

# Policy proposals for tackling the gender gap in pensions in Greece

## SYNOPSIS

## **Policy proposals for tackling the gender gap in pensions in Greece**

### **Synopsis**

The current synopsis aims at providing a comprehensive overview of the research outcome and subsequent policy proposals carried out within the framework of the “PEGASUS: Addressing the Gender Pension in Greece” Project.

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## ABOUT THE PROJECT

The "PEGASUS: Addressing the Gender Pension in Greece" Project is implemented with the collaboration of the General Secretariat for Family Policy & Gender Equality (coordinator), the Research Centre for Gender Equality (KETHI) and the National Center for Social Research (EKKE) and is co-funded by the European Union's "Rights, Equality and Citizenship" Program (2014-2020). The Project has a two-year duration (as of 1/11/2018)

## KEY OBJECTIVES

The Project's main objective is to reinforce existing knowledge on all dimensions of the gender pension gap in Greece in order to contribute to the development of policies and other initiatives that will effectively address gender gaps in pensions.

More specifically, the Project's particular objectives are as follows:

- Studying and investigating the gender pension gap in Greece and identifying all factors associated with it
- Identifying good practices on the gender-related pension gap, as well as policies and institutional arrangements implemented by EU Member States to tackle the gender pension gap
- Assessing the de facto and de jure implementation of EU guiding principles for gender equality in pensions in Greece
- Developing a framework of policy proposals to address the gender pension gap in Greece
- Establishing a cooperation framework between stakeholders and committing stakeholders in order to develop proposals for reducing the pension gap between men and women
- Raising awareness on the gender pension gap issue, as well as informing women on the impact of their choices on their pensions

## KEY ISSUES AND METHODOLOGY

In Greece, the gender pension gap amounts at a difference of 24,5% (2019) in pensions between men and women. Lower pensions for women are attributed, among other factors, to them interrupting their jobs or accepting part-time jobs in order to undertake the burden of family care (care for children and for the elderly members of the family).

The "PEGASUS" Project examines the issue of the gender pension gap on a multifaceted basis, through the analysis of all its dimensions and the assessment of its impact on the living conditions of retired women. Developing substantiated and targeted policy proposals to address the problem is a key issue. The Project follows a holistic approach, through the recording and analysis of key factors leading to the gender pension gap (such as gender inequalities, stereotypes, labor market segregation) and the development of awareness-raising and cooperation actions with policy makers, social partners and academics, highlighting and addressing the phenomenon for the first time in Greece.

## THE PROJECT'S WORK PACKAGES

The Project consists of five (5) individual Work Packages (WPs) and each one is implemented by one of the Project Partners. Namely:

- the first Work Package (WP1) includes actions related to the management and coordination of the Project and is undertaken by the General Secretariat for Family Policy & Gender Equality,
- the second Work Package (WP2) concerns the mapping of the situation regarding the gender gap in pensions in Greece, the analysis of the factors that affect it, and is implemented by EKKE,
- WP3 aims at investigating the needs of women and recording good practices for information and awareness-raising on the gender pension gap and is implemented by KETHI,
- WP4, also implemented by EKKE, includes an overview of the EU guidelines on gender equality in pensions as well as a comparative study focusing on the analysis of policies to tackle gender gaps in pensions in selected Member States EU, and finally,
- WP5, undertaken by the General Secretariat for Family Policy & Gender Equality, concerns the development of raising awareness and dissemination actions on the gender gap in pensions.



## PROJECT PARTNERS

### General Secretariat for Family Policy & Gender Equality (GSFPGE)

The General Secretariat for Family Policy & Gender Equality (GSFPGE) is Greece's governmental agency that is competent to plan, implement, and monitor the policies on equality between women and men in all sectors.

The GSFPGE implements co-financed Programs and Actions through the Coordination, Managing and Implementation Authority for co-funded actions of the Ministry of Interior.

### Research Centre for Gender Equality (KETHI)

The Research Centre for Gender Equality (KETHI) is a Legal Entity under Private Law, which was founded in 1994 and is supervised by the Ministry of Labour and Social Affairs. Its aim is mainly on the elimination of gender discriminations and inequalities. It conducts researches, studies and carries out national and European action plans on issues about gender equality.

The fundamental objectives of KETHI are: to conduct social research on gender equality issues, to improve women's status, and enable their advancement in all areas of political, economic and social life. KETHI also provides information regarding issues promoting gender equality, interested parties with its researches, studies and publications and it processes and disseminates statistical data and information on issues regarding women status, women rights and gender anti-discriminatory policies.

KETHI also participates in a large number of national and European projects either as partner or project leader focusing in gender equality issues especially in matters of violence against women, human trafficking, employment, entrepreneurship, social inclusion, gender mainstreaming etc.

### National Center of Social Research (EKKE)

The National Center of Social Research (EKKE) was established in 1959 under the auspices of UNESCO and is the only public institution in Greece dedicated to the social sciences. EKKE is a public law legal entity supervised by the General Secretariat of Research and Technology of the Ministry of Education and Religious Affairs.

Since its establishment EKKE:

- Has established a research tradition in areas such as social policy, political sociology and electoral geography, social geography and social anthropology
- Conducts social research on a wide range of subjects, constantly enriching a decades-long tradition with issues of current importance. Provides support to the State by designing and evaluating public policies at the national, regional and local level, as well as providing research and expertise reports aiming at the timely indication of critical social and political issues.
- Maintains constant international collaboration by its presence in international research and expertise networks as well as major European research programs.
- Contains one of the country's largest libraries for the social sciences that provides support for its research activity as well as for the social sciences and research in Greece more generally.
- Publishes print and free access digital works related to the research on and analysis of aspects of contemporary Greek society. An important number of EKKE's publications are included in the syllabuses of University Department courses.
- Publishes The Greek Review of Social Research, the country's oldest social sciences journal and one of the first scientific journals to have adopted the blind peer review system.



