

# Gender pension gap - economic perspective

Agnieszka Chłoń-Domińczak

Institute of Statistics and Demography SGH



Part of this research was supported by European Commission 7th Framework Programme project "Employment 2025: How will multiple transitions affect the European labour market' (NEUJOBS)

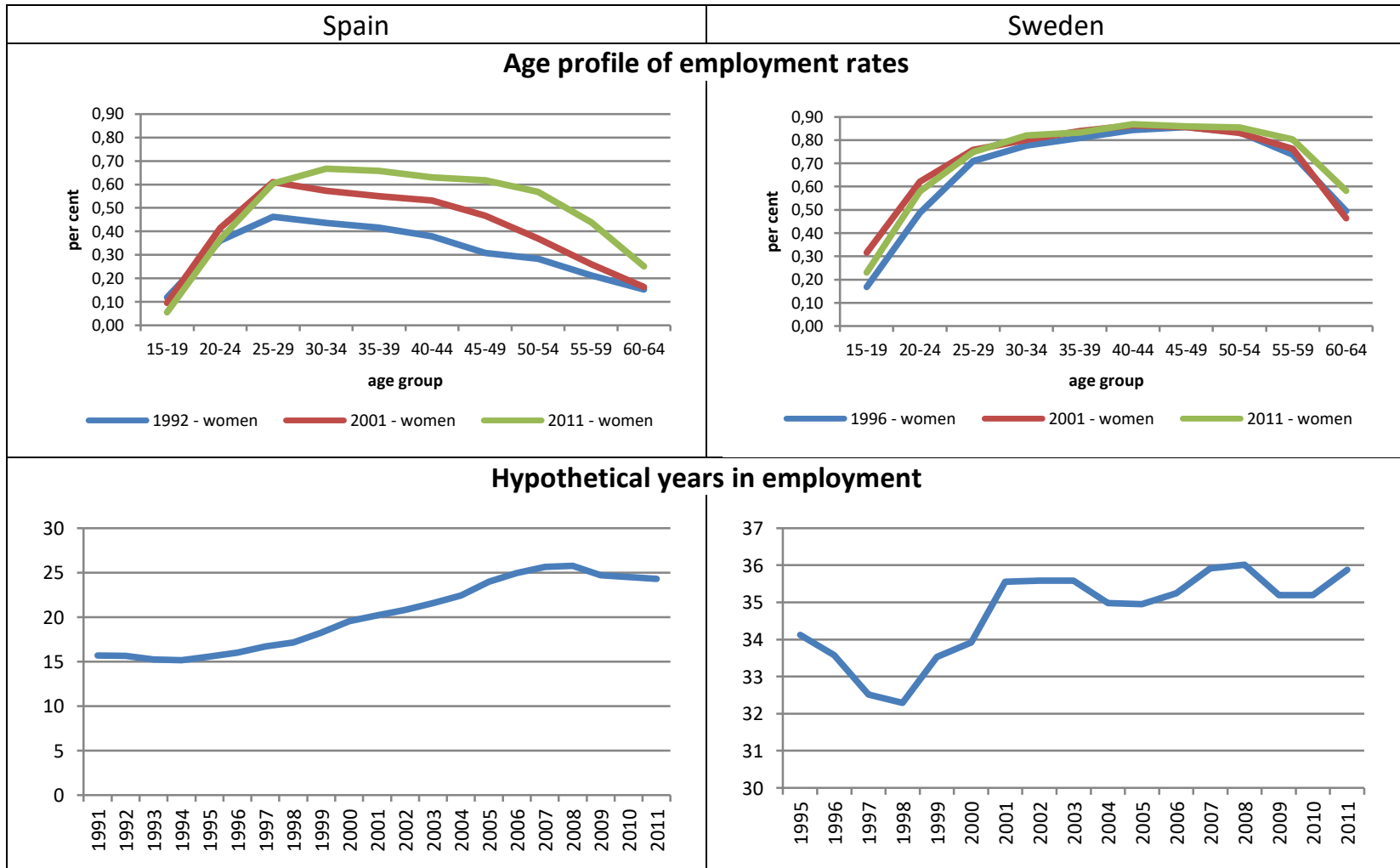
# Outline

- Life course changes and challenges in the light of population ageing
- Gender pension gap: current and future perspective
  - Changing labour market patterns
  - Changing pension system design
- How to measure gender pension rights gap
- Policy challenges

