

Scientific Mobility and Pensions

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'Partial Migrations'?

Concept captures the complexity of contemporary European mobilities

- Increasing prevalence of shorter term / on-going moves / circulation / multiple positions / international partnerships
- Decreasing relevance of traditional concepts of 'migration' which assume:

Scientist lives and works in Country A then relocates entirely for a long period to reside and work in Country B – in the process:

- Their social and legal rights move with them
- Their knowledge moves with them (implied loss to A; gain to B)
- They 'settle' or maybe return or move (entirely) to country C

MOBEX Study: Polish and Bulgarian Scientists in the UK and Germany

Summary of Respondents' Mobility Patterns

Ackers and Gill (2008) *Moving People and Knowledge*

68% were 'repeat' movers

[n=89]

Single Outward Move	Single Outward with Return	Repeat Mover No Return	Repeat Mover with Returns	Plans to Leave No Moves Yet
20	3	9	53	4
22%	3%	10%	60%	4%

- MOBEX study focused on the relationship between different forms of mobility and knowledge transfer processes (to critique the 'brain drain' phenomenon).
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New forms of mobility generate serious challenges to:

- Individual scientists
- Their partners (who are often also scientists /professionals)
- Sustainability of European welfare (and pensions) systems)

Association of Chartered and Certified Accountants (ACCA) – Pilot Study: The Relationship between Geographical Mobility and Pensions Planning

The study considered two groups of 'knowledge workers';

- academic scientists (researchers)
- corporate transferees.

It asks 2 questions:

- *To what extent do pensions influence mobility*
 - Does it reduce mobility?
- *To what extent does mobility influence pensions*
 - *Are they penalised for being mobile?*

1. The Impact of Pensions on Scientific Mobility

- The research found few clear cases in which specific concerns about pensions appear to inhibit or determine mobility.
- This largely reflects wider issues around the characteristics of scientific training and employment (the **context** within which mobility takes place).

Low Levels of Awareness and Understanding

- *Highly complex nature of pensions coupled with general lack of awareness makes it difficult for people to make informed decisions about mobility and pensions.*

Pensions and Scientific Employment: Barriers to Contributions

'We have to rethink pensions in a world where people with a long life expectancy enter the work market at 30.'

- many early career (but not 'young') researchers are effectively excluded from supplementary schemes*
- The length of pre-entry training (long degrees and Masters)*
- Student status during doctorates (UK/Ireland)*
- Inferior status in other countries*
- Special 'foreign' status of some fellowships*

Where researchers undertake doctorates as part of their employment they often commence – at least partial - contributions earlier

Post-Doctoral Insecurity and Mobility; 'Choosing' Not to Contribute

- The nature of scientific employment continues to generate pension deficits at post-doctoral level.
- Contractual insecurity (fixed term employment) is a significant disincentive to commencing contributions (which are often voluntary)
- They often have a legal right to contribute but 'choose' not to.
- In those disciplines and countries where direct entry into permanent, secure, positions can be made immediately after doctoral completion the situation is less serious [eg Law]

Moving between Positions and between Countries

- Contractual insecurity discourages engagement with pension schemes even if people do not move abroad.
- Where moves take place both *between jobs* and *between countries* these concerns are rarefied.
- In these situations people are concerned about the *value* of respective schemes and the *transferability* and *portability* of contributions.
- Compulsory return schemes reduce further the incentive to contribute

Case Study: Andrea

- Andrea is from Germany. She did a PhD in the UK, completing at the age of 29.
- During this time she had student status and did not contribute to a state or occupational scheme.
- She then moved to Belgium for a two year post doc;
- *[I was] registered as a student, because they also managed to make it as a stipend so they didn't have to pay... That's how they did international post docs.*
- *Well, to a certain extent I was [concerned about not contributing to a pension] but on the other hand, if I had paid pension contributions in Belgium, I would have lost quite a bit in trying to transfer things around because the value in money is so different and also the whole bureaucracy involved for what is a relatively short amount of time.*

Prioritising 'Expenditures': The Effect of Low Pay

'I wanted cash in my pocket more than future financial planning.'

Although great variation persists, academic pay is relatively low across the board. This necessitates a degree of prioritisation.

The first priority is usually to secure adequate accommodation and healthcare and, for some, childcare.

In that context, expenditure on pensions generally shifts lower down the list.

The growth in debt, partly as a result of the introduction of student fees in some countries, is also a factor affecting the amount of 'surplus' income available for pensions-related investment.

The 'practice' of delaying motherhood in science careers implies more significant compromises in female researchers' pensions status.

Although researchers are aware that this is something they *ought* to be addressing, they typically accept that concerns about pensions occupy a relatively low position.

I'm in denial. I don't want to talk about it. I don't want to think about it.

Trust in the Future of Supplementary Schemes

- Serious concerns about the sustainability and future value of all forms of pensions (statutory, supplementary and private) - encourage researchers to consider alternative forms of investment, such as private savings schemes (including pensions) or property.

Case Study: Kiril

36 year old Bulgarian scientist employed in industry in the UK, decided to join his employer's supplementary scheme even though many of his (non-mobile) peers did not:

The whole structure of pension funds is getting less valuable. Of the young people at work – like me – I don't know any of them who are in the scheme. Just me, I am the only person - this is a general trend.