## THE GENDER PENSION GAP IN GREECE

The Synthesis Report titled “*Policy proposals for tackling the gender gap in pensions in Greece*” constitutes a deliverable prepared by the research team of the National Centre for Social Research (EKKE) in the context of the implementation of the Work package 4 “Policy proposals for tackling the gender gap in pensions in Greece” of the research project “**Addressing the gender pension gap in Greece – PEGASUS**”<sup>1</sup>.

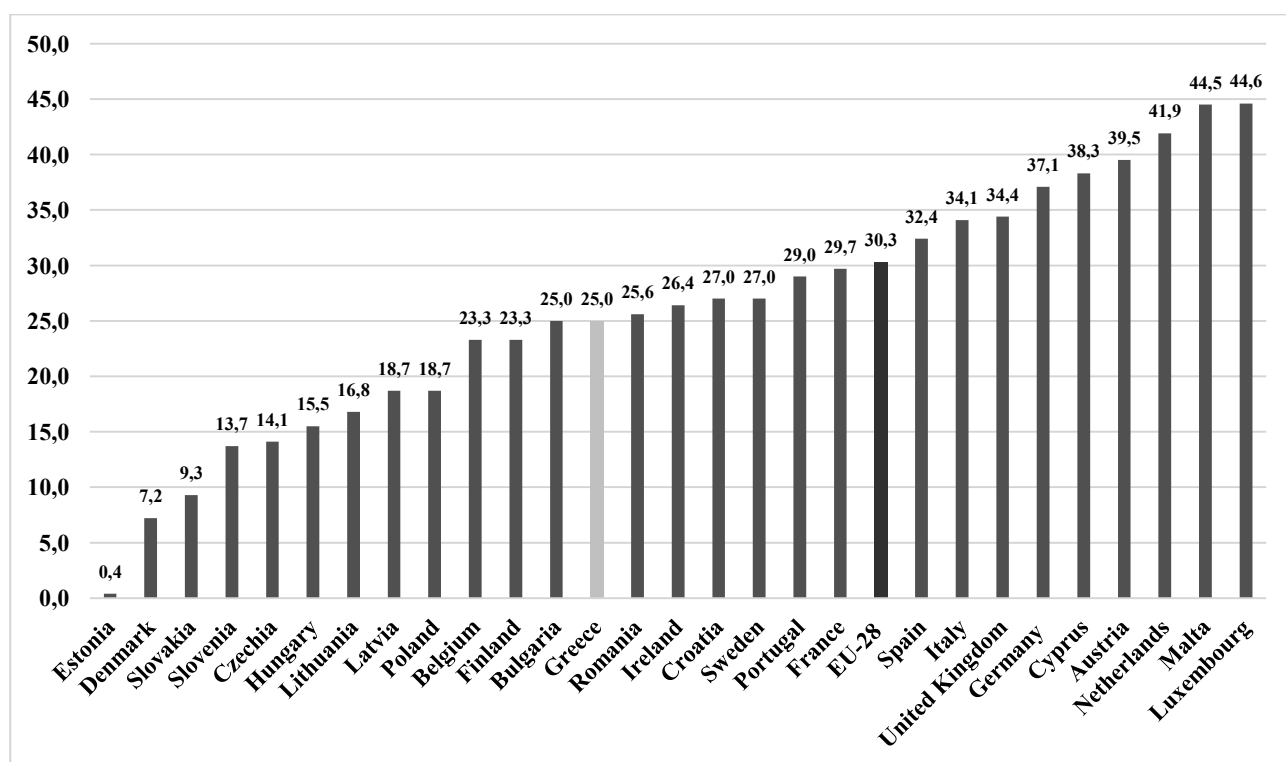
The synthesis report includes findings of all research activities of the Work packages 2, 3 and 4 of the project and concludes with a comprehensive framework of policy proposals to address the gender pension gap in Greece

According to Eurostat’s latest available data, the gender pension gap of persons aged 65-79 in Greece stood at 25% in 2018, though it is lower than the respective rate for EU-28 (i.e. 30.3%) (see *Figure 1*). What is of rising concern, however, is the fact that the gender gap in social insurance coverage rate for Greece was 16.2 percentage points in 2018, which is much higher than the respective EU-28 average (5.4 percentage points) (see *Figure 2*).