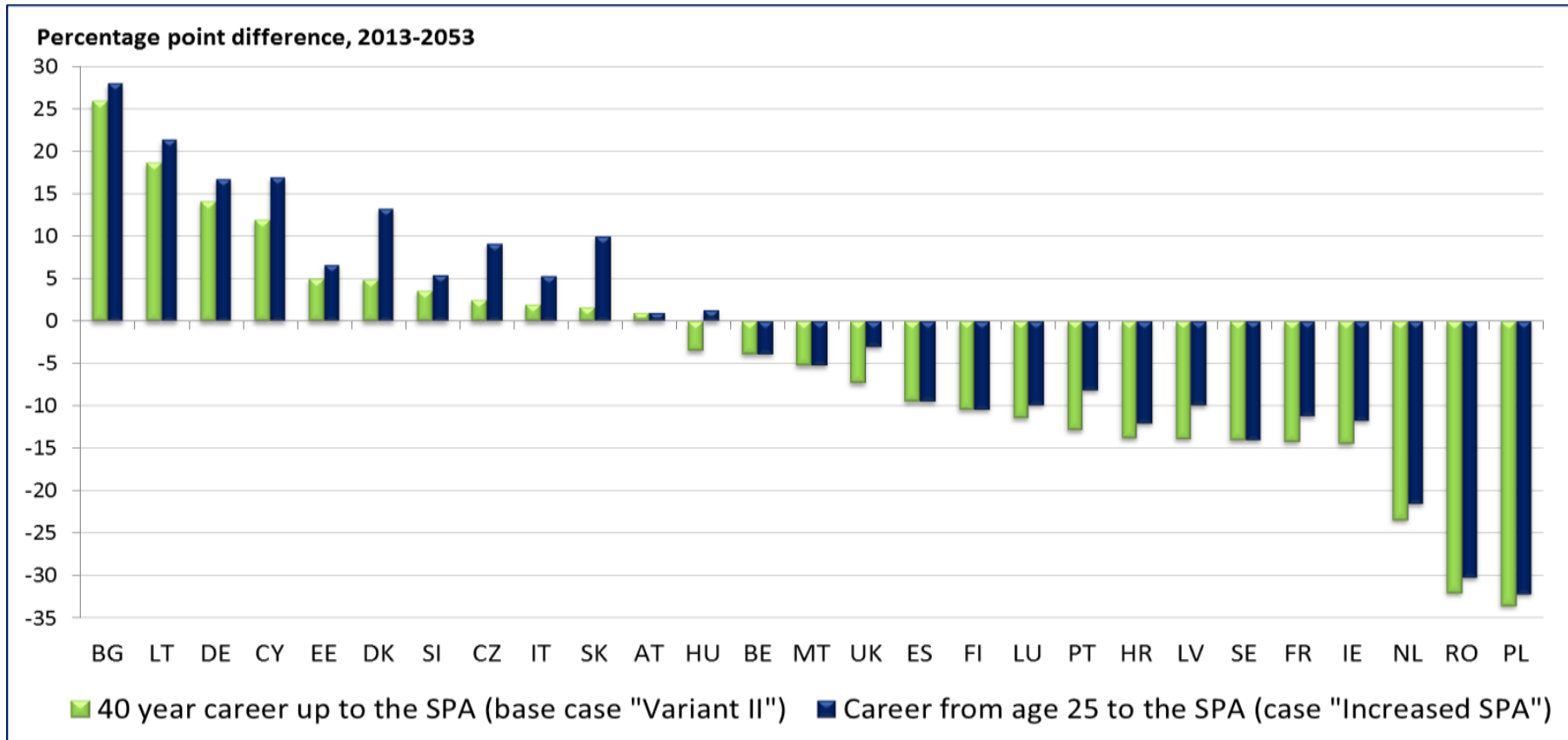
# Rationale

- In most of the countries there is a current pension gap, measured by differences in pension levels of men and women
- The gender gap is a result of:
  - Gender differences in labour market participation (wages, employment rates)
  - Pension system design (retirement age, pension formula)

