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Pension Reforms in Europe and Their Impact on Women



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EXECUTIVE SUMMARY

Across Europe, as people live longer, their years of drawing pension benefits increase. This trend, combined with the retreat of the welfare state from social insurance principles, has placed financial pressure on pension plans, putting in doubt their future viability and stimulating reform measures and proposals. The trend of these reforms in general has been to shift the risk of financial sustainability away from employers and the state on to workers. Increasingly it is not governments and corporations that must ensure income in retirement but workers who must take care to plan and invest for themselves.

This study displays the broad picture of the diverse situations in 33 European countries. An original analysis, it combines data from general published sources with a special survey of 48 organizations distributed throughout these countries. The survey subjects were unions affiliated with Education International, and so the information supplied gives special coverage to teachers' pensions, along with the broader national pension schemes upon which teachers also draw to varying degrees. Because so many teachers are women, the results give detailed coverage of the subtle ways in which gender bias finds its way into retirement incomes.

Though pension reforms have been regarded as a characteristic of transition countries in Central and Eastern Europe, they are now clearly taking place across Europe as a whole. While numerous countries already changed their system or parts thereof, 16 are still discussing further or new reforms to the pension system that had or will have a profound effect on teachers.

The study shows that pension reforms in Europe have a gender-biased impact on teachers. The reasons behind gender impact of pension systems are twofold: first, gender inequalities among working teachers are conveyed through the pension system into retirement years; second, certain elements within the pension system can amplify or reduce gender inequalities in old age. For both tendencies, the continuation of employment differences into retirement and the critical features affecting gender bias, the study examines the mechanisms by which they are implemented.

The broad retreat of the welfare state is associated, in pension reform, with partial privatization of the pension schemes, a reduced publicly pay-as-you go system supplemented with saving schemes, and a tighter linking of pension benefits with contribution levels. These trends are common across Europe, except that the trend to privatization is more prominent in the "new" EU member states.

Increased privatization in the form of reduced government involvement in pension provision, financing, and regulation, reduces equity and efficiency. That is because addressing social objectives, such as securing adequate income in old age, requires making choices today for the long term, despite the unpredictability

of economic and social trends. At the individual level, such choices are extremely difficult to make accurately and likely to lead to under-provision for most people – in particular for people who have low incomes or are unable to engage in long-term financial planning. Private insurance for its part also has trouble dealing with the uncertainties involved in long-term commitments to provide adequate old-age income.

Savings schemes for old age, whether mandatory or voluntary, reflect and even amplify labour market inequalities. Workers in low-paid and precarious jobs, among whom women are disproportionately represented, cannot afford to save much and often fail to do so even if the law has supposedly made retirement savings schemes mandatory. Those whose savings are small or irregular typically get a lower net return, as a greater proportion of their savings is eaten up by administrative costs, owing to the higher costs of small accounts.

The tighter linking of pension benefits to contribution levels perpetuates the inequalities in the labour market into retirement age, so that the existing gender pay gap is extended into a gender pension gap.

The study draws attention to features of pension systems that can either mitigate or exacerbate gender differences. For example, in pension calculation formulas, the selection of the interval of earnings years on which to base benefits can increase or decrease gender differences. Moreover, the use of gendered life expectancy tables also increases the difference because women outlive men so their entitlement is subdivided over more years. Access criteria to pension benefits may discount careers with part-time or interrupted employment, and thus disadvantage women who more often than men take time off for family responsibilities. The minimum retirement age to qualify for full pension has traditionally been lower for women, but is increasingly being equalized with that for men, with disputed results.

Special attention is given to the vulnerable position of part-time workers. Although education is dominated by women workers overall, the ratio of women working part time compared to men is much higher: 68% of men employed in education hold a full-time position but only 44% of women. Similarly, in tertiary education women more often hold part-time positions, and even when employed full time they are more likely to be employed on fixed-term contracts. Therefore provisions regulating part-time work are of particular importance to women. Access to pension schemes is of primary concern to part time workers. Following the EU Part-Time Workers Directive, a part-time worker must be treated no less favourably than a “comparable” full-timer. On this ground, part-timers who are or have been excluded from pension scheme membership may argue that they were discriminated against.

Gender differences in pension outcomes can be reduced by redistributive elements in the system. The most typical redistributive elements in the countries studied

were a legally guaranteed old age pension and a minimum income guarantee. Only a few countries had income ceilings and flat rate provisions in their pension calculation formulas. Women teachers are far more likely than men teachers to fail to meet pension access requirements or to receive low benefit levels. Women are indeed at higher poverty risk in old age than men. Therefore, a reduction of redistributive elements, particularly a guaranteed minimum income in old age, is of special concern in increasing gender bias.

The study concludes with a list of key aspects of pension plan design that affect gender impact, and with a call for introducing comprehensive gender impact assessment as part of the pension reform movement.

The effects of the trends highlighted in the study disadvantage some workers more than others, and usually disadvantage women more than men. The outcome is a high degree of variation among European countries in the adequacy and distributional fairness of retirement benefits. It is important that reform proponents and critics become aware of these variations and the place within them of their own country and union.

1. INTRODUCTION

Changing demographics have raised pension issues across Europe. For example, people are living longer, thus increasing their years of drawing pension benefits. In addition, many governments are withdrawing gradually from commitments to welfare state social insurance principles under pressure from surging costs and taxpayer resistance. The resulting pressures on pension systems have raised concerns about their sustainability and fostered reform proposals. Numerous international organizations¹ have recommended changes in pension policy and have been monitoring pension system reforms across the globe. In Europe, the informal European Council in Hampton Court in October 2005 asked the European Union to reflect in more depth on the consequences of demographic trends on economic and social policies. The European Commission's first annual progress report on growth and jobs, "Time to move up a gear," published 25 January 2006, called for a reform of public pension systems in response to globalization and ageing as one of the main actions to be undertaken in the European Union.

Teachers constitute a large portion of the global workforce, with no fewer than half a million student teachers receiving initial teaching training annually in Europe alone. Teachers are therefore a major stakeholder in the development of all branches of social policy. Pension system reforms influence the pension schemes of teaching professionals at all levels of education, regardless of their labour market status in their respective countries. Teaching is often taken as a leading example of a "feminized profession." Women represent the majority of teachers in Europe – slightly over 70% at primary and secondary levels of education. In tertiary education the picture is more heterogeneous: though women and men are close to parity overall, in larger Western Europe countries women are closer to 30% of tertiary teachers (e.g. Germany, Greece, Italy, and Switzerland), while in a number of Eastern European countries women are close to 60% of tertiary teachers (e.g. Latvia, Russian Federation). Nonetheless, women teachers overall continue to be at a disadvantage in the labour market. The gender pay gap for teaching-associated professionals ranges between 14% and 19% in the European Union, with women more likely than men to hold part-time positions or be employed on short-term contracts and less likely to hold management positions. Furthermore, women continue to act as the primary care givers in their families, thus taking more time off work and interrupting their career path more often than men. These gender inequalities in the labour market tend to be prolonged by pension systems as income inequalities into old age. Nevertheless, pension systems can be designed to reduce the extent to which inequalities among workers become inequalities among those who have retired.

(...) gender inequalities in the labour market tend to be prolonged by pension systems as income inequalities into old age

The debates over pension policy have stimulated a great volume of research and

¹ International organizations such as the World Bank, OECD, and the International Monetary Fund have published numerous papers on the sustainability of pension systems over the past decade.

comparative analysis on pension reforms. Some of the assessments of pension reform raise concerns about gender equality in old age. So far there has been no systematic overview of the gender dimension of pension system reforms in the education sector. This study aims to fill that gap by analyzing teacher pension provisions and assessing their comparative impacts on female and male teachers in Europe.

Pension schemes differ greatly across Europe, although some converging elements can be found. The differences reflect policy choices in such pension system elements as membership criteria (voluntary vs. mandatory), management of the scheme (public vs. private), minimum income policy or other social goals embodied in pension systems (insurance and equivalence vs. redistribution), the financing method used (funded vs. pay-as-you-go out of current revenues), and procedures for determining the size of a future pension benefit (defined benefit vs. defined contribution scheme). In countries where multi-pillar systems have been introduced, different combinations of system elements may be found in the same country (Steinhilber: 3, citing Muller 1999).

Research suggests that certain system elements and features are especially vulnerable to gender bias. These include criteria regulating access to pension benefits and calculation formulas used to determine benefit levels, derived rights to pension benefits, redistribution elements of the system, women's and men's retirement ages, and the pension rights of part-time workers. This study analyzes whether the features shown by research to be gender-biased exist in teacher pension schemes in Europe and what impact they have on female teachers. The study is by no means an in-depth analysis of the gender outcomes of individual national pension systems in Europe; it merely indicates elements and features that are known to have been associated with gender inequalities. In other words, this study only displays warning flags – signals that bias may be found on deeper investigation.

The study begins with an overview of pension reforms in Europe and a broad assessment of their relevance to teachers, particularly female teachers. Chapter 2 describes the current pension frameworks and their underlying principles in light of their impacts on women teachers. An important issue discussed is the question of derived rights vs. individualization. Chapters 3 and 4 examine the gender impacts of different procedures applied in the calculation of pension benefits and the pension access criteria. Chapter 5 summarizes the combined gender impact of all the analyzed aspects and offers some conclusions.