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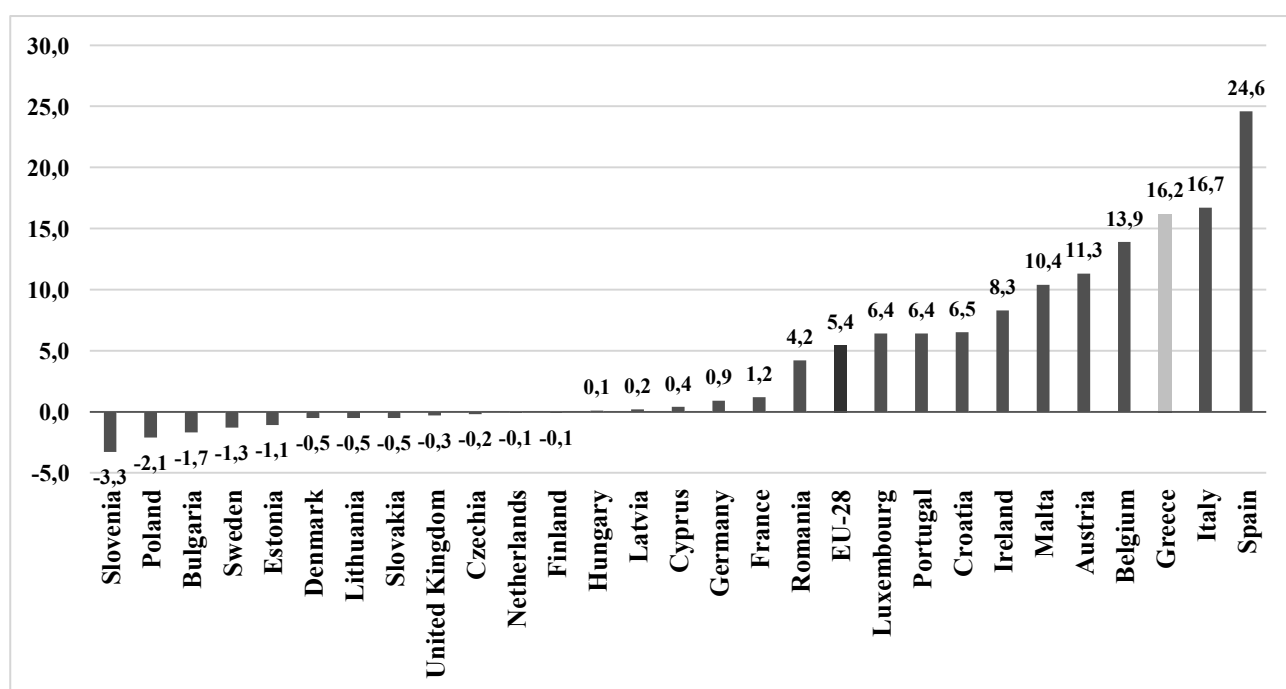
<sup>1</sup>Theodoroulakis M., Capella A., Konstantinidou D. (2020), Policy proposals for tackling the gender gap in pensions in Greece – Synthesis Report, Athens: National Centre of Social Research, available at: <http://www.isotita.gr/wp-content/uploads/2020/09/Protaseis-Politikhs-gia-tin-antimetwpsish-tou-ESX-stin-Ellada.pdf> (in Greek).

**Figure 1: Gender pension gap (65-79 years old), EU countries, 2018**



*Edited by the authors, data source: Eurostat database, EU-SILC survey [ilc\_pnp13], Data extracted: 22/05/2020.*

**Figure 2: Gender coverage rate in pension (65-79 years old), EU countries, 2018**



*Edited by the authors, data source:* Eurostat database, EU-SILC survey [ilc\_pnp14], Data extracted: 22/05/2020.

It is generally acknowledged that the key purpose of old-age pension provision is to protect the elderly from falling into situations of poverty as well as to ensure both their financial independence and decent living standards, regardless of their gender. However, given that both the eligibility criteria for pension entitlement and the amount of the pension are -in most cases- determined by the employment and earning history of the insured person along with the provisions of the pension system, in practice, gender inequalities are observed as to the level of pension income.

This implies that the gender pension gap is determined by many different factors, both individual and systemic, and is related to the structure and functioning of the social insurance system; the gender pension gap differentiates the financial independence and the adequacy of pensions for women and men, affecting, thus, their poverty risk and living conditions.

The in-depth literature review which was carried out has led to the conceptual identification of the gender pension gap and its main drivers. According to the relevant literature,<sup>2</sup> the gender pension gap is a very broad and multifaceted issue, given that it is the result of decisions and choices, both at the individual and collective-systemic level, not of the present but of the past. As such, it is the result of long-term developments and processes which is congruent to the fact that today's pensions reflect yesterday's employment. The gender pension gap is strongly linked to the gender equality principles and to the problem of ensuring adequate income throughout the life cycle of men and women, while it is triggered by the gender pay gap. Therefore, today's pensions are affected by labour and social stereotypes of the past as well as by past pension reforms and economic and labour market conditions.

In this context, it should be underlined that the gender pension gap relates to the gender equality principle as it is the result of the cumulative inequalities that women face during their life in various economic, social or cultural domains. In other words, the gender pension gap is a broader issue which is related to different dimensions of social policy and

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<sup>2</sup> See indicatively, Bettio F., Tinios P., Betti G. (2013), *The Gender Gap in Pensions in the EU*, Brussels: European Commission; Advisory Committee on Equal Opportunities for Women and Men (2014), *Opinion on reducing the gender gap in pensions*; Samek Lodovici M., Drufuca S., Patrizio M., Pesce F. (2016), *The gender pension gap: differences between mothers and women without children*, Policy Department for Citizens' Rights and Constitutional Affairs, Brussels: European Union and European Commission (2017), *2017 Report on equality between women and men in the EU*, Brussels: European Union.

social protection policy. Given the above, it may be argued that there is a strong need to address the gender pension gap. However, among the basic prerequisites for effectively addressing the gender pension gap is to identify and address the factors that create and affect it.

The main drivers of the pension gap are: (i) the pension system, (ii) the gender differences in the labour market and (iii) the family status. In addition to these, important determinants of the gender pension gap are the behavioural patterns of retirement of women as regards their choices about the transition from work to retirement. These vary according to personal choices and priorities of each woman but also to the social and cultural stereotypes. It should be noted that the new labour and social patterns and trends, which have been developed as a consequence of the recent international economic crisis, together with the key reforms of the social insurance and pension systems in many European countries, are expected to affect the future gender pension gap.