# Length of pension coverage depends both of on the labour market entry and exit ages



# Current vs. future replacement rates - projected change

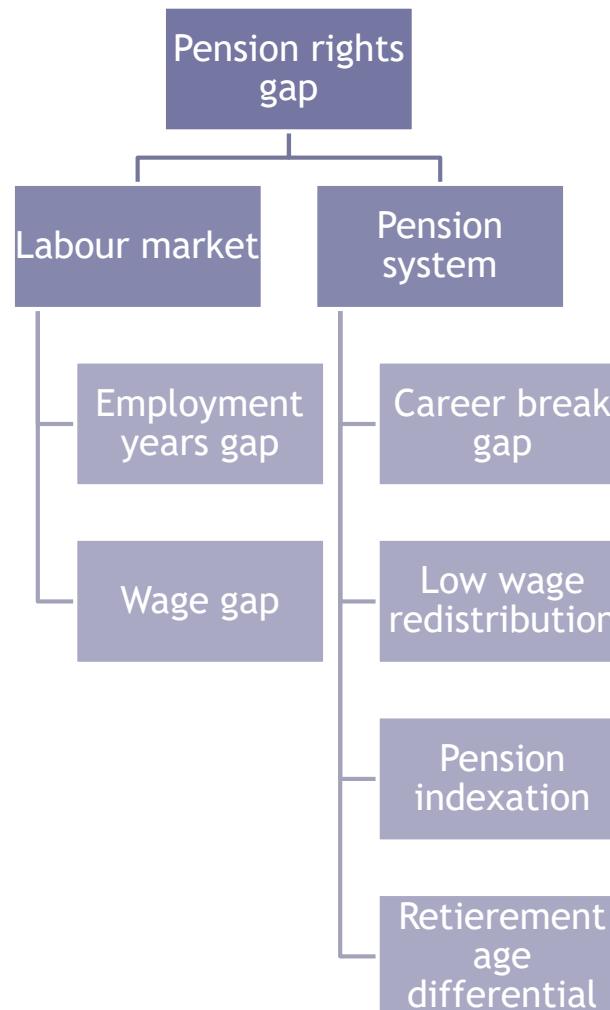


Source: The 2015 Pension Adequacy Report: current and future income adequacy in old age in the EU

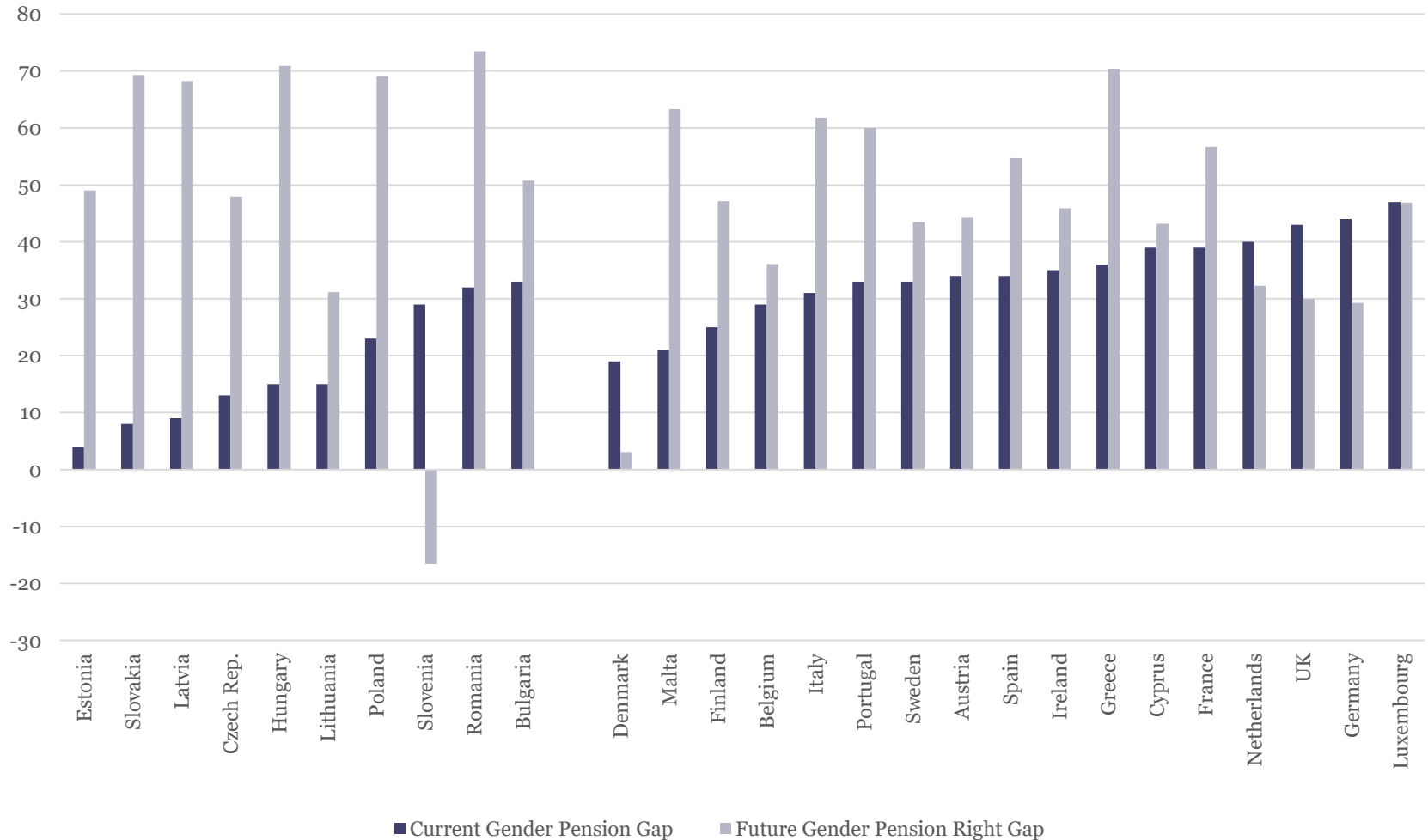
# Career breaks for child-care and pension rights

