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peace for the twenty-first century”

Statement submitted by HelpAge International, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

Many women are denied their right to work throughout their lives, including in older age when they can be subjected to discrimination on the basis of their age and sex. This can exacerbate the accumulated impact of the gender-based discrimination they have already been subjected to.

“Teaching is in my blood. It is no surprise I felt devastated when the Government told me at the age of 50 that I must stop working. They told me I was old and that I should allow young people to do the teaching.”

Gertrude, Kenya, September 2016

“I was treated unfairly because of my age in relation to my health and to my work. I was refused two jobs because I was told I was too old and my health would mean I would not be productive.”

Celin, Haiti, September 2016

Access to decent work can be a major contributor to women’s economic empowerment. This is not just through receipt of adequate and equitable wages but also through inclusion in social security schemes that ensure women’s income security and continued economic empowerment in older age.

The importance of adequate pension schemes for women is critical not only because they are a tool for realising the right to social security in older age but also because they can mitigate the impact in of some of the gender inequalities women face in the workplace throughout their entire lives.

Any discussion on women’s economic empowerment in the changing world of work must, therefore, include an examination of women’s access to pensions in older age and whether the pensions they receive are gender-biased and disadvantage women recipients or whether they contribute to women’s equality and economic empowerment.

Older women and poverty

In the Beijing +20 review in 2015, thirty-three Member State reports recognised the particular poverty that older women experience. Some countries identified older women, and in particular single older women who live alone, as among the most at risk of poverty. Others provided data showing that the difference in poverty rates between men and women is highest in the over 65 age group. The most common reason given was lower pensions due to gender inequalities in the work histories.

Exclusion of women from pension schemes

Gender inequality in pensions is a global issue. UN-Women reports in its policy briefing ‘Protecting Women’s Income Security in Old Age’ that where data exists, men are more likely to receive pensions than women. They report that in some Latin American Countries the pension coverage of women is less than half of

the already low coverage of men. In most Sub-Saharan countries pension coverage for women is almost non-existent.

“At that time, I had been working for a company for 25 years but the boss decided to deliberately end my contract without giving me a pension. He told me that I had become too old and my health would not allow me to be effective at work.”

Marie, Haiti, September 2016

A significant ‘pension gap’

Even when women do receive a pension, it is likely to be at a lower level than those received by men. This is often referred to as a ‘pension gap’. This pension gap can be the result of gendered labour markets and other life course patterns. It can also be the result of gendered pension schemes that have disadvantageous outcomes for women.

Some pension schemes privilege male work patterns and as a result exclude women. Eligibility criteria, such as the number of contributing years, may exclude women who spent time in unpaid care work and have not accrued enough contributing years. Pensions that are based on individual contributions may also disadvantage women who, due to unpaid work or gender pay gaps, have lower individual contributions and often over fewer years than men. In addition, some pension schemes calculate entitlements based on life expectancy and allocate lower monthly entitlements for women because they have longer life expectancies.

There is a growing recognition that mandatory retirement ages are discriminatory on the basis of age and deny people the right to work if they wish to continue working and are able to. Where mandatory retirement ages still exist, they are often lower for women. This limits the number of years women can work compared to men. This intersectional discrimination on the grounds of age and sex can result in women receiving lower entitlements than men if their pension scheme links contributions made or years worked to entitlements received.

The role of non-contributory, social pensions

Non-contributory social pensions are detached from assumptions about continuous participation in paid formal sector work and therefore more accurately reflect the gendered nature of the life course. They play a key role in ensuring that women can access at least a basic pension.

Although social pensions cannot be expected to reverse years of discrimination, detaching pension entitlements from labour markets ensures that labour market inequalities and other gendered life course patterns are not transferred into the pension system. Social pensions can also address gender specific risks which occur in old age for example, a widow’s loss of assets to their late husband’s family, or child care responsibilities as a result of skipped generation households. They can also be seen as an effective way of recognising the value of women’s non-remunerated work within the household. As well as addressing unequal coverage, social pensions offer an additional benefit that men and women receive the same level of benefits irrespective of labour market participation. In doing so,

they can go some way to ensure that the pay gap does not translate into a pension gap in older age. Social pensions are therefore a more gender equitable way of achieving income security in old age, and are particularly important in contexts with high informality and low pension coverage.

While social pensions can address the inequalities present in contributory systems, the type of social pension also has an impact from a gendered perspective. It is often argued that social pensions have a significant gender dimension, because women are more likely to be eligible for them than men. Due to higher levels of poverty amongst women this is particularly the case for means-tested pensions. However, while more women may be eligible for mean-tested pensions this does not make them the most gender equitable approach. One reason for this is that means-tested pensions are difficult for people living in poverty to access. Magdalena Sepúlveda Carmon, the former Independent Expert on human rights and extreme poverty, has highlighted that the structural discrimination of women and power imbalances within society means that they are less able to influence decision-making processes and may be excluded from receiving pension benefits. In addition to this, eligibility criteria for means-tested pensions can be based upon household poverty, which ignores the fact that women may be disadvantaged in the intra-household distribution of wealth. Community targeting can reinforce existing power structures, not only disadvantaging the most marginalised but also creating tensions within societies. This not only makes it less likely that older women living in poverty will receive the pension, but it also limits women's equal rights to pensions. Universal schemes, therefore, are the most gender sensitive approach.

However, while social pensions are reducing the gap in coverage, contributory pensions continue to be the dominant model. Government spending priorities often mean that more is spent on subsidising contributory pensions for those in the formal labour market, who are more likely to be men, than is spent on social pensions which are more likely to benefit women. The existence of a social pension does not ensure gender equality in pension systems, especially if spending is low in comparison to contributory systems and if they have low coverage. So while this is the case, and while gender inequalities in labour markets exist, there will remain a significant division between the pensions that men and women receive.

Recommendations

The following measures should be taken to enhance women's economic empowerment in older age:

- Eliminate gender pay gaps throughout women's working lives, including in older age
- Compensate unpaid care and other work that women do throughout their lives, including in older age
- Remove mandatory retirement ages
- Expand non-contributory social pension schemes or introduce them where they are not yet available
- Ensure pension entitlements, including for social pensions, are set at a level that provides the recipient with an adequate standard of living.