Gender implications of Extended Working Life policies in the context of austerity in Greece, Ireland, Italy and Portugal

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Pensions Policy Research Group
Outline

- International and national policy
- Theoretical approaches
- Austerity
- Employment patterns, pension system and pension coverage
- Precarious employment
International Policy

- Organization for Economic Cooperation and Development (OECD)
  - Strengthen financial incentives to carry on working
  - Tackle employment barriers; improve employability of older workers.
- European Commission (EC): ‘Active Ageing’
- Discourse: Narrow economistic focus on labor market.
  (Mouleart and Biggs, 2012)

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Assumptions of policy approach

• Policies based on a conception of the individual as autonomous; utility-maximising; calculating; socio-economically independent (Becker, 1991, Hakim, 2003)

• People are relational; unaware of need to be calculating; often financially dependent; low-paid; in precarious employment (Nelson, J, 1993, Crompton and Harris, 1998)
Theoretical approach.

  - Impact of economy,
  - legislation,
    - including family friendly policies
  - gendered social norms re. caring.
Policy analysis: expanded – gender regime

- Not just pensions and employment policy in isolation
- Gender regime: extent to which there are ‘family friendly’ policies

<table>
<thead>
<tr>
<th>April, 2015</th>
<th>Greece (months)</th>
<th>Ireland (months)</th>
<th>Italy (months)</th>
<th>Portugal (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paternity Leave</td>
<td>2 days</td>
<td>2 weeks</td>
<td>1 day + 2 trans 3 mths sole car</td>
<td>See parental</td>
</tr>
<tr>
<td>Parental Leave</td>
<td>8 Pr S.; 24 Pub. S. 3 mths paid for 3 mths</td>
<td>8.4 unpaid</td>
<td>10 +1 bonus (paid)</td>
<td>12 + bonus 1 (paid)</td>
</tr>
</tbody>
</table>

Source: [http://www.leavenetwork.org/lp_and_r_reports/cross_country/](http://www.leavenetwork.org/lp_and_r_reports/cross_country/), April, 2015
Austerity in Greece, Ireland, Italy, Portugal

- High public debt
- High unemployment (G: 27.7%; Ir: 13.3%; It: 12.3%; P: 17%; EU27: 11%)
- ‘He-cession’ (male unemployment rate > female unemployment rate). Collapse of male sectors (e.g., construction industry - Ireland)
- Austerity policies: (taxes, levies, reduce public spending)
- EWL as part of austerity (reduced state pensions)

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Policies to Extend Working Life: impacts for women.

- Increase in retirement/state pension age (neg if in poor health, unemp)
- Reduction in retirement benefits for early retirement (same)
- Flexible work: can work after RA without affecting benefits (pos)
- Incentives to work after RA to age 70 (mixed) (Ginn & MacIntyre, 2013).
- Switch from DB to DC schemes (neg)
- Promotion of private pensions: negative (Estes, 2004)
- Reduction of pensions (austerity driven)
Factors affecting women’s pension provision

- Horizontal segregation in low-paid areas such as cleaning and caregiving
- Low pay: gender pay gap: (OECD:15.5%)
- Vertical segregation in middle/lower part of organisations (OECD, 2015)
- Interruptions from pension-building for caring
- Pre-dominant involvement in part-time work (OECD, 2015)
Employment rates by gender: older workers

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>77.5</td>
<td>68.7</td>
<td>60.6</td>
<td>37.9</td>
</tr>
<tr>
<td>Greece</td>
<td>74.2</td>
<td>59.3</td>
<td>59.3</td>
<td>42.5</td>
</tr>
<tr>
<td>Italy</td>
<td>70.6</td>
<td>65.5</td>
<td>46.8</td>
<td>61.1</td>
</tr>
<tr>
<td>Portugal</td>
<td>73.6</td>
<td>66.9</td>
<td>61.8</td>
<td>61.1</td>
</tr>
</tbody>
</table>

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## Pension coverage and provision

- **Gender coverage gap and gender pension gap 2012:** (Source Bettio, 2015. Based on EU SILC data)

