

Women in the pension systems of the region

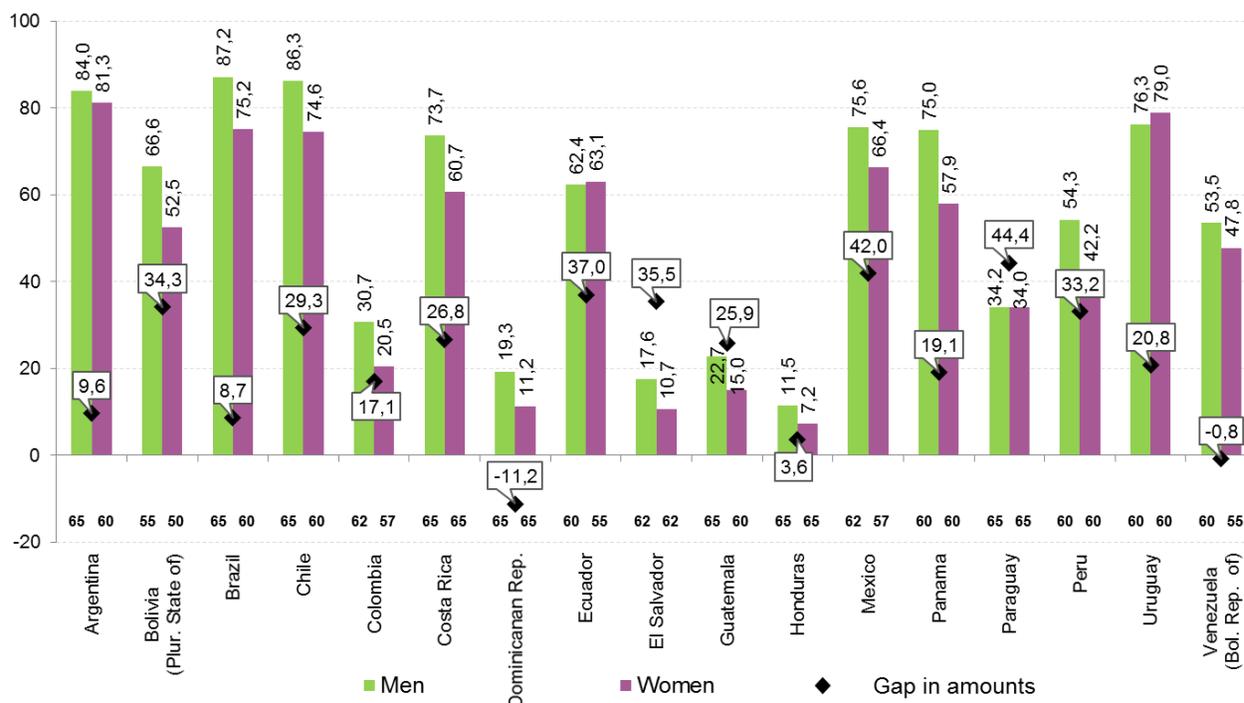
Pension systems in Latin America and the Caribbean reproduce and intensify structural inequalities present in other areas. In particular, pension systems in the region are strongly associated with the type of relationship people have with the labour market, which is often characterized by high rates informality, precariousness and the proliferation of gender inequalities.

The persistent sexual division of labour explains the fact that women's rate of economic activity in the region has stagnated around 50%. Half of all women who manage to enter the labour market are employed in low productivity sectors and only 18.6% of these are affiliated with or contributing to a social security system. In addition, these jobs are often marked by instability and low wages.

The demographic changes related to the aging and feminization of the elderly population exacerbates the challenges faced by women to achieve economic autonomy.

While women do constitute the majority of the elderly population, they are underrepresented among those who receive pensions with some exceptions. The proportion of women of legal retirement age who receive any type of pension is less than that of men. Even though progress has been made in women's inclusion through non-contributory pensions in the region, these benefits are typically of lower amounts and do not allow women to overcome situations of poverty.

Latin America (17 countries): proportion of men and women receiving contributory and non-contributory pensions as from the legal retirement age, and gender gap in the amounts received, around 2015^{ab}.
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Social Panorama of Latin America, 2017 (LC/PUB.2018/1-P), Santiago, 2018

Note: The gap between the amounts represents the difference in average income received in contributory and non-contributory benefits by women and men at the respective legal retirement age. The figures shown above the country names indicate each country's legal retirement age for men and women respectively. In constructing the graph, 65 years of age was used as the retirement age in the case of Ecuador, where there is no mandatory retirement age.

^a Data refer to 2015, except in the cases of Argentina, the Bolivarian Republic of Venezuela, Guatemala and Mexico where they refer to 2014.

^b Data report the national total, except in the case of Argentina, where they represent 31 urban agglomerations.

In addition to the gender gaps related to the labour market, pension systems still have direct forms of discrimination linked to norms that establish unequal treatment for women. For example, the use of differentiated mortality tables for the calculation of pensions punishes women's greater longevity. This situation is further aggravated in countries where women have a lower retirement age, since a smaller accumulated amount has to be spread over a longer period of time, resulting in a lower pension. Although in some countries a lower retirement age for women is justified as compensation for the unpaid care work they assume, and in this sense, it represents an affirmative action. However, this should also be accompanied by measures to compensate fewer years of contributions, as can be observed, for example, in the Brazilian model.

Women's access to pension systems is neither based on citizenship rights nor on the contributions they make to their countries' development. Thus, paradoxically, those women who dedicate themselves exclusively to unpaid care work are excluded from the pension systems despite their important contributions to their countries' social welfare.

Another indirect expression of gender biases in pension systems is evident when analyzing the exclusion of paid domestic workers from typical social protection systems. Slowly, this historical debt of homologation of the rights of domestic workers to those of the rest of workers has been addressed in countries such as Brazil, Chile, Costa Rica, Ecuador and Uruguay. These measures, in addition to allowing progress towards the universalization of social protection, guarantee greater financial sustainability of the pension systems.

Ensure that gender dimension is present in a comprehensive manner in the design of pension system reforms is a challenge in the region. Including women in pension systems is essential to face the new demographic structure of the population, their demand and need for economic autonomy and the exercise of their rights. It is also a requirement for the sustainability of the systems themselves and for achieving equality.

Policy proposals based on the lessons learned in the region:

- Include a gender perspective in the analysis of pension systems, ensuring the recognition of women's unpaid care work contribution to the viability of pension systems and the rest of social protection;
- Promote fiscal pacts to finance pension system, reconciling the principles of universality, equality and non-discrimination with that of financial sustainability, so that none of them is subordinated to the others;
- Adopt positive action measures to compensate for inequalities accumulated before the retirement;
- Utilize tiered replacement rates differentiated by income levels and reference salaries based on career paths;
- Create mechanisms of participation and social dialogue involving various social stakeholders, such as trade unions and women's movements, both to discuss possible reform processes and to exercise citizen oversight functions;
- Strengthen information systems on pension regimes to inform policy making and to evaluate pension systems.

"Without gender equality, sustainable development is neither development nor sustainable"

ECLAC Division for Gender Affairs

<http://www.cepal.org/en/work-areas/gender-affairs>

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<https://www.cepal.org/en/publications/42717-social-panorama-latin-america-2017>

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