Methodology

The present analysis is based on a questionnaire sent to affiliates of Education International in the Pan European region designed to collect qualitative and quantitative data on teacher pension systems and their reform in Europe. In particular,

the questions probed features shown by research to be associated with gender bias. Areas examined for each country included an overview of the national or territorial pension system, the subsystem for teacher pensions, access to pension benefits, calculation of pension benefits, and the status of part-time workers in relation to pension benefits.

The study aimed at collecting disaggregated data to enable comparative overview of the trends and gender impact of the pension reforms in Europe, therefore conclusions on specific countries should not be made lightly. To analyse the trends and gender impact in individual countries in the study a thorough gender impact analysis should be undertaken to include the specificities and correlation between different elements in the national pension and social systems.

Despite the rather complex questionnaire, the response rate was very high: 48 EI affiliates from 33 countries (as well as 2 jurisdictions separately within the UK: Scotland and Northern Ireland). This excellent geographical coverage of all the regions of Europe made it possible to present data for the great majority of European countries and to provide a European overview of pension reforms of a kind usually available only for EU member states.

Respondents did not always reply to every question, therefore some tables and analyses do not cover all responding countries. In some sections, survey data were complemented by online data sources, though these were usually available only for EU member states.

Teacher pension reforms in Europe

Pension schemes for public servants or state employees can be, and often are, regulated differently from those for private sector employees. Moreover, provisions regulating the status of teachers in the labour market affect the pension provisions for teachers. In some countries, teachers have the status of public servants, including the right to participate in public service pension schemes. In other countries, teachers do not have public servant status but do have special provisions as state employees. There are countries where teachers are considered part of the overall work force with pension schemes under the same regulations as in the private sector. In certain countries separate teacher pension schemes have been negotiated, either because their public pension schemes are organized by occupation or as complementary to an existing public scheme (see table 1 on page 12).

In the majority of countries (24), teachers are classed as public servants and have access to public service pension schemes. Two additional countries have special provisions in place for teachers as state employees, though they do not have public servant status. In only 10 countries, teacher pensions are under the same or

Table 1: Overview of teacher provisions in pension schemes by country

Separate teacher pension scheme	Teachers have a status of public servants	There are special provisions for teachers	There are no special provisions for teachers
<i>UK, UK (Northern Ireland), UK (Scotland), Cyprus (northern Cyprus), Israel, Ireland, Bulgaria</i>	<i>Denmark, UK (Northern Ireland), Poland, Hungary, France, Portugal, Finland, UK, Norway, Cyprus (northern Cyprus), Israel, Iceland, Austria, Georgia, Belgium, Czech Republic, Ireland, UK (Scotland), Switzerland, France, Sweden, Greece, Spain, Germany</i>	<i>Ukraine, Tajikistan</i>	<i>Slovakia, the Netherlands, Estonia, Italy, Latvia, Moldova, Albania, Serbia, Russian Federation, Denmark</i>
7	24	2	10

NOTE: In Denmark, some teachers are civil servants, while others have a pension scheme similar to that of other employees.

similar regulations as private sector pensions. This suggests that teachers are primarily affected by changes in public pension schemes. In seven countries teachers have separate teacher pension schemes, possibly allowing separate negotiations over pension reforms.

In the last decade many countries around the world have implemented pension system reforms which have affected teacher pensions. Only in Estonia, Hungary, and Iceland among respondents has there been no pension reform since 2005 with none at present under discussion.² There is ongoing discussion about pension reform in Albania, Bulgaria, Czech Republic, Denmark, Germany, Latvia, Moldova, UK (Northern Ireland), Norway, Russian Federation, Spain, Switzerland, and Ukraine. In several countries reforms have been announced: in France to take place in 2008, in Poland for 2009, and in the UK for 2012. Since 2005, some elements of the pension scheme systems have been changed in Austria, Belgium, Georgia, Greece, France, Italy, Latvia, Sweden, Tajikistan, and the UK, while pension systems as a whole underwent reform in Finland, Ireland, Israel, Cyprus (northern Cyprus), Poland, Portugal, UK (Scotland), Serbia, and Slovakia (see map 1 on page 13).

² However, Estonia and Hungary underwent reforms somewhat earlier. During 1998 to 2002, Estonia modified its pay-as-you-go scheme and introduced new mandatory and voluntary funded components. In the 1990s Hungary implemented major reforms, creating a multi-pillar system where the first pillar is a publicly managed pay-as-you-go system and the second pillar consists of fully funded, defined-contribution private pension funds.

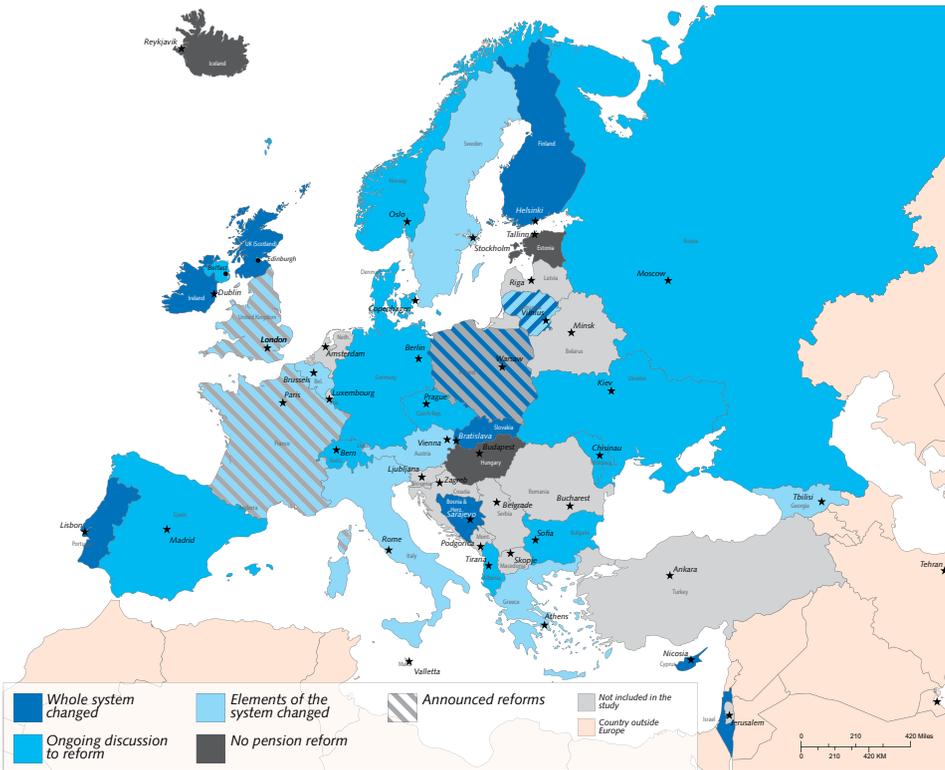
In the last decade many countries around the world have implemented pension system reforms which have affected teacher pensions

As can be seen, the reform movement is fully under way. Of the 38 countries and internal jurisdictions studied, 22 have undergone either a complete or partial system reform, including three which have announced that further pension reforms will be forthcoming, while the other 13 are currently discussing pension system reforms. Similarly, where separate teacher schemes exist, only Denmark had no recent reforms, while all other countries either had elements of the scheme changed (UK and Bulgaria) or had the complete separate teacher scheme reformed (Cyprus (northern Cyprus), UK (Northern Ireland), Israel, Ireland, and UK (Scotland)).

Though pension reform might earlier have been regarded as characteristic of transition countries in Central and Eastern Europe, it is now clearly taking place across Europe.

An overwhelming majority – 41 of the 48 responding unions – took action in regard to pension reform: lobbying, campaigning, demonstrations, strikes, formal

Map 1: Pension reforms in Europe since 2005



complaints, and legal action. The nature of these actions suggest that the proposed reforms aimed at reducing the role of the state and of public financing in pension schemes.

Although in the majority of countries the reforms applied formally to all teachers, several countries protected earlier generations of teachers either by ensuring retirement under previous conditions or by exempting them from some of the new provisions. Consequently, pension reforms tend to have a more prominent effect on later generations of teachers. In Austria, Bulgaria, Israel, Poland, Scotland, the UK, Cyprus (northern Cyprus), and Ireland, the new pension system applies only to new teachers. Therefore, in these countries the full scale of newly introduced regulation applies only to younger generations of teachers or to the new entrants in the profession.

Pension reforms
tend to have a more
prominent effect on
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2. PENSION SYSTEM FRAMEWORKS

Turning from teachers to the work force as a whole, the trend of reforms in old-age security suggests a shift away from public provision towards pension privatization. In one-third of the countries studied, pension systems were already partially privatized. These mixed systems typically involved two “pillars”: a mandatory, publicly administered pay-as-you-go system along with a voluntary, often state-subsidized, privately managed system using individual savings accounts. In Central and Eastern Europe, the reform then typically consisted of the introduction of a third pillar: a mandatory privately managed system of individual savings accounts (Steinhilber, 8). The privatization implication was for the gradual disengagement of public provision and an increasing reliance on the second and third pillar. This suggests a paradigm shift in the concept of pension provision in line with the retreat of the welfare state.

The pension systems in the countries under study are almost evenly divided between a single-pillar mandatory, publicly administered, pay-as-you-go system and multi-pillar systems mixing mandatory and voluntary elements. The spread of multi-pillar systems is associated with the introduction of individual savings schemes and a narrowing of the public pay-as-you-go system. The proportion paid by individuals is increasing, while the proportion paid by government is decreasing.

