
The multi-temporal political economy of financialisation: the case of UK pensions provision and inter-generational justice

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Résumé

The individualisation and liberalisation of pensions provision is in many ways the progenitor of the process of financialisation. Pensions provision depends on the manipulation of temporalities, by projecting a future which provision in the present seeks to serve. Past, present and future workers and savers are deemed to conform to these imagined futures, thereby situating inter-generational co-operation as the core feature of all forms of pensions saving, whether publicly or privately organised, or enacted via the state's balance-sheet or financial services. Yet the futures imagined by pensions provision can never come to pass. The future will always be different to that which is forecasted, precisely because generational change is a perennial feature of the human condition.

This paper explores this issue with reference to recent developments in UK pensions provision (albeit in a comparative context), which have seen the state pension 'simplified' and retrenched, and occupational pensions being reorganised as individualised, defined contribution provision. Financialisation is often seen as the root of these changes, insofar as it encompasses the reinforcement of 'shareholder value' in corporate governance, the emergence of 'asset-based welfare' and the state's increasing concern about fiscal risks in relation to international bond markets. However, pensions provision has always been highly financialised – if we understand finance in terms of the commodification of time. As such, it is not necessarily the case that pensions provision has 'been financialised' in any straightforward sense. Rather, the intensifying contradictions of the UK's capitalist development model have undermined pensions provision, and pensions provision has actually driven financialisation elsewhere in the economy by necessitating an expansion of financial practices to the public sector and private sector more generally.

Perversely, the unspoken inter-generational bargains at the heart of pensions provision have become increasingly politicised in the UK as a result, with campaigners for inter-generational justice asking for pensions provision to be further retrenched so that today's young workers – suffering from austerity and the redistribution of profit from labour to capital – can be spared the apparent burden of funding the retirement of today's pensioners. The paper considers whether pensions provision can be rescued from the vicious circle of financialisation's political economy, and indeed whether we can rescue a 'generational' analytical lens to help us understand the temporality of financialisation, without depicting generational relations as inherently conflictual.

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