As already mentioned, the gender pension gap is a crucial issue for gender equality, which is an EU core value and fundamental right as well as a key principle of the European Pillar of Social Rights.<sup>3</sup> Gender equality *'is also an essential condition for an innovative, competitive and thriving European economy'*,<sup>4</sup> while the EU has committed on ensuring equal pay for equal work since its establishment. The principle of equal pay for equal work has been enshrined in the EU treaties and affects social insurance policies and, consequently, the gender pension gap.

The EU is undoubtedly an international leader in gender equality, given that eliminating inequalities and achieving gender equality are among its major priorities of action. The EU has made significant progress in promoting gender equality over the last years and has established a strong legal framework for gender equality (also known as the EU gender equality acquis), which governs various policy areas, affecting, thus, all aspects of the social and economic life of its citizens.

However, despite the fact that the EU and its institutions have developed a strong legal framework (directives, regulation, guiding principles, guidelines, strategic directions, etc.) for the promotion of gender equality, in the case of Greece, no assessment was publicly

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<sup>3</sup>European Commission (2020), *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A union of Equality: Gender Equality Strategy 2020-2025*, COM(2020) 152 final -5.3.2020, Brussels, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0152>.

<sup>4</sup>*Ibid*

available as regards the extent to which all these policy directions have been integrated into the Greek pension system as well as into other policy areas that affect the gender gap in pay and in pensions in Greece. Given this, one of the aims of this project was to examine and assess the implementation of EU policy directions on the policy areas that affect the gender pension gap in Greece.

To this end, a thorough literature review of the EU guiding principles and policy guidelines on gender equality in pensions was carried out. This was followed by an examination and an assessment in order to identify those guidelines which have been transposed into the relevant legal framework (*de jure*) and the extent to which they are being implemented in practice (*de facto*) in Greece.

The findings of this assessment exercise revealed that Greece has harmonised its national law with the European common acquis, with the exception of the recently adopted Directive 2019/1158/EU, which, nevertheless, member-states shall incorporate into national law by August 2022. The analysis revealed that the provisions for women's early retirement have had a negative impact on the gender pension gap, since the majority of women opted for early retirement. Given that one of the key factors for the determination of the pension amount is the work-life duration (along with the earnings history), women's short careers have led -almost automatically by the pension system- to the entitlement of low pension benefits, significantly lower than men's.

However, over the last few years, the integration of all statutory main (contributory) pension funds into the Unified Agency for Social Insurance (EFKA) has contributed to the application of uniform rules for benefits and contributions to all insured persons. In addition, the increase in the statutory retirement age and the abolishment of provisions for women's early retirement resulted to the harmonisation of retirement provisions between men and women. As a result, women delay their exit from the labour market, leading, thus, to longer contribution periods. It is also noted that the harmonisation of rules for pension entitlement was accompanied by the introduction of the possibility to take into account 'notional years of insurance' in order to establish entitlement to a pension. This, in turn, allow the adjustment -to a great extent- of the pension system to the particular features of women's participation in the labour market and social insurance.

Nevertheless, the current pension system in Greece has integrated all the EU directives on gender equality. Therefore, it does not affect the gender pension gap *per se*, while its



impact on the gender pension gap is expected to be particularly limited over the next few years.

Turning into examining the actual implementation of EU principles on gender equality in Greece, it should be stated right from the outset that this was investigated on the basis of secondary quantitative data for the evolution of the gender pension gap in Greece (amounts of pension benefits and coverage) as well as of other indicators concerning the years of insurance at retirement. Moreover, in order to assess the implementation of the EU legal gender equality acquis in practice, data from the Gender Equality Index as well as official administrative data from the Unified Agency for Social Insurance (EFKA) and from the Unified System of Control and Payment of Pensions (HELIOS) were used. Furthermore, these data were complemented by relevant Eurostat's data from the European Union Statistics on Income and Living Conditions survey (EU-SILC) and the Labour Force Survey (LFS) so as to correlate and confirm the findings of the analysis of the abovementioned data, given that, as already mentioned, the gender pension gap is the cumulative result of the inequalities that women face over their life in various economic, social and cultural domains.

In particular, the actual implementation of EU gender equality policies was examined in three dimensions: a) the pension system, b) earnings and wages and c) employment, as the gender pension gap is a wider issue related to different dimensions of both employment policies, including wages, and social protection policies. The data analysis revealed that, although Greece has harmonised its national law with the European, the implementation of gender equality in practice remains problematic. The analysis confirmed that the provisions for women's early retirement have had a negative impact on the gender pension gap and that women's lower participation in the labour market has resulted to the entitlement of low pension benefits, significantly lower than those of men. It also confirmed that the integration of all statutory main (contributory) pension funds into the EFKA has contributed to the application of uniform rules for benefits and contributions to all insured persons. Finally, the analysis revealed that the abolishment of provisions for women's early retirement and the harmonization of the retirement conditions for men and women have positively affected the gender pension gap in Greece.

All these led to the conclusion that, since the different pension entitlement conditions between men and women have now been eliminated, the gender equality principles are being implemented as far as the provisions of the pension system in Greece is concerned.

Therefore, the impact of the pension system on the gender pension gap has been significantly reduced and is expected to be reduced further in the future. Yet, it should be pointed out that the pension system fails to absorb the gender inequalities that prevail in the labour market. Consequently, the decisive factors affecting the shaping of the gender pension gap in Greece are now mainly related to the labour market: first and foremost, as to the contribution periods and, secondly, as to the gender pay gap.