Savings schemes for old age, whether mandatory or voluntary, reflect and even amplify labour market inequalities. Workers in low-paid and precarious jobs, among whom women are disproportionately represented, cannot afford to save much and often fail to do so, even if the law has supposedly made retirement savings schemes mandatory. Those whose savings are small or irregular typically get a lower net return, as a greater proportion of their savings is eaten up by administrative costs, owing to the higher costs of small accounts. In purely savings-based systems there is no solidarity or redistribution. Furthermore, because of women’s greater life expectancy, the need to match total payments to total savings will set women’s pension benefit levels lower than those of men when their savings are of the same value (International Labour Organization 2001:39-40).

A multi-pillar pension system, though publicly managed in a few countries, is in most countries managed publicly and privately pillar by pillar. As suggested by the EU Synthesis report on adequate and sustainable pensions, there are strong grounds of equity and efficiency for government involvement in pensions, be it in provision, financing, or regulation (European Commission 2006). That is because addressing social objectives, such as securing adequate income in old age, requires making choices today for the long term, despite the unpredictability of economic and social trends. At the individual level, such choices are extremely difficult and likely to lead to under-provision for most people – in particular for people with low incomes or unable to engage in long-term financial planning. Private insurance for its part also has trouble dealing with the uncertainties involved in long-term commitments to provide adequate old-age income (ibid., 10).

The proportion paid by individuals is increasing, while the proportion paid by government is decreasing

(...) because of women’s greater life expectancy, the need to match total payments to total savings will set women’s pension benefit levels lower than those of men when their savings are of the same value

Table 2: Overall information on the pension systems

Country	The pension system is based on a:				Management of pension systems		
	One-pillar mandatory system	Multiple-pillar mandatory system	Multiple-pillar system where some pillars are mandatory and some voluntary	Completely voluntary system	Public	Private	Combination of public and private
Albania	X				X		
Austria	X				X		
Belgium			X				X
Bulgaria			X				X
Cyprus (northern Cyprus)	X				X		
Czech Republic			X				X
Denmark	X				N.A.		
Estonia			X		X		
Finland	X						X
France	X				X		
Georgia	X				X		
Germany	X	X			X		
Greece			X		X		
Hungary			X				X
Iceland			X		X		
Ireland			X		X		
Israel	N.A.	X					
Italy			X		X		
Latvia	X						X
Moldova	N.A.	X					
Norway		X					
Poland			X				X
Portugal	X				X		
Russian Federation	X				X		
Serbia	X				X		
Slovakia			X				X
Spain					X		
Sweden		X					X
Switzerland			X		X		
Tajikistan	X				X		
UK			X				X
UK (Northern Ireland)	X				X		
UK (Scotland)	X				X		
Ukraine	X				X		

Where separate teacher pension schemes exist, most are publicly managed single-pillar mandatory systems (Cyprus, Denmark, Israel, Ireland, and Northern Ireland). Only in Bulgaria is there a separate teacher pension scheme based on a multi-pillar system; some pillars are mandatory, others are voluntary, and the system is managed in part publicly and in part privately. In the UK the separate teacher pension scheme is managed publicly, but it is a voluntary scheme.

Pensions are often divided into two categories. Defined benefit plans (1) set benefit levels according to agreed criteria and therefore require adequate funding to meet those future obligations. This approach places responsibility on employers and the state to ensure that funding or revenue is sufficient to fulfil the promised benefits. Defined contribution plans (2), by contrast, set levels for contributions by workers (and often employers also) into an investment fund, which grows well or poorly according to management and economic conditions, so that future benefit levels will vary according to fund growth, economic conditions on retirement, etc. If the fund has been profitable, the individuals receive more than the total contributions made for them. However, the latter approach frees the employer of the financial obligation to meet guaranteed benefit levels, shifting the risk of ensuring adequate pension support to the individual contributor.

Recently, governments have been encouraged to link pension benefits more closely to employees' earnings. A tighter link between contributions and benefits would imply a shift from defined benefit plans to defined contribution plans, as some of the European countries have been doing. However, this shift is controversial and raises public dissatisfaction. Therefore, many governments have been introducing changes to the defined benefit system (such as indexation rules or an increase in minimum requirements to qualify for pension) which lead to a tighter link between contributions and benefits without changing the principle of the pension system entirely. Effectively, therefore, the difference between the two systems is narrowing.

Regardless of status, special provisions, or the existence of separate teacher pension schemes, the vast majority of pension systems are closely linked to contributions. Of the countries and jurisdictions studied, 28 have stated that their pension system is closely linked to contributions, and three more have stated that their pension system is partly so (Austria, Finland, and Italy). Only five countries have a pension system not closely linked to contributions and preserving to some extent a principle of redistribution (Belgium, Georgia, Norway, the Russian Federation, and Ukraine). However, in Norway and the Russian Federation there are discussions to reform the pension system towards a more contribution-based system.

Therefore across Europe there is a reforming trend to tighten the link between individual contributions and pension benefits. Moreover, the EU 2003 Joint Report on Pensions called on Member States to strengthen the link between contributions and benefits. This development has a gender bias against women. When the pension system is closely linked to contribution levels, which are in turn linked to

In the overall labour market the gender pay gap in the EU has remained steady at 15% since 2003

The continuing gender pay gap is mirrored in a "gender pension gap" in defined contribution pension systems

(...) women are more likely than men to fall short of access criteria for pension benefits

salary levels, the gender inequalities that exist in the labour market are extended into the pension system. In the overall labour market the gender pay gap in the EU has remained steady at 15% since 2003, and has narrowed by only one point since 2000 (European Commission 2008: 8). When it comes to teaching professionals the gender pay gap in EU is at 14% and at 19% for teaching-associated professionals (European Commission 2006b: 75). The continuing gender pay gap is mirrored in a "gender pension gap" in defined contribution pension systems. The tighter the link between pension entitlements and employment career, the stronger will be the gender differences in pension access and coverage (Steinhilber: 6, citing Ginn, Daly and Street 2002: 7).

However, some redistributive elements of pension systems may remain, some of which have particular benefits for women. As stated earlier, only a few countries have a separate teacher pension scheme, so the general pension system frameworks and their impact on women are relevant to female teachers.

One redistributive element sometimes present is a minimum income guarantee for all citizens through an old age pension. As an independent source of income, a minimum income guarantee can play a significant role in securing well-being in old age. A guaranteed minimum citizens' pension occurs in all of the analyzed countries except Albania, Austria, UK (Northern Ireland), Czech Republic, Cyprus (northern Cyprus), Germany, and Poland. Furthermore, the introduction of a guaranteed minimum income is being discussed in Austria as well. However, some countries provide a minimum income as a part of their social policy rather than their pension system.

Provisions guaranteeing minimum income in old age are of particular importance to women, because women's career paths tend to be much different from men's. Women more often have interrupted careers, longer periods of unemployment or unpaid work, and part-time or other positions not covered by social security. Consequently, women are more likely than men to fall short of access criteria for pension benefits or to have very low entitlements.

Derived rights vs. individualization

As many authors have pointed out, the male-breadwinner model by which men were considered workers and women were seen as wives and mothers has been central in the development of the welfare state. Consequently, that model was reflected in the design of social security systems. It was expected that men would accumulate individual pension benefits based on their contributions to social insurance, while women would be entitled to pension benefits based on their relationship with a male worker. Traditionally, the main income of women in old age was through derived rights to pension benefits, that is, they received benefits by virtue of their relationship to a contributor. As women moved out of the home in

increasing numbers to become employees, this male-breadwinner model ceased to correspond to the facts of the workplace. But its influence has persisted in interfering with women's efforts to gain equality in pension rights.

Derived rights are numerous, and multiple combinations of derived rights exist in various pension systems. Most countries (19) permit the beneficiary to claim both own individual and derived rights simultaneously – Austria, Bulgaria, Cyprus (northern Cyprus), Czech Republic, Denmark, Finland, France, Greece, Hungary, Iceland, Italy, the Netherlands, UK (Northern Ireland), Norway, Slovakia, Spain, Switzerland, Tajikistan, and the UK. On the other hand a considerable number of countries (11) do not allow simultaneous claim of individual and derived rights – Albania, Cyprus (northern Cyprus), Germany, Georgia, Hungary, Latvia, Poland, Russian Federation, UK (Scotland), Sweden, and Ukraine.

Provisions guaranteeing survivors' benefits are a prominent derived right available to spouses. Survivors' benefits are based on the notion of dependency: they ensure against the loss of a breadwinner, and in many countries they may be suspended if the recipient remarries. Traditionally, survivors' benefits were provided only to a widow and orphans, not to a widower. Only in Latvia it is not possible to claim any survivors' benefits at all. In all other countries survivors' benefits are available to both women and men, except Cyprus (northern Cyprus), where survivors' benefits are available only to women. Equal treatment of men and women in enabling access to survivors' benefits has been further ensured by the ruling of the European Court of Justice in 1993 by which discrimination against widowers was deemed illegal. As a result, access to derived rights has been widened in the vast majority of countries. This broadening has placed additional pressure on pension systems. A typical policy response has been to introduce elements of income testing into survivors' benefits schemes. For example in France, Greece, Italy, the Netherlands, and Sweden, income testing became a prerequisite to obtaining derived rights. Other countries have confined payment of benefits to survivors above a certain age or to those caring for young children.