Type of trend	Countries
1. Increases from the full-career case and decreases afterwards	(2): Germany, Italy
2. Stable during the child-care breaks (no change)	(1) Ireland
3. Stable for first few care years and declining thereafter	(6) Belgium, Czech Republic, Luxembourg, Portugal, Spain, Malta
4. Decreases modestly from the full career case	(6) Austria, Denmark, Finland, Greece, Netherlands, United Kingdom
5. Stronger declines in replacement rates	(11) France, Hungary, Poland, Slovak Republic, Sweden, Bulgaria, Estonia, Latvia Lithuania, Romania, Slovenia
Source: (D'Addio 2013)	

# Future gender pension gap depends both on labour market and pension system factors



# Current vs future





# Distribution of EU 27 countries by the domain specific indices

		Labour market equality		
		High	Medium	Low
Pension system compensation	High	(4) SI DK UK NE	(3) DE LT BE	(2) EE CZ
	Medium	(3) CY LU FI SE	(3) IE AT LU	(2) MT ES
	Low	(1) PT	(4) PL FR LV BG	(5) IT RO SK HU EL

# Conclusions

- The results of analysis show that countries that have little gender differences in labour markets also tend to have pension system policies that are gender-friendly
- Countries with high gender differences, pension systems often do not compensate them at retirement
- There is a need for more life course perspective in both labour market and retirement policies, taking into account the complimentary role of these policies

# Conclusions

- The position of women in labour market and family context is changing
- Policy responses to population ageing include both changes in labour market and pension systems that affect gender differently
  - increases in the labour market participation of prime-aged women,
  - prolonging working lives
  - increasing labour market exit ages of women
  - raising retirement age
  - reducing the progressivity in pension formulae,

# Conclusions

- Full understanding of transition from work to retirement requires the assessment of both sides of the coin
- Women lose twice in most of the pension schemes - because they earn less and because they have shorter working lives
- Many researchers refer to these gaps, but rarely they are seen as correlated phenomena - women with shorter working lives have usually lower earnings at the same time
- Gender is important in combined labour market and pension system perspectives

# Further reading:

## FEMALE TRANSITION TO RETIREMENT

Neujobs project working paper

<http://www.neujobs.eu/sites/default/files/D16.2B.pdf>

## WOMEN'S WORK AND PENSIONS. DRAWING LESSONS FROM CENTRAL AND EASTERN EUROPE

In. B.Marin(ed.) The Future of Welfare State in a Global  
Europe

[http://www.euro.centre.org/data/1441432754\\_18933.pdf](http://www.euro.centre.org/data/1441432754_18933.pdf)

Contact: [agnieszka.chlon@gmail.com](mailto:agnieszka.chlon@gmail.com)