Thus, as it was also confirmed by the analysis of EFKA's data, gender differences in contribution periods and earnings during working life, as reflected in the pensionable salary, are the main determinants of the gender pension gap in pensions in payment in December 2018. More specifically, the gender gap in the average total retirement time of 'new' pensioners is 3.6 years of contributions (i.e. 25.2 years for women and 28.8 years for men). In addition, the gender gap in pensionable earnings is 35.8% (€ 989.60 for women against € 1,539.60 for men), which is the result of the gender pay gap over working life.

Moreover, the functioning of the labour market affects also the gender gap in social insurance non-coverage rate, since in Greece, the coverage by the pension system is directly linked to employment participation and depends on certain eligibility criteria for pension entitlement. This can also be confirmed by Eurostat data from the LFS, which reveal important differences over time between men and women as regards labour participation. The latest available data for 2018 confirm that the significantly lower participation of women than men in employment (49.1% against 70.1% respectively), the difference in unemployment rates (24.2% for women against 15.3% for men) as well as the gender differentiation concerning work intensity (13.2% of women working part-time against 6.3% of men) are the main factors which are expected to negatively affect the gender gap in social insurance non-coverage rate in the future.

Another factor which is expected to contribute to the social insurance non-coverage rate of women is the inability of women to establish pension entitlement (at least 15 years of contributions) due to long periods of absence from the labour market. The absence of women from the labour market has been intensified during the economic crisis due to the high unemployment rates that women experienced over this period or due to the care needs of dependent family members. This, together with the increase in the statutory retirement age, has resulted in many women being unable to meet the eligibility criteria for pension entitlement.

The long periods of absence from work of women, mainly due to unemployment, maternity or care duties, lead not only to inability to establish pension entitlement but also to low pension benefits due to short contribution periods. It becomes evident, therefore, that the family status of women has a negative impact on the gender pension gap.

This was confirmed by the focus groups implemented by the Research Centre for Gender Equality (KETHI) in the framework of this project. In particular, according to research results of Activity 1 WP3, gender pension gap reflects all gender inequalities in labour market and family life. Women often chose to leave the labour market prematurely, taking advantage of the legislative provisions that were in force until recently and were allowing them to do so. This choice, however, is not independent of the dominant gender stereotypes associated with the role of women in relation to domestic care and care of dependent family members. Although the possibility of early retirement of women is considered by them to be helpful in fulfilling their “duties” associated with motherhood and care, it is ultimately doubtful whether the price of their permanent *withdrawal* from the *labour force* at the most productive ages is such a beneficial practice for themselves and the society. This “choice” is therefore not independent of gender stereotypes, which have been internalized by women to such an extent that it is often followed by feelings of guilt or shame. In particular, the rejection of early retirement option is considered as almost prohibitive for those who are mothers, as it does not fit gender social perceptions. The correlation of this choice with gender stereotypes becomes even more apparent through relevant data showing that the gender pension gap is higher for married women -that they may have lower incentives to participate in the labour market-, as well as that the trend for *withdrawal* from the *labour force* is stronger for women whose husbands have a high income. Therefore, early retirement of mothers practically strengthens the traditional gendered division of domestic tasks and at the same time fills the gaps of children’s care services by the state. However, due to the recent cuts in pensions or other factors that affect their lives, women have to face a new reality. Especially for women who retire early (while they are at a productive age) living conditions become difficult, and even more difficult in cases of single mothers or of women that have the sole responsibility of a dependent.

At the same time, gender pension gap seems to be influenced by data that are related to the time of insurance, the discontinuous work-life and the forms of employment

that women "choose". It is a fact that women are much more affected by unemployment than men and are more involved in "vulnerable employment". But even these decisions are related to the dominant gender stereotypes. In particular, part-time employment is chosen as a mean that facilitates reconciliation of work and family/private life, but at the same time it reproduces the role of women in the division of domestic tasks and leads them to insufficient income. In addition, the family environment is a determining factor that influences women's choices and decisions. Cases as the above mentioned have been noticed during the focus groups and have led women to long periods of unemployment or informal employment, without being aware of the consequences that their choices may have on their earnings in future.

Investigating gender pension gap actually involves investigating gender pay gap, as the pension gap between women and men reflects wage data and employment conditions of the past. However, wage conditions are not independent of gender social perceptions, which clearly affect the horizontal and vertical segregation of labour market. Therefore, the causes of the gender pay gap include both the creation of so-called "female" and "male" professions, as well as the phenomenon of "glass ceiling" that keeps most women stuck in the low- level professional posts. Specifically, in "female" professions or in "female" posts in male dominated professions, earnings are lower. Moreover, gender stereotypes, family roles and the responsibility of household care are often mentioned by women as factors that influence the choice of their profession that sometimes is harmonized with their personal desire and sometimes is not. The same factors seem to act as a disincentive for women to take up high posts of responsibility. However, even when they decide to claim a higher post, they often have to face discriminatory attitudes. In addition to the above cases of horizontal and vertical gender segregation in labour -that explain the gender pay gap-, there are more specific cases of adjustments that are identified in sectors or institutions and contribute significantly to widening the gender pay gap, and therefore the pension gap between women and men. These are cases where the "natural" gender difference is used as a basis for discrimination against women (e.g. exclusion of women from night shifts with extra pay, under the pretext of "protection").

Gender discrimination is a reality that women face in the workplace, where they must *constantly prove their worthiness*. However, the gender stereotypes on which discrimination is based (and are often reproduced by women) maintain, among other, gender segregation in labour market, but also in other areas, with consequences that are

reflected in women's pensions. For example, the fact that the issue of reconciliation of work and family remains a "female" challenge works punitively for them. This is the so-called "maternity penalty" which leads women to a disadvantage in the labour market, as noted in the literature on gender differences in pensions. For women of vulnerable social groups, the problems are multiple, both in terms of their working lives and in terms of their retirement. Informal employment, multiple discrimination and racism are some of the characteristics of their working life, which make the perspective of retiring extremely difficult.