Therefore, though access to derived rights has been widened, the benefits were in most cases restricted by criteria imposed on either spouse to claim the benefits.

However, the degree to which pension systems take into account new family realities in today's societies varies greatly between countries. In numerous pension systems, women and men who are not legally married do not qualify for a survivors' pension upon the death of their partner. On the other hand, some countries do grant a pension if there is evidence of dependency or cohabitation. This is the case in, for example, Denmark, the Netherlands, Norway, and the UK. Some countries (11) have also widened access to survivors' benefits to same sex partners – Belgium, Denmark, Finland, Iceland, Israel, the Netherlands, Norway, Scotland, Spain, the UK and Portugal (questionnaire data complemented by data in International Labour Organization 2001: 41).

(...) the degree to which pension systems take into account new family realities in today's societies varies greatly between countries

These developments may indicate that most countries have recognized a changed position for women in the labour market and seem ready to make women and men formally and legally equal

These developments may indicate that most countries have recognized a changed position for women in the labour market and seem ready to make women and men formally and legally equal in terms of eligibility criteria and access to certain rights that traditionally were exclusive to women. Whether the roles women play in the society and the family have changed correspondingly is under debate.

One relevant aspect to look at in relation to the changed position of women in the labour market is the provision of quality child care services and early childhood education. The governments need to extend public investment into early childhood education and care to guarantee access to and quality of provision. The development of quality and publicly funded early childhood education is in direct relation with the employment of women.

The possibility for both or either parent to take parental leave (instead of referring to maternal leave) is also a factor to promote the employment of women.

Even though there is an increasing trend in the proportion of women in the overall labour workforce, and even though in the education sector women dominate overall, women still continue to be the primary care givers in their families. Due to their traditional role as care givers women stay home as mothers and as homemakers more often than men and for longer periods of time. For these reasons their career patterns are more often interrupted and their overall earnings are smaller and their full-time employment years are fewer. Therefore, provisions regulating pension rights for women as homemakers or mothers is of major relevance. It's interesting to note that countries are almost evenly split between those that provide guaranteed individual pension rights to women as homemakers or mothers and those that do not (Table 3).

Table 3: Are there provisions guaranteeing individual pension rights to women who act as homemakers or mothers?

Response	Yes	No
Countries	Austria, Bulgaria, Cyprus (northern Cyprus), Denmark, Germany, Georgia, Finland, Iceland, Israel, Norway, Slovakia, Switzerland, Tajikistan, Russian Federation	Belgium, Czech Republic, Georgia, Spain, Greece, Hungary, UK, Poland, Ukraine, Netherlands, Italy, UK (Northern Ireland), UK (Scotland), Ireland, Albania
Total no. of countries	14	15

What's more, traditional families, around which the current social system was built, are changing rapidly in today's societies. The most visible change has been the rapid growth in the rate of divorce in Western Europe, which has been steadily and consistently spreading towards the Eastern Europe. To deal with the new fam-

ily realities, various countries have introduced “pension splitting” arrangements. In Germany, all the pension entitlements earned by both partners while they were married are added up, and the total is then divided equally between them on divorce. Belgium, Denmark, Iceland, Italy, France, the Netherlands, Norway, UK (Scotland), Spain, and the UK have also developed “pension splitting” arrangements in their respective pension systems. On the other hand, other countries do not have similar arrangements: Albania, Cyprus (northern Cyprus), Georgia, Greece, Hungary, Latvia, Portugal, Russian Federation, and Sweden.

Different countries adopt different attitudes and policy solutions to the new family realities. Non-wedded partners, same-sex partners, divorce, remarriage, and so on will continue to put pressure on finding plausible solutions in the regulation of pension systems responsive to today's societies.

Different countries adopt different attitudes and policy solutions to the new family realities

Provisions for Part-time workers

Part-time workers are in a particularly vulnerable position in old age, because often they have no, or only restricted, access to a pension system. Even when granted access to a pension scheme, part-time workers are especially vulnerable to its regulations and provisions. Fewer working hours and lower monthly incomes over a long period of part-time work produce limited pension entitlements which may be just above the poverty line. Women continue to predominate in the category of part-time workers – four out of five part-time workers in Europe are women. Although education is dominated by women workers overall, the ratio of women working part time compared to men is much higher: 68% of men employed in education hold a full-time position compared to 44% of women. Similarly, in tertiary education women more often hold part-time positions, and even when employed full time they are more likely to be employed on fixed-term contracts. Therefore provisions regulating part-time work are of particular importance to women. Different mechanisms in pension systems can either enhance or further devalue the retirement position of part-time workers. Consequently, access to pension schemes is one of the primary concerns of part-time workers.

Although education is dominated by women workers (...) 68% of men employed in education hold a full-time position compared to 44% of women

Unions have stressed that the issue of part-time work is a leading gender issue. Access to pension systems by part-time workers varies greatly among the countries under study, and it has not been possible to analyze the differences in depth. However, EU regulations play a relevant role in EU member states and can be used effectively by trade unions on behalf of part-time workers in their respective countries. Moreover for unions outside the EU, it can serve as an example of good practice and illustrate possible lines of argument towards decision-makers.

Unions have stressed that the issue of part-time work is a leading gender issue

EU regulations stipulate that discrimination against part-time workers in social security and pension systems constitutes indirect gender discrimination. This stipulation opens possibilities for trade unions in member states. For example, trade unions in

UK have actively supported cases relating to equal pay taken to the European Court of Justice and the implementation of positive judgements. Six UK trade unions (the public service union Unison, the banking union Unifi, and several teaching unions: Association of Teachers and Lecturers, National Association of Teachers in Further & Higher Education, National Association of Schoolmasters, Union of Women Teachers, and the National Union of Teachers) fought a six-year and eventually successful campaign to establish that part-timers had equal rights to join an occupational pension scheme. This case relied on the notions established in European law that:

- discrimination against part-timers is indirect sex discrimination,
- pensions constitute pay under equal pay legislation.

In practice this means that, for example, if an employer has more women part-timers than men and excludes part-timers from the pension scheme, then this could be seen as indirect sex discrimination. The principle would also work the other way round, but more women than men have tended to work part time.

Following the EU Part-Time Workers Directive, a part-time worker must be treated no less favourably than a “comparable” full-timer. Part-timers who are or have been excluded from pension scheme membership may therefore argue that they were discriminated against. This means that unless employers can objectively justify exclusion, part-time employees have to be provided with the same access to pension schemes as their full-time counterparts. These principles would not have been put into effect without the actions of trade unions and of the Equal Opportunities Commission, supporting individual cases and campaigning for changes in both legislation and practice.³

There are other possible provisions that influence the old age security of part-time workers. Most commonly, governments tend to allow employees working part time to buy off pension right entitlements. As Table 4 shows, most of the countries and jurisdictions surveyed (25) enable part-time workers to buy off pension rights.

This provision can improve the old age security of part-time workers to a certain extent. However, buying off pension rights implies an income large enough to be partly spent for this purpose. Therefore, the provision may be mainly beneficial to those part-time workers who have an additional income or a partner, or who are part-time workers for a shorter period of time.

On the other hand, despite the EU Part-Time Workers Directive, some countries have pension provisions that penalize the reduction of working hours. Countries are divided between those where the pension system has penalties in place for

³ See Jill Rubery, *Equal Pay and Europe*, available at The Union Makes Us Strong website developed between London Metropolitan University and the Trades Union Congress to record the long Campaign to achieve equal pay for women: <http://www.unionhistory.info/equalpay/roaddisplay.php?irn=785> Additional information was added from the UK Pension Advisory Service where summaries of court cases can also be found http://www.pensionsadvisoryservice.org.uk/Pension_Rights/Part-timers/

Table 4: Are there provisions enabling buying off pension rights while working part time?

Response	Yes	No
<i>Countries</i>	<i>UK (Scotland), UK (Northern Ireland), Bulgaria, Italy, France, Ireland, Czech Republic, Belgium, Estonia, Austria, Israel, UK, Finland, Slovakia, Tajikistan, Poland, Greece, Spain, Cyprus (northern Cyprus), Hungary, Portugal, Albania, Russian Federation, Serbia, Moldova</i>	<i>Denmark, Georgia, Iceland, Norway, Netherlands, Ukraine, Sweden, Germany</i>
Total no. of countries	25	8

teachers who have reduced their working hours and those without such penalties.

Table 5: Are there pension penalties for teachers who have reduced their working hours?

Response	Yes	No
<i>Countries</i>	<i>UK (Northern Ireland), Bulgaria, Italy, Switzerland, France, Czech Republic, Belgium, Georgia, Serbia, Norway</i>	<i>UK (Scotland), Ireland, Denmark, Austria, Estonia, Iceland, Israel, UK, the Netherlands, Finland, Slovakia, Tajikistan, Ukraine, Poland, Russian Federation, Moldova, Albania</i>
Total no. of countries	10	17

On the whole, the vulnerable position of part-time workers in the labour market is extended to a degree into their retirement. Further improvements are needed to reduce the risks of poverty and dependence in old age for part-time workers.

