development can be seen to consist of.

The main point of this research was to find out which kind of discussion there had been between the WB and the ILO during 1990-2010 concerning of pension policy recommendations for the sub-Saharan-Africa. Due to the extent of the data significant to get to know to find out the answer the question is limited to concern only the seven ideas of the institutions. Besides this main question, the four supplementary were set in order to find out actors, ideas and interests. During the research it was noticed the questions were not set perfectly.

The problematics to the research question related to data-in-use as well as the area the study was decided to concern of. The data-in-use did not always specify the areas: it was chosen to do a research concerning of the area of the sub-Saharan-Africa – however the institutions did not frame recommendations specifically concerning these areas. When the institutions did not specify the recommendations according to the area, it was analysed the recommendations which were considered to be closely related to the sub-Saharan-African area. In most of the cases institutions framed the recommendations based on the economic status of the country for example. In this case it was used, for example, the recommendations for the young low-income-economies. However, these kind of recommendations can be argued to made in general spirit and concerning other areas as well which means they were not inclusively for the sub-Saharan-Africa. The sub-Saharan-Africa is not a unit as area, there is a wide variety of differences in the circumstances. The area should not have been observed as a unity – to do a justice for the area the analyses should have made country by country. As well it is a fact the pension system suitable for one country does not suit the others. That is why the better way for this research would have been the country specific analysis of the reform or the recommended and suitable pension policy. Then, though, the global perspective might have been lost. On the

other hand as the aim of this study can be considered rather the better understanding about the acts of the institutions and not that much the suitability of the pension systems for the sub-Saharan-Africa.

As a method of research it was used an interpretation. This method have often generated disagreements sometimes it has been kept as an invalid research method. However in this study this method was seen as only one through which the subject could be analysed. Despite the suitability of the method in here is presented its bias, Presenting the bias is important in order to understand that they were taken account. The interpretative method is based on the interpretations of the situation made by a researcher. It means a researcher has a significant role in the study. Researcher might aspires the objectivity during the research – however the complete achievement of objectivity in research is never possible nor necessary. In interpretative study conceptions of the researcher is seen to affect more. This does not refer to conceptions which are visible to a researcher: for example visible ideas, opinions or attitudes. An educated social scientist is able to understand the relative-spirit of the ideas, opinions and attitudes. She is also able to understand that there are the variety of different opinions and attitudes and she is able to accept these and observe objectively. A researcher, however, is dependent on unconscious conceptions she has, underlying conceptions are adapted when a person is raised to be a member of some society or culture. This means the process of socialisation which is a process which continues all life long and is inflected by the life-events. Socialisation is inflecting to the interpretative study – even if not wanted. Nevertheless it can be claimed that unconscious aspects affect in all the studies made – for example the composition of a research question is dependable of the previous assumption of a researcher. This means the assumptions as well as abilities one has gained during the life – some of them have been gained on the basis of other researches.

The problem, already mentioned previously, between the research question setting and the data-in-use. Also in other ways the data-in-use turn out to be problematic: the data only provided a possibility to make analyses out communicative discourse and all the data related to the research question was not able to go through by a researcher. As data-in-use presented the communicative discourse of the institutions the analyses concentrated only on this part of discourse. There was no possibility analyse the other part of discourse within institution the coordinative discourse. Possibility to analyse coordinative discourse would have made the understanding

about the discourses of the institutions complete. However in order to analyse coordinative discourse different kind of data would have been collected and this was not possible.

The data or rather information concerning of the coordinative discourse would have needed to collect inside the institutions during time the ideas under research were framed. Data need to be collected inside as the coordinative discourse within institution means discourse which is followed inside the institution. In this discourse is formed coherent programs, principle or guidelines which are then be communicated outside. In order to understand this process the best way would be to do an ethnographic research out of framing the ideas. Observations about underlying mechanisms are needed: how actors, ideas, interests and discussion appear in the institutional work.

In this study because of two reasons had no opportunity to do an ethnographic research out of the coordinative discourse. Firstly the chosen time frame was already history when the research was stated in order to do an ethnographic research observation should have started already in the year 1990. Secondly there was not a person available to make this kind of ethnographic research.

5.4 The suggestion for the future research

The institutional analyses are significant in order to alleviate understanding about the institutions that is why more institutional analyses are needed. Institutional analysis has an opportunity to provide comprehension about social construction within institutions. The social construction of institutions indicates that actors within are essential in building and sustaining it. discursive institutionalism can be used in here.

Discursive institutionalism provides an excellent framework for institutional analysis. Revealing of the underlying mechanisms and setting them to the process of discourse is significant. This provides understanding of institutional actors about their actions, ideas, interests and discussion and also helps to understand that the previously mentioned mechanisms really matter in institutional construction. This will lead to better understanding about dynamics among institutional actions. As well as

the notion that with their own abilities they are able to maintain or to change the institution when wanted.

Understanding the discourse helps to understand better institutional actions – understanding discourse helps to understand the backgrounds why the institutions generate such actions. As well analyses of the institutional discourse are helpful for institutions to understand the problems in their actions. As it is in order to understand the conflicts between the discussion of two or more institutions.

More research of dynamics between institutions is essential. The research of various topics is needed. Revealing processes existing within discussions between the institutions provides a possibility to develop institutional work. The research has an opportunity to provide information for the institutions why discussion is not effective and based on the results improvements in discussion can be made too. The questions may be: how institutions are able to take the account of the opinions of the other? Are they able to include the opinions of others in concrete to their own actions or discourses? Do the preconceptions towards the other institution prevent the objective evaluation of the ideas of this institution? Also whether these preconceptions are unconscious or conscious?

Research about the different pension systems is urgently needed. This does not mean only the existing ones also new suggestions for systems should be framed. It would be essential in order to develop of pension systems and -policies.

As well related to pensions, the research about the countries which have no pension systems is needed. Pension systems need always be framed for the existing circumstances. Always have to be remind the possibility to establish such a system which never has existed anywhere. Also it has to be observed whether there is a will to establish pension systems in the countries where there are no pension systems yet. Then have to be found out what the global actors could do to aid the establishing process.

Finally there is more research required out of the efficiency of the global actors for example within the pension policy is needed. Are their acts efficient or not, and if not how they may be improved? How do the global actors take to account the circumstances of the countries? However the most significant question whether there is a coherence between the actions and policies of the institutions? As this is

the most significant aspect when is wanted to proceed with the dynamic process of the sustainable development.

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APPENDICE 1

List of used primary data

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APPENDICE 2

List of used secondary data

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