Despite the challenges that women face in terms of their living, according to participants' stories, and that recently have been even more intense due the economic crisis, they remain active even after the completion of their working life cycle, they are optimistic about the future and satisfied with their life achievements. However, they point to women's need for better information about their labour / pension / insurance rights, for provision of relevant counseling services and for activation of women's movement in order to promote women's demands. These demands include the availability of high-quality childcare services, the establishment of parental leave for men working in the private sector, the extension of maternity leave and the strengthening of maternity protection. However, these should be promoted in parallel with initiatives that promote equality and fight gender stereotypes. In addition, for women that face multiple discriminations initiatives to encourage their integration or reintegration into the labour market are needed. Finally, apart from targeted initiatives to tackle gender inequality, it is crucial that gender dimension into broader pension policy will be included (gender mainstreaming).

Nevertheless, at EU level, policies to address the gender pension gap focus -directly or indirectly- on its root causes, namely: the pension system, the gender gaps in the labour market along with unequal employment opportunities as well as the family status, including care responsibilities. As to the pension system, according to the literature,<sup>6</sup> there are four main institutional arrangements of the pension system which, if adopted, can

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<sup>6</sup> See, indicatively: European Commission (2017), *2017 Report on equality between women and men in the EU*, Brussels: European Union; Vlachantoni A.(2011), "A good step forward but not far enough? The provision of care credits in European pension systems" in Addis El., De Villota P., Degavre Fl. and Eriksen J. (επιμ.), *Gender and Well-Being: the Role of Institutions, Great Britain*: Ashgate, pp. 163-182; OECD (2015), *Pensions at a glance 2015: OECD and G20 indicators*, Paris: OECD Publishing, available at: [https://doi.org/10.1787/pension\\_glance-2015-en](https://doi.org/10.1787/pension_glance-2015-en); European Commission (2018), *The 2018 Pension Adequacy Report: current and future income adequacy in old age in the EU Volume I*, Luxembourg: Publications Office of the European Union, available at: <http://ec.europa.eu/social/BlobServlet?docId=19417&langId=en>.

contribute positively or ‘correctively’ to the formation of the gender pension gap by absorbing to a great extent the gender inequalities that have been created in employment.

These concern, in short, the following:

- a) **Aligning the retirement age between men and women**, in order to address the issue of women’s early retirement and their short careers.
- b) **Providing pension credits for care-related career breaks**(childbirth, childcare, long-term care), in order to compensate insured persons -mostly women- for the consequences of these career breaks (non-contributory periods) in their pension benefits.
- c) **Providing pension credits for non-contributory periods related to unemployment or other career breaks**, in order to absorb the consequences of the gender gap in employment duration caused by the delay of women in entering the labour market and the higher unemployment rates that they are faced with.
- d) **Providing a ‘guaranteed minimum pension’ to all pensioners and reinforcing the redistributive elements of the pension system**, with particular emphasis on the indexation of the guaranteed minimum pension amount, in order to address the gender pension gap and to ensure an adequate income for pensioners.

Following the identification of the provisions of the pension system that are considered effective for tackling the gender pension gap based on the literature, an attempt was made to investigate which EU member-states have integrated these provisions in their pension systems. More specifically, as to the **alignment of the retirement age between men and women**, based on the 2019 ‘Mutual Information System on Social Protection-MISSOC’ data, it appears that the different retirement ages between men and women have been eliminated in most EU member-states (*Table 1*). Yet, seven EU member-states continue to have different retirement age between men and women. These are: Austria, Bulgaria, Croatia, Lithuania, Poland, Romania and the Czechia. What is more, three EU member-states (Austria, Bulgaria and Croatia) provide different gender retirement age for early retirement, while the pension system in Poland foresees different retirement conditions between men and women. It should be noted, however, that all the EU member-states (except Poland) have adopted measures for the gradual equalisation of retirement age between men and women over the next ten years

**Table 1: Retirement age and retirement conditions between men and women, EU countries, 2019**

|                        | Same retirement age for men and women | Same early retirement age for men and women  | Same retirement conditions (years of insurance)                         |
|------------------------|---------------------------------------|--|---|
| <b>Austria</b>         | No (gradually equalised)              | No (gradually equalised)   | Yes   |
| <b>Belgium</b>         | Yes                                   | Yes  | Yes   |
| <b>Bulgaria</b>        | No (gradually equalised)              | No (gradually equalised)   | Yes   |
| <b>France</b>          | Yes                                   | Yes  | Yes   |
| <b>Germany</b>         | Yes                                   | Yes  | Yes   |
| <b>Denmark</b>         | Yes                                   | Early retirement is not foreseen   | Yes   |
| <b>Greece</b>          | Yes                                   | Yes (different -lower- retirement age for mothers or widowed fathers with a disabled child; different retirement age for hazardous and arduous work)                       | Yes   |
| <b>Estonia</b>         | Yes                                   | Yes  | Yes   |
| <b>UK</b>              | Yes                                   | Early retirement is not foreseen   | Yes   |
| <b>Ireland</b>         | Yes                                   | Early retirement is not foreseen   | Yes   |
| <b>Spain</b>           | Yes                                   | Yes  | Yes   |
| <b>Italy</b>           | Yes                                   | Yes  | Yes   |
| <b>Croatia</b>         | No (gradually equalised)              | No (gradually equalised)   | Yes   |
| <b>Cyprus</b>          | Yes                                   | Yes  | Yes   |
| <b>Latvia</b>          | Yes                                   | Yes (lower retirement age for persons with an insurance period of not less than 25 years if they have taken care of five or more children or of a child with disabilities) | Yes   |
| <b>Lithuania</b>       | No (gradually equalised)              | Yes  | Yes   |
| <b>Luxembourg</b>      | Yes                                   | Yes  | Yes   |
| <b>Malta</b>           | Yes                                   | Yes  | Yes   |
| <b>The Netherlands</b> | Yes                                   | Early retirement is not foreseen   | Years of insurance are not a determining factor for pension entitlement |
| <b>Hungary</b>         | Yes                                   | Yes<br>(mothers are exempted but retirement age between men and women is gradually equalised)  | Yes<br>(mothers are exempted)   |