3. GENDER DIMENSIONS OF BENEFIT CALCULATION FORMULAS

Pension benefit levels in any system are determined through an often-complex formula that varies by system and country. Yet there are common elements. As a result, many different formulas can attain very similar results across Europe.

An important variable is the extent to which these formulas generate or increase gender differences in the income of retired persons. Redistributive elements in calculation formulas, such as minimum income guarantees, flat-rate provisions, and income ceilings, work to women's advantage by reducing the gender impact of pension entitlement calculations. On the other hand, such redistributive equalizing may be minimized in calculation formulas tightly linked to contribution levels. Various combinations of calculation formulas and redistributive elements create varying degrees of gender bias across national pension systems, as will be seen. However, as observed earlier, the full extent of these gender differences in national systems could only be revealed by in-depth gender impact assessments.

The average level of teachers' pensions tends to be between 45% and 65% of end-of-career wages according to the respondents. A few countries, all in Eastern Europe, report pensions of 30% of end-of-career wages. A few Western Europe countries report average pensions around 75% or higher if a full career has been accomplished. If we take into account that in Europe women teachers earn 14% to 19% less than men, and if we assume that the pension system neither reduces nor amplifies the gender inequalities in the labour market, then on average a woman teacher's pension (though 45% to 65% of her own end wages) would be 38% to 55% of the end wages of a man. In practice, the difference is less than this, because pension systems have a corrective impact, especially those with flat rate provisions. Nevertheless, women's claims tend to be lower than men's. For example, in the Netherlands the pension system gives women lower pension benefits than men, after correction for differences in labour participation. Since the basic (state) pension does not discriminate by gender, this difference is due to the occupational pension system. The Dutch report on gender neutrality shows that pension claims by women are worth 69% of claims by men (Nelissen 2000: 4).

It can be seen that any redistributive elements within the pension systems play a key role in determining gender outcomes.

Minimum income guarantees are not always incorporated in the calculation formulas of pension benefits (Table 6).

Nearly twice as many countries and jurisdictions (23) have a minimum income guarantee in their pension systems as do not do so (12). Members of both groups belong to the 14 countries that have flat rate provisions or income ceilings in their

An important variable is the extent to which these formulas generate or increase gender differences in the income of retired persons

Table 6: Are there minimum income guarantees in the pension system?

Response	Yes	No
Countries	Sweden, Greece, Spain, Germany, Norway, UK, Cyprus (northern Cyprus), France, Portugal, Bulgaria, Italy, Czech Republic, Belgium, Estonia, Iceland, Israel, the Netherlands, Finland, Ukraine, Albania, Moldova, Serbia, Russian Federation	UK (Northern Ireland), Switzerland, Ireland, Denmark, Georgia, Austria, Norway, UK, Slovakia, Tajikistan, Poland, Hungary
Total no. of countries	23	12

NOTE: When a minimum income guarantee is not part of the pension system, it may be part of a country's wider social insurance system.

pension systems: Belgium, Bulgaria, Czech Republic, France, Greece, Hungary, Norway, Russian Federation, Serbia, Spain, Sweden, Switzerland, Cyprus (northern Cyprus), and Ukraine. Flat rate provisions in the basic, state pensions give all citizens the same amount of pension, eliminating gender effects for this portion of an individual's total pension. However, occupation-related pension schemes can produce gender inequalities in total pension benefits, as shown in the case of the Netherlands. Income ceilings are regulated caps on pension benefits that limit the amount of total pension that can be received by an individual. An income ceiling provision enables redistribution of accumulated benefits towards less advantaged groups within society and limits labour market inequalities within the system. As men tend to be at the top of the income rankings and women at the lower end, an income ceiling would on average benefit women by reducing the pension advantage enjoyed by men.

On the basis of changing demographics, strong recommendations have been made to bring life expectancy calculations more prominently into pension systems. Life expectancies are used in the calculation of contributions or in the conversion of savings into annuities from which benefits are paid for the rest of retiree's lifetime. However, life expectancy can be calculated either as a gender-blind average life expectancy or as separate male and female life expectancy tables. In the latter case, women, because they live longer on average, will either pay higher contributions or receive lower monthly benefits (Steinhilber: 18). Among the countries studied, the survey shows that gender-based life expectancy tables are used in a few countries: Bulgaria, Cyprus (northern Cyprus), Iceland, and Switzerland (as well as in the UK for the purchase of additional benefits under the teacher pension scheme).

On the other hand, some countries are known to prohibit the use of gender life tables in calculating pension entitlements: the Netherlands, Denmark, Ireland,

(...) life expectancy can be calculated either as a gender-blind average life expectancy or as separate male and female life expectancy tables. In the latter case, women, because they live longer on average, will either pay higher contributions or receive lower monthly benefits (Steinhilber: 18)

Sweden, Hungary, Slovenia, Slovakia, and Luxembourg. Although publicly managed pension schemes may not use gender-based life expectancy tables, privately managed funds still may find ways to use them even when they are prohibited. In Luxembourg and Slovenia, the governments have enacted legislation specifically prohibiting private insurance companies from using gender life-tables in private pension contracts (questionnaire data complemented by data in European Commission 2006a).

The amount of pension benefits are calculated on salary levels, and there are three customary models: based on the average income over (1) the whole period of employment, (2) a specified number of highest-earning years (“best years”), or (3) a specified number of last years’ income.

Some countries calculate the pension benefits based on average income over the whole period of employment – Austria, Finland, Hungary, Iceland, Israel, Latvia, Moldova, the Netherlands, Cyprus (northern Cyprus), Portugal, Serbia, and Ukraine. But most countries base their calculation formula on earnings in either a regulated number of best income years or a regulated number of final years. In some cases both options are combined. However, in Central and Eastern Europe, where the system of best years or final earnings typically forms the basis of the calculation, the prescribed number of years taken into consideration is significantly longer (20 - 30 years) than in Western Europe (5 - 10 years). In Central and Eastern Europe, the system is effectively based on average income over the major part of one’s career. An exception to the common practice in Central and Eastern Europe is the Russian Federation, which takes the five best earning years as the basis for teachers.

Systems based on best years or last years’ income are less disadvantageous to women, though a gender pension gap persists

Since women teachers tend to have interrupted career paths and continuously lower average incomes than men, calculation formulas based on overall average income tend to strengthen the gender differences in pension entitlements. Systems based on best years or last years’ income are less disadvantageous to women, though a gender pension gap persists. The shorter the base period, the lower the gender gap, whereas if, as in Eastern Europe, a long base period is used, the result is little different from using the career-long average income.

4. GENDER DIMENSIONS OF ACCESS TO REGULAR PENSION BENEFITS

Access to pension benefits can be determined by provisions such as minimum retirement age, minimum earnings thresholds, minimum duration of service, minimum contribution periods, as well as regular contribution requirements. Most countries use a combination of provisions to determine access to pension entitlements. Each provision can have a gender impact, which may be amplified or reduced by the other provisions.

The most common access criterion for pensions is a “minimum retirement age,” that is, the age at which an employee qualifies for a full pension. Retirement age has been at the heart of the pension reforms in Europe and is one of the most disputed elements when it comes to gender equality. There are two visible trends in Europe: on one hand the minimum retirement age has been consistently increased; on the other hand the minimum retirement ages for men and women have been equalized, whereas traditionally women’s minimum retirement age was lower than men’s minimum retirement age. The presumption was that because women as homemakers and mothers carry the burden of unpaid, unrecognized work, an earlier minimum age retirement is a way to compensate for the inequality in the share of unpaid work. However, it is also based on the traditional presumption that women married older men, so that the age difference in minimum retirement age would enable joint retirement

Pension reforms have increased the minimum retirement age across Europe for both women and men. Currently in a vast majority of countries the minimum retirement age for teachers is between ages 60 and 65 for both women and men (Annex 2). A few countries in Scandinavia (Finland, Norway, and Sweden) have increased the minimum retirement age above 65 years. At the same time, almost two-thirds of the analyzed countries have equalized the minimum retirement age for women and men, whereas one-third of the countries retain an earlier minimum retirement age for women than for men: a five-year difference in eight countries and less than five years in three countries. The trend of equalizing the pension-qualifying retirement age of women and men is in line with the trend to equalize all of what were traditionally considered women rights in pension systems (e.g. parental leave). However, the equalization of the minimum retirement age is a much more disputed concept, even within feminist thought. Some see it as a reflection of women gaining more independence, changing family realities, and a useful tool in ensuring gender equality among employees. Others argue that since women continue in fact to carry most of the burden of unpaid work as housewives and mothers the reality of women’s life has not changed so significantly. This is especially the case for women who entered the labour market at a time when traditional roles had not changed. In many cases, therefore, an equalization of minimum retirement ages fails to respond to the portion of unpaid, unrecognized work still performed by women .

Currently in a vast majority of countries the minimum retirement age for teachers is between ages 60 and 65 for both women and men

Other possible access criteria to pension schemes are not as widespread for teachers in Europe. Only a few countries have a standard minimum earnings requirement as part of their pension system (Bulgaria, Belgium, Cyprus (northern Cyprus), Czech Republic, Georgia, Iceland, and Israel). However, such a requirement is gender-biased, because women more often than men have interrupted careers and lower salaries. An equalized minimum earnings requirement is therefore easier to reach for men than for women. On the other hand, many countries do have a minimum contribution period – Albania, Austria, Belgium, Bulgaria, Cyprus (northern Cyprus), Czech Republic, Estonia, France, Ireland, Israel, Italy, Moldova, Russian Federation, UK (Scotland), Serbia, Slovakia, Switzerland, the UK, and Ukraine. These minimum contribution periods are in almost all countries equal in length for women and men, though much longer in Eastern Europe (15-20 years) than in Western Europe (5 years or less). The UK is an exception to this since the minimum contribution period is one-quarter of working lifetime for both women and men.

