Private Players and the Welfare State. German Life Insurance and the Emergence of European Welfare Markets in Old-age Provision since 1945

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> *„The boring world of pension provision now fuels the glamorous world of high finance, property speculation, rogue traders, media and technology mergers, and stock exchange bubbles. Those who market and manage pension products are big players."*
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> *(Blackburn 2003:5)*

Heike Wieters' second book project takes a closer look at the German welfare state in its transnational and European embeddedness and investigates the impact of *private* life insurance companies, transnational lobby organizations and international expert networks on changing concepts and practices of old-age provision in the German Federal Republic since 1945. It starts from the observation of an emergence of regulated "welfare markets" (Hockerts 2012; Leisering 2010; Berner 2011) in the second half of the 20th century and analyzes the agency of private companies in – previously mainly government-guaranteed – old-age protection. The applicant argues that common periodization regarding the *crisis of the European welfare states* – including accelerated "privatization" of welfare services formerly provided for by governments – from the 1970s onwards, should be put into question or at least be re-focused (Frei & Hockerts 2012): By lifting the actual agency of "private players in the welfare state" to center-stage it become possible to trace longer currents of state-industry cooperation (and competition) in the welfare sector and to add to recent research on "coordinated capitalism" in central European welfare economies (Müller 2019). Based on archival research in company archives, archives of International Organizations, European institutions, and transnational lobby groups it is argued that private insurers and professional insurance associations positioned themselves as socio-political actors, institutional investors and key economic players in the German welfare state long before the manifestation of the "crisis of the welfare state" or the alleged "turn to neo-liberal policies" in the 1970s (Lengwiler 2012). Indeed, German private life insurance industry already grew tenfold between 1955 and 1974 – in the 'Golden Age' of the statutory pension (Borscheid 2012: 98). Furthermore, from the 1950s onwards individual endowment life insurances and new investment products for old-age provision and cross-generational wealth transfer became increasingly attractive across all social strata. Vigorously marketed and politically promoted by insurance companies as well as by national interest associations, private and company-based supplementary old-age provisions hence prospered long before pension reforms in the 1990s and 2000s made Riester-contracts the new mainstay of the three-pillar model propagated across Europe (Leimgruber 2012; Willert 2011; Wehlau 2009).

Research on the strategies, activities and networks of private life insurance companies cannot be limited to the context of national (welfare) state regulation, however, but has to be linked to globalization, financialization and European (market) integration (Van der Zwaan 2014; Dixon 2008). The *Economic Commission for Europe* (ECE) as well as the *Organization of European Economic Cooperation* (OEEC) started developing plans for an extensive liberalization of the service sector and the establishment of a unified international economic zone and financial area from the late 1940s onwards (Schenk 2011; Eichengreen 2008). In addition, the European Economic Community (EEC) as an economic *and* political construct had direct consequences for the frameworks of social security provision in its member states any beyond, especially were workers mobility was concerned (Glootz 2005). Private, occupational, and governmental old-age provision co-developed in most EEC-member states and government regulations allowed for diverse levels of private old-age insurance. Anticipating EEC market liberalizations in the service sector as early as the 1950s, commercial life insurers across Europe began planning for the Europeanization of markets and market regulation practices. Hence, they founded the *Comité Européen des Assurances (today Insurance Europe)* in 1952. By working through national and European lobby groups, by commissioning experts to both the *European Economic and Social Committee* (founded in 1958) and the *European Economic Community Commission,* large commercial insurers contributed heavily to the making of each of the three EEC guidelines on the liberalization of the service sector (of which insurance benefits are a part) in the 1960s, 1970s and 1990s. In addition, private insurance companies, think tanks and international networks – in cooperation with the World Bank – were instrumental in fostering the implementation of the three-pillar model for old-age provision as guiding international model in the late 1970s and 1980s (Leimgruber 2009).

In the context of the project sketched here, strategies, networks and entrepreneurial and sociopolitical scopes of action of German life insurers as well as the corresponding lobby groups in the German Federal Republic will be lifted to center stage. These players, their strategies and decision processes will then be situated and analyzed within the context of European and international regulation and policy making.