


## Forecasting and Explaining the Scenarios Facing the Pension Funds of the Ministry of Cooperation, Labor and Social Welfare

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### Abstract

**Purpose:** The welfare system and the future of retirement is one of the issues that has become a complicated issue due to its relationship with the growing population of retirees and the elderly and the influence of social, economic, political-legal, technological and environmental developments. In this paper, the drivers and uncertainties affecting the future of pension funds and drawing the probable, possible and desirable futures of these funds have been analyzed.

**Method:** In terms of methodology, in the current study, integrated foresight was used to select methods. The interview was conducted with a group of 30 experts using the "judgmental" and "snowball" targeted sampling methods.

**Findings:** In the first step, 70 drivers affecting the future of pension funds were identified and after initial refinement, the list of drivers was localized and by removing similar drivers and having little connection with the future environment of Iran, the final list of 47 drivers (Technology 11, Social 8, environmental 4, economic 15, political-institutional 9 driver) were selected in order to analyze cross effects and measure importance and uncertainty.

**Conclusion:** According to the results of the research, the future of pension funds of Cooperation, Labor and Welfare Ministry is affected by four critical uncertainties including the influence of old generations in governance, the process of privatization of government jobs, the political nature of the government and sanctions. After logic giving to scenarios and eliminating incompatible and similar scenarios, there will be six scenarios: reconstruction after economic war, interaction and construction, brinkmanship, heroic flexibility, available victory and compromise and transition. The explanation of the challenges and opportunities in the six scenarios indicates that the challenges are: the aging of the population and the gradual increase in pension pressure, medical expenses and disability, the increase in climatic migrations and its direct impact on the reduction of the income of the villagers and nomads fund, the direct effect of drought on migration to cities, the increase of informal jobs in at least four scenarios will have an increasing and negative trend in the future.


**Keywords:** Welfare System, Retirement, Pension Fund, Forecasting, Drivers, Scenarios

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## **Introduction**

The welfare system and the future of retirement is one of the topics that has become a complicated issue due to its relationship with many people in the society and the influence of social, economic, political-legal, technological and environmental changes. Adopting any solution in this regard without analyzing macro-environmental factors and considering the long-term future consequences of these solutions has no result other than making the current situation more critical. The requirement for intelligent decision-making in this field is to know the drivers and uncertainties affecting the future of pension funds and to draw the probable, possible and desirable futures of these funds. The purpose of this article is to identify the drivers and uncertainties affecting the future of pension funds under the Ministry of Cooperation, Labor and Social Welfare and to outline the probable, possible and desirable futures of these funds in the next 10 years.

## **Methodology**

In the current study, the main approach in choosing methods is integrated foresight. In this approach, the emphasis is on the combination of different methods in future research. In fact, the central concept of integral future research is the use of different approaches, methods and models to examine the dimensions of the subject under investigation, and the most important advantage of integral future research is that it provides the possibility of comparing the results of examining different futures with different approaches, theories and methods. Based on the integral approach, in the data collection stage, a combination of interview methods with experts and officials, Delphi, media scanning, and review of scientific documents have been used. In the analysis and scenario planning stage, a combination of qualitative and open methods such as expert interviews was used along with quantitative-qualitative methods such as cross-effects analysis and consensus index, and cross-effects analysis was used to identify the key drivers. Uncertainty has been measured based on the consensus index and expert consensus. In the end, in order to eliminate incompatible and similar scenarios, morphological analysis was used. The group of experts in this research included 30 managers, officials, specialists and activists from various fields related to economic future and investment, labor market, social welfare and retirement. Sampling of experts was done using two methods, "judgment" and "snowball", both of which are considered as targeted sampling methods.

## **Findings**

In the macro identification of trends and drivers, using the method of environmental scanning, review of experiences, expert interviews and Delphi, the initial list of drivers was identified and in the first step, 70 drivers affecting the future of pension funds were identified. After the initial refinement, the list of drivers was localized and by removing similar drivers and having little connection with the future environment of Iran, the final list of 47 drivers (11 technological, 8 social, 4 environmental, 15 economic, 9 political-institutional drivers) was created for analysis. Cross effects and significance and uncertainty were selected. Based on the

nature of the subject under investigation, most of the drivers are technological and economic drivers. The results of the mutual effects analysis show that the variables: attraction of foreign investment, globalization of businesses, the possibility of investing funds abroad and the unemployment rate have received the greatest impact from other drivers and at the same time have had the greatest impact on them. The results show that although in the short term (horizon 1 to 5 years ahead) the issue of mechanization, the prevalence of freelancers and the elimination of formal jobs may not be a serious threat to pension funds, but in the long term each of them can be the basis of work, insurance and transform pension funds. At the same time, challenges such as drought, aging of the population, reduction of household size and reduction of public trust, and a sign of the future, need serious attention as soon as possible, and currently these factors are also considered serious challenges. However, the future of pension funds will be the result of a combination of the results of uncertainties and predetermined factors affecting this field. Based on the findings of the previous steps, the future of the economy and investment in Iran is affected by the combination of 4 critical uncertainties and 8 predetermined factors. The combination of 4 critical uncertainties led to the formation of 16 scenarios, and finally 6 scenarios were selected as the final scenarios in terms of internal consistency and the degree of believability and differentiation from other scenarios.

## **Results**

Today, pension funds in both developed and developing countries are facing a lot of challenges and uncertainties for the future. Macro-trends such as globalization, technology development, change of work and family life patterns, as well as diversity in lifestyles, social and cultural heterogeneity, expansion of education, development of information and communication technologies and artificial intelligence, migration all affect the welfare system as a whole, resolving issues It affects the well-being of people and as a result the state of pension funds. Comparing the results of researches related to the results of this article indicates that although there is overlap in some cases regarding the factors and macro trends affecting the future of pension funds, the fundamental difference in the approach of each of the articles does not allow a complete comparison of the results. In most of the researches carried out by relying on simulation models and quantitative data, the future scenarios of pension funds have been identified and analyzed, but in this research, the qualitative approach and the inherent uncertainty in the macro trends of the external environment are the focus of the scenario. The inscription is placed. Therefore, the output of the research is presented not in the form of numbers and accurate estimates, but in the form of visualization and explanation of the situation of pension funds in different scenarios. The explanation of the situation of challenges and opportunities in the six scenarios indicates that the challenges are: population aging and the gradual increase in pension pressure and medical expenses and disability, the increase in climatic migrations and its direct impact on the reduction of the income of the villagers and nomads fund and the influence of The direct effect of drought on migration to cities and the increase of informal jobs in at least four scenarios will have an increasing and negative trend in the future. In contrast to opportunities such as: reducing the burden of reliance and thus reducing the pressure on retirees in the long term (more than 15 years) and the possibility of

independence of funds and increasing the capacity to follow up on retirees' claims will be two key opportunities to improve the situation of retirees in the future.

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