To incorporate interrupted careers and part-time employment into a calculation of full-time equivalence in earning periods merely makes the threshold harder for women to reach than men. This is of particular concern in countries where the minimum contribution periods are considerably longer, as in Eastern Europe.

Most countries also have a regular contribution requirement – 22, as opposed to 10 countries which do not (Table 7).

Table 7: Is there a regular contribution requirement?

Response	Yes	No
Countries	<i>Ukraine, UK, Slovakia, Bulgaria, Poland, the Netherlands, Norway, Cyprus (northern Cyprus), Israel, Austria, Czech Republic, Denmark, Ireland, UK (Scotland), Hungary, Switzerland, Portugal, UK (Northern Ireland), Greece, Albania, Serbia, Russian Federation</i>	<i>Tajikistan, Finland, Iceland, Georgia, Estonia, Belgium, France, Italy, Sweden, Germany</i>
Total no. of countries	22	10

The regular contribution requirement presumes a regular, uninterrupted career path, which women often do not follow because of their traditional roles as primary care givers and mothers. Therefore, it is of relevance to women whether these periods of family responsibility can be taken into account to reduce the negative effect that the regular contribution requirement would have on their pension benefit. Most of the countries studied have provisions that enable care and parental periods to be taken into account for the accumulation of pensions. Furthermore, in most countries this option has been equalized for men and women (Table 8).

Table 8: Are there provisions to take parental leave into account for accumulation of pension benefits?

Response	Yes and equal for women and men	Yes, but not equal for women and men	No
<i>Countries</i>	<i>Ukraine, UK, Slovakia, Bulgaria, Poland, the Netherlands, UK (Scotland), Cyprus (northern Cyprus), Iceland, France, Switzerland, Italy, Austria, Estonia, Belgium, Czech Republic, Denmark, Albania, Moldova, Serbia</i>	<i>Finland, Germany, Cyprus (northern Cyprus), Latvia, Russian Federation</i>	<i>Tajikistan, Norway, Israel, Georgia, UK (Northern Ireland)</i>
Total no. of countries	24	5	5

When periods of care giving and parental leave are not calculated towards the pensions, especially in systems closely linked to contribution or with regular contribution requirements, women have harder time than men to fulfil the necessary requirements, and the gender pension gap that already exists is amplified further.

In addition to access to regular pension benefits, some countries enable early retirement with full pension for teachers through provisions that reduce formal minimum requirements. Traditionally, early retirement was associated with women whose careers were seen as secondary to those of men and was often designed to enable joint retirement of spouses where the woman was younger. In 22 countries there are enabling early retirement provisions for teachers, while in 15 countries there are none (Table 9).

Table 9: Are there provisions enabling earlier retirement for teachers?

Response	Yes and equal for women and men	Yes, but not equal for women and men	No
<i>Countries</i>	<i>Italy, UK (Scotland), UK (Northern Ireland), Switzerland, France, Ireland, Denmark, Belgium, Estonia, Iceland, Israel, Cyprus (northern Cyprus), Norway, Finland, Ukraine, Greece, Spain, Portugal, Russian Federation, Albania</i>	<i>Bulgaria, Slovakia</i>	<i>Georgia, Denmark, Czech Republic, Austria, the Netherlands, Poland, Tajikistan, UK, Sweden, Germany, Cyprus (northern Cyprus), Latvia, Hungary, Moldova, Serbia</i>
Total no. of countries	24	5	5



In addition to “regular” early retirement provisions, four countries have specific early retirement schemes for women teachers. These countries are Bulgaria, Greece, Cyprus (northern Cyprus), and Switzerland. Additionally, Albania offers specific early retirement possibilities to women with more than eight children.

In summary: access to pension benefits is in essence determined through a minimum retirement age and minimum contribution periods. There is a clear, but controversial, trend to equalize the minimum retirement age between men and women. Most countries have a regular contribution requirement, which in itself would penalize women for periods of care giving and parental leave. However, most countries allow these interruptions to be calculated into their pension schemes, and have equalized the requirements for men and women.

5. SUMMARY AND CONCLUSIONS

In most countries teachers participate in public service pension schemes. However, public servants have different labour conditions and pension status in different countries. Only a few countries do not have any special provisions or status for their teachers. Some countries have special teacher pension schemes separate from the overall pension system. In general, however, teachers are likely to be as affected by changes in a country's pension regulations as the overall workforce or at least as public servants. However, research studies that target pensions in the education sector are useful in providing teacher unions with insight and information relevant to their work and other stakeholders with valuable comparative information.

Today pension reform is occurring in virtually every country in Europe. Of the 35 countries and internal jurisdictions studied, 20 have undergone either a complete or partial system reform, including three which have announced that further pension reforms will be forthcoming, while the other 15 are currently discussing pension system reforms. With an exception of one country (Denmark), all countries with separate teacher pension schemes have made changes either of the whole system or of elements within it (UK (Northern Ireland), UK, Cyprus (northern Cyprus), Israel, Ireland, UK (Scotland), and Bulgaria). All the teacher trade unions in countries where reforms have been taking place were intensely involved in the public discussion and the negotiations, and they took a variety of civil actions over the issue. The nature of these actions indicates that the proposed reforms aimed at shifting the responsibility for the pension towards the individual employee.

The overall tendency of the pension systems suggests that retirement benefits are more closely linked to contributions and thus to career pay

The reforms in old-age security schemes are in line with the general trend of retreat of the welfare state. In pension reforms, this trend is most commonly associated with partial privatization of the pension schemes⁴, a reduced publicly pay-as-you go system supplemented with saving schemes, and a tighter linking of pension benefits with contribution levels. The overall tendency of the pension systems suggests that retirement benefits are more closely linked to contributions and thus to career pay. As redistributive (public) pension elements are withdrawn, with them goes the reduction in inequalities they brought. This means that inequalities in the labour market are more fully carried over into retirement income.

Although teaching is widely considered to be a feminized profession, women teachers on average have a different labour market experience than their male colleagues. Despite formal commitments to gender equality, gender inequalities continue to exist in the labour market. In the overall labour market the gender pay gap in the EU has remained steady at 15% since 2003, and has narrowed by only

⁴ Partial privatization typically implied the establishment of a three-pillar pension system: a mandatory, publicly administered pay-as-you-go first pillar; a mandatory, privately managed second pillar on the basis of individual savings accounts; and a voluntary, often state-subsidized, privately managed third pillar, also on the basis of individual savings accounts (Steinhilber: 8).

The pension systems can either help reduce these inequalities or further amplify them. At a time when most pension systems are under continuous reform pressures, the effects of changes need to be closely monitored from a gender perspective

Gender differences in pension outcomes can be reduced by redistributive elements in the system. The most typical redistributive elements in the countries studied were a legally guaranteed old age pension and a minimum income guarantee

one point since 2000 (European Commission 2008: 8). Among teaching professionals in the EU, the gender pay gap is at 14%, and among teaching-associated professionals it is 19% (European Commission 2006b: 75). If the gender pay gap is precisely mirrored in the pensions received, a woman will earn between 38% and 55% of the end wages of a man. Moreover, women are more likely than men to hold part-time positions; only 44% of women employed in education hold full-time positions, compared to 68% of men. At the same time men, although representing one-third of teachers, are far more likely to hold positions of power – e.g. positions as principals in schools or as members of governing boards. In tertiary education, fewer than 10% of universities are run by women in Europe. Furthermore, women continue to perform their traditional roles as mothers and primary care givers, and thus more often have interrupted career patterns. The gender differences in teaching careers result in labour market inequalities that are then transferred into retirement inequalities. The pension systems can either help reduce these inequalities or further amplify them. At a time when most pension systems are under continuous reform pressures, the effects of changes need to be closely monitored from a gender perspective.

In half the countries analyzed, the pension systems are based on a publicly managed single-pillar mandatory system. These systems are less privatized than in other countries, but they are still for the most part closely linked to contributions, so that the gender pay gap becomes, after retirement, a gender pension gap. If in addition the public system is reduced in share and supplemented by savings schemes, the gendered pension outcomes are further amplified. In the contribution-linked savings schemes introduced in half the countries studied, there are no redistributive, equalizing elements. The amount of the savings is individually determined by worker contributions (perpetuating the gender difference) and is then in most cases distributed based on life-expectancy estimates (further increasing the gender difference). Moreover, with more frequent interrupted careers, part-time work, and longer unemployment periods, women teachers are less able to save as much as men. None of the systems and tendencies described can be clearly associated with a specific region in Europe, except for the trend to privatization, which is more prominent in the “new” EU member states.

Gender differences in pension outcomes can be reduced by redistributive elements in the system. The most typical redistributive elements in the countries studied were a legally guaranteed old age pension and a minimum income guarantee. Only a few countries had income ceilings and flat rate provisions in their pension calculation formulas. Women teachers are far more likely than men teachers to fail to meet pension access requirements or to receive low benefit levels. Women are indeed at higher poverty risk in old age than men. Therefore, a reduction of redistributive elements, particularly a guaranteed minimum income in old age, is of special concern for gender bias.