Young people don't believe that the pension will be worth contributing to. Pension schemes might not be very important for anyone in 20 years time.

People, 'may be contributing to a house or something which is less likely to be taken away.'

2. The Impact of Scientific Mobility on Pensions

'The whole context is a complete mire. Having an international career is a good way of achieving starvation when you are due for a pension'

Although the majority of respondents indicated that concerns about pensions had relatively little influence on their plans in terms of mobility and career, it was clear that scientific careers (and the mobility that they often imply) often compromise researchers' financial status in retirement.

European Commission's on-line Consultation (Green Paper)

- Responses to the questionnaire suggest that problems concerning the harmonisation and transferability of pensions schemes within Europe caused *'substantial concerns for mobile researchers'*.

Indeed, pension rights emerged as the 'most problematic' dimension of social security (37.8%) followed by health insurance (28%), unemployment benefits (27.1% and family benefit (22%).

Kiril did his first degree (5 years including a Masters) in Bulgaria, followed by compulsory military service. He then spent 6 months in paid employment in Bulgaria. He is unsure if the military service counted in terms of contributions.

At 25 he moved to Spain to do a 5 year MA/PhD package:

'This was on a stipend without any national insurance contributions. At the time [it didn't bother me] – a little bit but no. It was important to my future – a career step - so no. I made no contributions to Spain or]Bulgaria at that time.

Kiril, then aged 30, moved to Austria to take up a 3 year post-doc.:

'[During that time] I contributed to the [supplementary] scheme. I chose to contribute – I wanted to make contributions. I thought maybe one day I could transfer it. I don't really know – it was only 1 year so...'

After 1 year Kiril left this post in search of something more permanent. He moved to the UK to take up a 2 year Marie Curie Fellowship in industry which became a permanent position. He joined the company pension scheme.

'I think I will be able to transfer but even if I transfer it will mean that one day in Bulgaria I will get two thirds of my Bulgarian salary so it doesn't make much sense. I will freeze it and claim it from here. The pensions there are very low (about 50 € per month).

The only way out is to invest in some property in Bulgaria – I think this is what we will do.

Kiril's wife, a highly qualified professional herself (a lawyer) had not been permitted to work in Austria or Spain (prior to EU membership) and then had a child. She added:

I am 31 now and I haven't made any contributions for 7 years – I sacrificed my pension to be with my husband.

Kiril decided to return to Bulgaria with his wife some 6 months later and left the scheme.

At the age of 37 he has contributed to a public sector Austrian scheme for 1 year and a company pension scheme in the UK for approximately two years.

The Concept of 'Early Career' in diverse Labour markets

In the two cases above the interviewees were both relatively young and at an early stage in their careers. In many other situations the relationship between chronological age and career stage is far less clear.

The MOBEX study found that, in many cases, senior (and older) scientists from abroad were moving into early career positions in the UK and Germany.

This situation reflects the marked diversity in the quality of positions, working conditions and levels of remuneration:

Snejana was a senior scientist in Bulgaria. She moved to England to take up a 1 year post-doc. at the age of 45 (at that time she had contributed to the state system in Bulgaria for 19 years).

On arriving in the UK she joined her employer's occupational scheme.

...it was a very low priority task for me. I decided to join but I thought it was too minor compared to other more important things. My aim was to have another contract.

At the age of 51 Snejana has contributed to the university pension scheme for 6 years.

If her position is made permanent and **if** she is able to work until she is 65 she will be able to make a maximum contribution of 20 years.

Concerns about the Value of Accrued Pension Rights

- Kiril and Snejana's cases both raised concerns around the value of their contributions.
- Snejana had made lengthy contributions in Bulgaria but felt that their real value renders them insignificant & unpredictable
- Kiril was reluctant to even try to transfer his contributions to Bulgaria as he felt this would buy him very little in terms of a Bulgarian pension – on that basis he preferred to leave his 'frozen' benefit in the UK.

List 1: Common (Research Career) Issues

- *Lack of awareness and competent and effective advice*
- *Pensions Deficits caused by extensive pre-entry 'training'*
- *Ineligibility to join schemes due to [lack of] employment status*
- *Low priority ascribed to pensions due to contractual insecurity and low pay*
- *Researchers are often 'waiting' to join when they anticipate securing permanent positions*
- *Declining trust in supplementary pensions schemes as an effective mode of investment*

List 2: Mobility Specific or Mobility Exacerbated Issues

- *Compounded problems of awareness and increased need for advice as a result of negotiation with agencies across more than one jurisdiction*
- *The '**geographical**' implications of insecurity (not only do they not know when they will secure permanency (which usually triggers membership of schemes) – neither do they know which country they will be in.*
- *The status of research **positions** 'designed' specifically for mobility or to attract foreign researchers*
- *Concerns about the administrative and legal barriers to effective **transfer** and **preservation** of entitlements – particularly on a cross- border level*
- *The level of diversity in the **value** of schemes across countries*
- *The impact of mobility on **spousal** entitlement*