|                 |                               |                                  |     |
|-----------------|-------------------------------|----------------------------------|-----|
| <b>Poland</b>   | No                            | Yes                              | No  |
| <b>Portugal</b> | Yes                           | Yes                              | Yes |
| <b>Romania</b>  | No (gradually equalised)      | Yes                              | Yes |
| <b>Slovakia</b> | Yes<br>(mothers are exempted) | Yes                              | Yes |
| <b>Slovenia</b> | Yes                           | Yes                              | Yes |
| <b>Sweden</b>   | Yes                           | Early retirement is not foreseen | Yes |
| <b>Czechia</b>  | No (gradually equalised)      | Yes                              | Yes |
| <b>Finland</b>  | Yes                           | Yes                              | Yes |

*Edited by the authors, data source: Mutual Information System on Social Protection, 2019.*

Turning into examining the **provision of pension credits for care-related career breaks**(credits for non-contributory periods), MISSOC data for 2019 reveal that only three EU member-states do not provide pension credits for childcare: Denmark, the Netherlands and Slovenia. The rest EU member-states provide the possibility to take into account childcare-related career breaks, while 13 countries (Belgium, Bulgaria, France, Germany, United Kingdom, Ireland, Italy, Latvia, Lithuania, Luxembourg, Slovakia, Czechia and Finland) take also into account other family care-related career breaks (provision of care to the elderly and/or disabled persons) (see *Table 2*).



**Table 2: Recognition of care-related career break by kind of care, EU countries, 2019**

|                        | Recognition of childcare-related career break | Recognition of other family care-related career break |
|------------------------|---|---|
| <b>Austria</b>         | Yes   | No  |
| <b>Belgium</b>         | Yes   | Yes   |
| <b>Bulgaria</b>        | Yes   | Yes   |
| <b>France</b>          | Yes   | Yes   |
| <b>Germany</b>         | Yes   | Yes   |
| <b>Denmark</b>         | No  | No  |
| <b>Greece</b>          | Yes   | No  |
| <b>Estonia</b>         | Yes   | No  |
| <b>United Kingdom</b>  | Yes   | Yes   |
| <b>Ireland</b>         | Yes   | Yes   |
| <b>Spain</b>           | Yes   | No  |
| <b>Italy</b>           | Yes   | Yes   |
| <b>Croatia</b>         | Yes   | No  |
| <b>Cyprus</b>          | Yes   | No  |
| <b>Latvia</b>          | Yes   | Yes   |
| <b>Lithuania</b>       | Yes   | Yes   |
| <b>Luxembourg</b>      | Yes   | Yes   |
| <b>Malta</b>           | Yes   | No  |
| <b>The Netherlands</b> | No  | No  |
| <b>Hungary</b>         | Yes   | No  |
| <b>Poland</b>          | Yes   | No  |
| <b>Portugal</b>        | Yes   | No  |
| <b>Romania</b>         | Yes   | No  |
| <b>Slovakia</b>        | Yes   | Yes   |
| <b>Slovenia</b>        | No  | No  |
| <b>Sweden</b>          | Yes   | No  |
| <b>Czechia</b>         | Yes   | Yes   |
| <b>Finland</b>         | Yes   | Yes   |

*Edited by the authors, data source: Mutual Information System on Social Protection, 2019.*

As to the **provision of pension credits for non-contributory periods related to unemployment or other career breaks**, according to the 2019 MISSOC data, it appears that almost all EU member-states (except Slovenia and the Netherlands) take into account unemployment periods as pension qualifying periods, while certain countries take into account other career breaks as well (see *Table 3*).<sup>7</sup>

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<sup>7</sup> OECD (2015), *Pensions at a glance 2015: OECD and G20 indicators*, Paris: OECD Publishing, available at: [https://doi.org/10.1787/pension\\_glance-2015-en](https://doi.org/10.1787/pension_glance-2015-en).