From a gender standpoint, two influential aspects of a pension calculation formula are the income base interval and the role of gendered life expectancy tables. In

the majority of countries analyzed, the income base interval is either income over the highest earning years (“best years”) or income over a stated period of final years before retirement (“end years”). Either of these methods would extend the gender pay gap into a gender pension gap, but would not further amplify the gender difference as would an income base of average earnings over one’s full career (“career average”). However, the longer the time interval chosen for a best years base or an end years base, the more the outcome resembles a career average base, as it does in Central and Eastern Europe. In general, though, a best years base or an end years base brings less gender bias than a career average base.

A second source of gender bias arises when the pension calculation formula uses gendered life expectancy tables, so that pension levels are determined in part on the expected duration from retirement until payments stop at death. With the use of gendered life expectancy tables, since women live longer than men, the total amount of procured benefits is divided by a higher number of years for women than for men. Therefore if a man and a woman have equal total entitlements, the woman’s annual benefits are lower than the man’s. A trend towards using gendered life expectancy tables started with the pension reform movement, but it seems to have been reversed to a certain extent. Although a few countries still use gendered life expectancy tables, especially in privately managed schemes, more countries are also actively preventing this practice.

However, gender inequality may arise not only through calculation formulas but also through access criteria. Access to pension schemes is one of the primary concerns of part-time workers, of whom women constitute the majority. In the EU, part-time workers can claim access to pension schemes; under the EU regulation, denial of access constitutes indirect gender discrimination. Countries can also support part-time workers by allowing them to buy into additional pension rights, which most countries analyzed do. On the other hand, a significant number of countries still have pension penalties for workers with reduced work hours. Even full-time workers can face limitations on their access to pension schemes through different requirements, most commonly a minimum retirement age and a regular contribution requirement, both of which are used in all the countries under study. To a lesser extent minimum contribution periods are in use as well. The only other form of access limitation used is a minimum earnings threshold, found in a few Central and Eastern Europe countries.

A central reforming trend involves the minimum retirement age to qualify for full pension. On one hand this minimum retirement age is rising across Europe. On the other hand, most countries have equalized the minimum retirement age for men and women, whereas traditionally women could retire at a younger age than men. While equalization of rights between women and men in areas such as parental care, care giving periods, survivors’ benefits, and so on are seen as positive steps towards a true equality of men and women, the same is not so clear with an equal minimum retirement age. In favour of raising women’s minimum retirement age to that of men, apart from grounds of gender equality, is the fact that

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the retreat of redistributive elements in pension systems will leave women at a greater risk of poverty than men as the more individualized contribution schemes are introduced, and an increased retirement age is said to safeguard women by prolonging their contribution periods. It is also argued that equalizing minimum retirement ages, like other “women’s rights” issues, confirm the equality of women with men and strengthen their position in the labour market.

However, many concerns have been raised about the consequences of this particular change. Equalization has meant an increase in the minimum retirement age for women rather than a decrease for men. If women are to retire later, this is likely to create considerable strain on established patterns in family child care provision. One has to recognize that many women who entered the work force a few decades ago remain a part of traditional families and have indeed taken much of the unpaid family work. It is also questionable whether the traditional roles have truly changed a great deal in today’s society. For example, family child care has often traditionally depended on grandmothers. Therefore many women may be forced to retire early despite a significant risk of poverty. Traditional gender roles change slowly and do not necessarily keep up with new government policies.

Conclusions

Pension reforms have been a priority in Europe for the past decade. Though overall trends, policies, and measures have been documented, scarcely any information has been available on pension reforms effecting teachers in particular.

While by no means filling the information gap, the results of this study highlight relevant pieces of complex pension systems that have an impact on women teachers. It shows how certain pension system structures and elements can effectively reduce or amplify the inequalities between men and women in old age. It also indicates several overall trends affecting both men and women teachers.

With the retreat of the welfare state, governments are looking to reduce pressure on public budgets, including from pension systems. This has led to a reduction of redistributive elements within pension systems and the introduction of tighter links between contributions and pension benefits. In the light of the commitments made in Hampton Court by the EU governments and the current economic crisis the reforms of the pension systems are likely to continue in a similar direction.

Both tendencies identified above lead to the transfer of existing labour inequalities more directly into the pension system. Thus the disadvantaged position of women teachers in the labour market will be increasingly reflected in retirement income. And this is true not only for women teachers but no less so for every group disadvantaged in the labour market. Therefore, assessing the impact of pension reforms on women in particular is of utmost importance both for women

employees themselves and as an indicator of overall fairness.

The study clearly shows that pension reforms in Europe have a gender-biased impact on teachers. The reasons behind gender impact of pension systems are two-fold: first, gender inequalities among working teachers are transmitted through the pension systems into retirement years; second, certain elements within the pension system actually amplify gender inequalities in old age.

The following aspects, amongst others, need to be taken into account in assessing the gender impact of pension systems:

- The effects of multi-pillar systems and in particular of saving schemes.
- The extent to which the system is based primarily on contributions.
- The extent to which redistributive elements are a part of the pension system.
- The extent of individualization of pensions, displacing rights derived from family relations.
- The extent to which family realities are incorporated into the pension schemes.
- Equalization of pension rights between women and men, in particular those traditionally intended for women.
- Access criteria: in particular, the disputed equalization of minimum age and minimum and regular contribution requirements.
- Access to earlier retirement without pension loss.
- Calculation formulas: minimum earnings, flat rate and income ceilings provisions; life expectancy tables and the general basis for calculation of pension entitlements.
- Provisions for care credits and parental leave to be taken into account when calculating pension benefits.
- Position of part-time workers in regard to pension benefits: in particular, access to pension benefits and provisions for buying into pension rights.

The teacher trade unions are a key stakeholder in the upcoming reforms on pension systems. The collection of information, construction of data bases, and dissemination of information related to the tendencies in pension reforms and their impact on gender equality is relevant for both union members and the public at large. Teacher unions need to be active participants in policy debates and policy formation.

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Vanja Ivosevic is a student at the Faculty of Political Science, University of Zagreb. She has been active in the Croatian Student Union as the international officer and a vice-president. In 2003 she was elected to the Executive Committee of the European Students' Union (formerly ESIB) and in 2005 as the Chairperson. After the end of her term in 2006, she was involved in several evaluations of Quality Assurance Agencies and Universities as a student expert on the international evaluation teams. Recently, she has been carrying out research in the field of higher education. Her topics include, amongst others: Academic Malpractice with Magna Charta Observatory and European Students' Union, Gender Perspective of Working and Employment Conditions of Academic Staff for Education International, and a comparative analysis of the financing of higher education in South East Europe with the Centre for Education Policy in Belgrade.

ANNEXES

Annex 1: Respondents to the survey

Country:	El Affiliate:
Albania	FSASH
Albania	SPASH
Austria	GOED-Lehrer
Belgium	COV
Belgium	COC
Bulgaria	SEB
Cyprus (northern Cyprus)	KTOS
Cyprus (northern Cyprus)	KTOEOS
Czech Republic	CMKOS
Denmark	GL
Denmark	DLF
Estonia	EPU
Finland	OAJ
France	SNES/FSU
France	UNSA Education
Georgia	ERTOBA
Germany	VBE
Germany	GEW
Greece	OLME
Hungary	TDDSZ
Iceland	KI
Ireland	ASTI
Ireland	TUI
Israel	ITU
Italy	FLC CGIL
Latvia	LIZDA
Moldova	ESTU
Netherlands	AOb
Norway	NAR
Norway	UEN
Poland	SKOiw NSZZ Solidarnosc
Poland	ZNP
Portugal	FNE
Portugal	FENPROF
Russian Federation	ESEUR
Serbia	TUS
Slovakia	ZPŠaV NKOS
Spain	STES
Spain	FETE UGT
Sweden	Lararforbundet
Switzerland	SER
Tajikistan	RC-STES
UK	NASUWT
UK	UCU
UK	ATL
UK (Northern Ireland) [juris]	UTU
UK (Scotland) [juris]	SSTA Scotland
UK (Scotland) [juris]	EIS Scotland
Ukraine	VPONU

Total: 33 + 2 jurisdictions

48 organisations

Annex 2: Overview of minimum retirement age (Source: Survey responses)

Country :	Women	Men	Difference in retirement age
Albania	60	65	5 years
Austria	65	65	None
Belgium	65	65	None
Bulgaria	59.5	62.5	3 years
Cyprus (northern Cyprus)	60	60	None
Czech Republic	60 (for women with one or no children)	62	2 years
Denmark	62	62	None
Estonia	63	63	None
Finland	63 – 68	63 – 68	None
France	60	60	None
Georgia	60	65	5 years
Germany	65 (up to 67 until 2009)	65 (up to 67 until 2009)	None
Greece	55	60	5 years
Hungary	62	62	None
Iceland	65	65	None
Ireland	65 (compulsory) 60 (voluntary) Possible at age of 55 with 35 years of service	65 (compulsory) 60 (voluntary) Possible at age of 55 with 35 years of service	None
Israel	64	67	3 years
Italy	60	65	5 years
Latvia	62	62	None
Moldova	57	62	5 years
Netherlands	60-70	60-70	None
	Comment: Pension is possible at the age of 60 but calculation is made from key age of 65. One can make a choice to work till age of 70 and then she/he will have a calculation advantage.		
Norway	70	70	None
Poland	60	65	5 years
Portugal	65	65	None
Russian Federation	55	60	5 years
Serbia	58.5	63.5	5 years
Slovakia	62	62	None
Spain	65	65	None
Sweden	67	67	None
Switzerland	63	65	2 years
Tajikistan	58	63	5 years
UK	60	65	5 years
UK (Northern Ireland)	60	60	None
	65 – new entrants	65 – new entrants	
UK (Scotland)	65	65	None
Ukraine	55	60	5 years