<table>
<thead>
<tr>
<th></th>
<th>Greece</th>
<th>Ireland*</th>
<th>Italy</th>
<th>Portugal</th>
<th>EU27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Pension coverage gap</td>
<td>12%</td>
<td>19%</td>
<td>15%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Gender pension gap</td>
<td>36%</td>
<td>35%</td>
<td>31%</td>
<td>33%</td>
<td>39%</td>
</tr>
</tbody>
</table>

* Ireland includes both men and women.
Extended Working Life (EWL) policies

<table>
<thead>
<tr>
<th></th>
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<th>Ireland</th>
<th>Italy</th>
<th>Portugal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase in contribution</strong></td>
<td>All workers now 2016 higher contributions</td>
<td>Doubled to 10 yrs for min. in 2020</td>
<td>Replacement rate will fall (Istat, 2016)</td>
<td>2016. Must be 60. + have 40 years of contributions</td>
</tr>
</tbody>
</table>

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Health

- Physically demanding work linked to earlier ill-health (Marmot et al 2009, Stacey, 2011)
- EWL unattractive, impossible?
- Low paid work: (eg cleaning and caring): inability to pay into private pensions.
- Higher paid, rewarding, sedentary (eg teaching) with pension plan
- EWL attractive, more possible?
Precarious employment

• Temporary, P-T, seasonal, zero hours
• Increasing (Standing, 2011)
• Feminised, but increasingly male (Vosko, 2008)
• Formerly secure occupations now precarious (Standing, 2011)
• If unemployed, difficult to find employment when older (Lain, 2013).
• Even when formal protection from age discrimination
• May also face health challenges – a barrier to employment?
Precarious work: unemployment rates for older workers

<table>
<thead>
<tr>
<th>Country</th>
<th>Male 2007</th>
<th>Female 2007</th>
<th>Male 2015</th>
<th>Female 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>2.6</td>
<td>0</td>
<td>9.2</td>
<td>5.3</td>
</tr>
<tr>
<td>Greece</td>
<td>2.9</td>
<td>4.3</td>
<td>18.1</td>
<td>16.5</td>
</tr>
<tr>
<td>Italy</td>
<td>2.6</td>
<td>2.1</td>
<td>6.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Portugal</td>
<td>7.1</td>
<td>5.8</td>
<td>13.9</td>
<td>10.7</td>
</tr>
</tbody>
</table>

Unemployment rates, 2007, 2015
Precarious work: Involuntary part-time employment: older workers

<table>
<thead>
<tr>
<th>Country</th>
<th>2007</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>Males</td>
<td>20.6</td>
</tr>
<tr>
<td></td>
<td>Females</td>
<td>6.4</td>
</tr>
<tr>
<td>Greece</td>
<td>Males</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Females</td>
<td>20.0</td>
</tr>
<tr>
<td>Italy</td>
<td>Males</td>
<td>28.7</td>
</tr>
<tr>
<td></td>
<td>Females</td>
<td>28.2</td>
</tr>
<tr>
<td>Portugal</td>
<td>Males</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>Females</td>
<td>22.5</td>
</tr>
</tbody>
</table>

**Involuntary part-time employment: 2007, 2015**

Country by gender

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Concluding remarks

- Political economy of ageing analysis highlights impact of economy, legislation, social norms.
- EWL in context of austerity: poor outcomes
- Women and men in low-paid precarious occupations
- Physically demanding work vulnerable to poverty
- Policy implications?
Policy implications?

- Across countries, increased precarity and economic fluctuations
- Hence need for re-thinking of policies balance right to work and right to retire
- Lack of joined-up policy-making
- Women (and some men) unpaid caregivers with interrupted work histories:
  - more and better family friendly policies?
  - state pensions to be preserved – universal citizen’s income?
- Modifications for those in physically demanding work with health challenges: earlier retirement age?
Thank you

Any Questions?
References


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References

Metlife Mature Market Institute, Metlife Study of Caregiving Costs to Working Caregivers (June,2011)


Vickerstaff, S, 2010, Older Workers The unavoidable obligation of extending our working lives, *Sociology Compass* 4,10


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