Annex 3: Women as percentage of teaching staff in primary and secondary education in 2006 (Source: UNESCO Institute for Statistics)

Country:	Primary. Total.	Women in primary. (%)	Secondary. Total.	Women in secondary. (%)
Central and Eastern Europe	1226312	81	2970876	N.A.
Albania	N.A.	N.A.	N.A.	N.A.
Belarus	22949	99	103085	80
Bosnia and Herzegovina	N.A.	N.A.	N.A.	N.A.
Bulgaria	17378	93	56409	77
Croatia	11415	90	41491	67
Czech Republic	30226	94	91622	65
Estonia	7516	89	8311	82
Hungary	40580	96	90117	72
Latvia	6699	97	25202	85
Lithuania	11024	98	42303	81
Montenegro	N.A.	N.A.	N.A.	N.A.
Poland	231609	84	261050	69
Republic of Moldova	10033	97	30771	76
Romania	55821	87	156816	67
Russian Federation	301204	98	1284226	80
Serbia	22548	N.A.	50756	N.A.
Slovakia	13684	89	49896	73
Slovenia	6141	97	16405	71
The Former Yugoslav Rep. of Macedonia	N.A.	N.A.	N.A.	N.A.
Turkey	N.A.	N.A.	N.A.	N.A.
Ukraine	102408	98	348550	79
Georgia	N.A.	N.A.	N.A.	N.A.
Tajikistan	31017	65	60692	47

Country:	Primary. Total.	Women in primary. (%)	Secondary. Total.	Women in secondary. (%)
Western Europe	3687370	85	4851557	N.A.
Andorra	413	76	N.A.	N.A.
Austria	29044	89	71548	62
Belgium	64947	79	81873	57
Cyprus	3627	82	5862	61
Denmark	N.A.	N.A.	N.A.	N.A.
Finland	23955	76	N.A.	N.A.
France	217017	82	495424	59
Germany	238428	84	593896	57
Greece	61251	64	86024	57
Iceland	2903	80	3144	65
Ireland	26833,4	85	29729	62
Israel	59644	86	51449	71
Italy	264378	96	426822	67
Liechtenstein	268	75	352	47
Luxembourg	3191	72	3667	47
Malta	N.A.	N.A.	N.A.	N.A.
Monaco	N.A.	N.A.	N.A.	N.A.
Netherlands	N.A.	N.A.	106952	46
Norway	N.A.	N.A.	N.A.	N.A.
Portugal	70795	81	93727	66
Spain	184147	71	282222	57
Sweden	62897	81	79085	59
Switzerland	N.A.	N.A.	N.A.	N.A.
United Kingdom	249862	81	368475	61

NOTE: Total refers to all teaching staff (both full-time and part-time) employed in all programmes (public and private) available at the specified level of education.

Annex 4: Women as percentage of teaching staff at post-secondary and tertiary level in 2006 (Source: UNESCO Institute for Statistics)

Country:	Teaching staff in post-secondary.Total	Women as % of the teaching staff in post-secondary.	Teaching staff in total tertiary. Total	Women as % of the teaching staff in tertiary.
Central and Eastern Europe	N.A.	N.A.	1254851	52
Albania	N.A.	N.A.	N.A.	N.A.
Belarus	13181	61	42157	56
Bosnia and Herzegovina	-	N.A.	N.A.	N.A.
Bulgaria	245	65	22306	46
Croatia	-	N.A.	9486	41
Czech Republic	3330	53	22549	38
Estonia	N.A.	N.A.	6358	48
Hungary	5418	53	24712	39
Latvia	354	70	6188	57
Lithuania	827	73	13382	53
Montenegro	N.A.	N.A.	N.A.	N.A.
Poland	6664	60	98223	42
Republic of Moldova	-	N.A.	8193	55
Romania	1099	72	31543	43
Russian Federation	N.A.	N.A.	655678	57
Serbia	N.A.	N.A.	N.A.	N.A.
Slovakia	359	55	13101	42
Slovenia	N.A.	N.A.	5246	34
The Former Yugoslav Rep. of Macedonia	N.A.	N.A.	N.A.	N.A.
Turkey	-	N.A.	84785	39
Ukraine	N.A.	N.A.	192157	N.A.
Georgia	2838	71	12338	39
Tajikistan	2480	42	7623	32

Country:	Teaching staff in post-secondary.Total	Women as % of the teaching staff in post-secondary.	Teaching staff in total tertiary. Total	Women as % of the teaching staff in tertiary.
Western Europe	N.A.	N.A.	2599671	41
Andorra	21	67	81	40
Austria	6678	52	40186	35
Belgium	N.A.	N.A.	26067	41
Cyprus	-	N.A.	1723	40
Denmark	N.A.	N.A.	N.A.	N.A.
Finland	-	N.A.	18786	46
France	N.A.	N.A.	N.A.	N.A.
Germany	22774	44	287744	35
Greece	13464	45	28863	35
Iceland	N.A.	N.A.	1865	44
Ireland	N.A.	N.A.	12095	38
Israel	N.A.	N.A.	N.A.	N.A.
Italy	N.A.	N.A.	99595	34
Liechtenstein	16	44	N.A.	N.A.
Luxembourg	N.A.	N.A.	N.A.	N.A.
Malta	N.A.	N.A.	N.A.	N.A.
Monaco	N.A.	N.A.	.	N.A.
Netherlands	N.A.	N.A.	44414	36
Norway	N.A.	N.A.	18169	40
Portugal	N.A.	N.A.	37434	43
Spain	-	N.A.	146229	39
Sweden	787	42	36386	43
Switzerland	N.A.	N.A.	32545	31
United Kingdom	N.A.	N.A.	125585	41

NOTE: Total refers to all teaching staff (both full-time and part-time) employed in all programmes (public and private) available at the specified level of education.

Annex 5: International regulation

International regulations provide an instrument to effectively tackle gender equality in old age. The EU regulation and ILO recommendations are of particular interest. Gender impact assessment has been introduced in several countries as a tool to deal with gender issues.

The EU regulation states that:

Pensions paid in the context of occupation social security are considered as pay and must respect the principle of equal pay for women and men guaranteed by Article 141 of the EC Treaty. The principle of equal pay in occupational social security has been further implemented in more detail in directives 86/378 and 96/97. Community legislation on equal treatment of women and men has been in general extended by directive 2004/113 to financial services such as private annuities and pensions. By this directive, the use of sex-based actuarial factors in insurance and related financial services is banned in principle, but member states may decide not to apply the ban in case where “sex is a determining factor in the assessment of risk based on relevant and accurate actuarial factors and statistical data.”

ILO recommendations to enhance gender equality in social security (ILO 2001:46) advocate:

- Extend coverage to all workers, or at least all employees, including particular categories in which women are heavily represented.
- Help men and women combine paid employment and caring work, for example through paid parental leave and child benefits.
- Recognize unpaid work either through award of credits under contributory schemes or through provision of universal benefits.
- Grant dependent spouses entitlements in their own right, thereby safeguarding their position in case of separation or divorce.

Gender impact assessment:

Policy decisions that appear gender-neutral may have a differential impact on women and men, even when such an effect was neither intended nor envisaged. Gender impact assessment is carried out to avoid unintended negative consequences and improve the quality and efficiency of policies. The Global Platform for Action, adopted at the Fourth World Conference on Women in Beijing in

1995, requests governments and other actors to mainstream a gender perspective into all policies and programmes, so that, before decisions are taken, an analysis is made of the effects on women and men respectively. Gender impact assessment is a tool for realizing this. Gender impact assessment means to compare, according to gender-relevant criteria, the current situation and trend with the expected development resulting from the introduction of the proposed policy.

Pension Reforms in Europe and Their Impact on Women

Will your pension income be adequate? As people increasingly spend decades in retirement, as cost-conscious governments withdraw from commitments to welfare principles, as economic recession brings unemployment and devastates investments, as the sustainability of a pension plans is questioned, union organizations across Europe are increasingly concerned about how governments and corporations are changing pension plan rules and outcomes. The reforms under way have the potential not only to increase risk for all education workers but also to exacerbate the extra disadvantages faced by women.

This study, based on a survey of teachers' pension conditions and reforms in 33 countries in all parts of Europe, is an indispensable guide to the sources of gender bias in pension plans and on key policies to advocate for all those who care about the welfare of women after they retire. As a trend to closer linking of pension benefits to employee contributions tends to perpetuate salary differences in retirement years, it becomes especially important to examine the details of pension calculation formulas and access criteria to pension benefits. This study provides an overview for the general reader of the key issues involved in protecting the adequacy and fairness of retirement income as the reform movement proceeds. It makes a strong case for including comprehensive gender impact assessment as a foundation of pension reform.



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