**Table 3: Recognition of unemployment periods and other career break, EU countries, 2019**

|                        | Recognition of (subsidised) unemployment periods | Recognition of other career break |
|------------------------|--|-----------------------------------|
| <b>Austria</b>         | Yes  | Yes                               |
| <b>Belgium</b>         | Yes  | Yes                               |
| <b>Bulgaria</b>        | Yes  | Yes                               |
| <b>France</b>          | Yes  | Yes                               |
| <b>Germany</b>         | Yes  | Yes                               |
| <b>Denmark</b>         | Yes  | No                                |
| <b>Greece</b>          | Yes  | Yes                               |
| <b>Estonia</b>         | Yes  | No                                |
| <b>UK</b>              | Yes  | No                                |
| <b>Ireland</b>         | Yes  | Yes                               |
| <b>Spain</b>           | Yes  | No                                |
| <b>Italy</b>           | Yes  | No                                |
| <b>Croatia</b>         | Yes  | No                                |
| <b>Cyprus</b>          | Yes  | Yes                               |
| <b>Latvia</b>          | Yes  | Yes                               |
| <b>Lithuania</b>       | Yes  | Yes                               |
| <b>Luxembourg</b>      | Yes  | No                                |
| <b>Malta</b>           | Yes  | No                                |
| <b>The Netherlands</b> | No   | No                                |
| <b>Hungary</b>         | Yes  | Yes                               |
| <b>Poland</b>          | Yes  | Yes                               |
| <b>Portugal</b>        | Yes  | No                                |
| <b>Romania</b>         | Yes  | No                                |
| <b>Slovakia</b>        | Yes  | Yes                               |
| <b>Slovenia</b>        | No   | No                                |
| <b>Sweden</b>          | Yes  | Yes                               |
| <b>Czechia</b>         | Yes  | Yes                               |
| <b>Finland</b>         | Yes  | Yes                               |

*Edited by the authors, data source: Mutual Information System on Social Protection, 2019.*

Finally, as far as the **provision of a ‘guaranteed minimum pension’** to all pensioners is concerned, it should be underlined that this can take the form of: a) basic pension, b) national pension and c) minimum contributory pension. These can be accompanied by other social solidarity or social protection benefits. *Table 4* below presents the form of the ‘guaranteed minimum pension’ provided by each EU member-state.

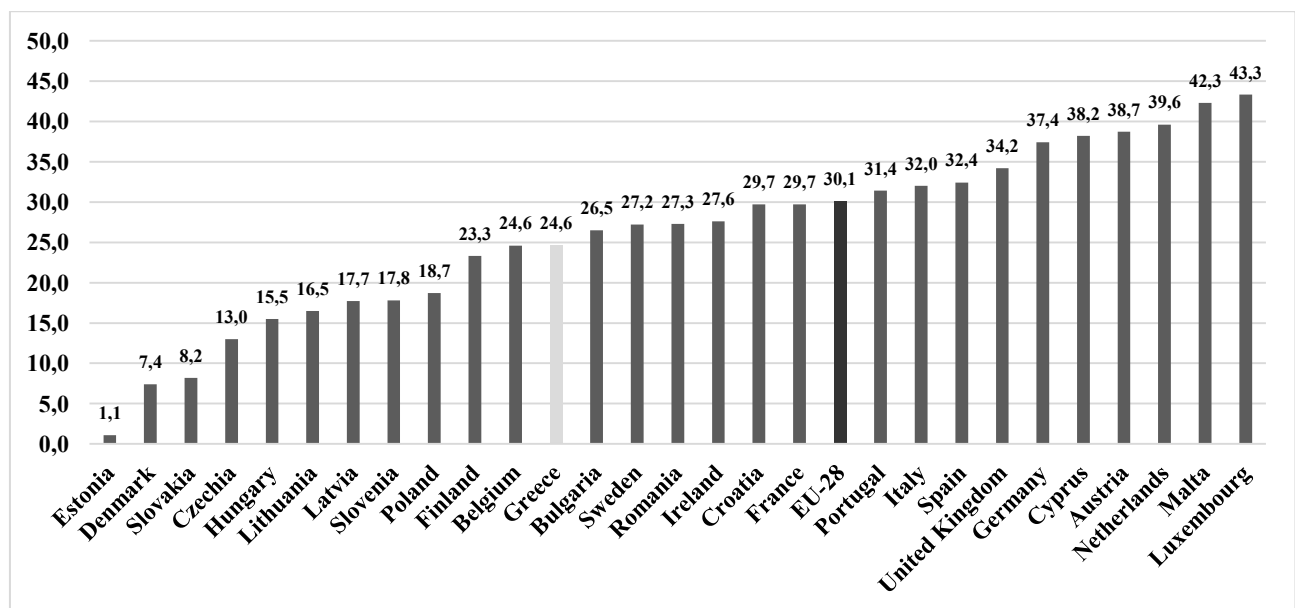
**Table 4: Provision of basic or national pension, minimum contributory pension and targeted social solidarity benefits, EU countries, 2019**

|                        | Basic or national pension (% difference in pension coverage of persons aged 65 or more) | Minimum contributory pension | Targeted social solidarity benefits |
|------------------------|---|------------------------------|-------------------------------------|
| <b>Austria</b>         |   |                              | X                                   |
| <b>Belgium</b>         |   | X                            | X                                   |
| <b>Bulgaria</b>        |   | X                            | X                                   |
| <b>France</b>          |   | X                            | X                                   |
| <b>Germany</b>         |   |                              | X                                   |
| <b>Denmark</b>         | Yes (-0.4)  |                              | X                                   |
| <b>Greece</b>          |   | X                            | X                                   |
| <b>Estonia</b>         |   |                              | X                                   |
| <b>UK</b>              |   |                              |                                     |
| <b>Ireland</b>         |   | X                            | X                                   |
| <b>Spain</b>           |   | X                            | X                                   |
| <b>Italy</b>           |   | X                            | X                                   |
| <b>Croatia</b>         |   | X                            |                                     |
| <b>Cyprus</b>          |   | X                            | X                                   |
| <b>Latvia</b>          |   | X                            | X                                   |
| <b>Lithuania</b>       |   | X                            | X                                   |
| <b>Luxembourg</b>      |   | X                            | X                                   |
| <b>Malta</b>           |   | X                            | X                                   |
| <b>The Netherlands</b> | Yes (0.1)   |                              |                                     |
| <b>Hungary</b>         |   | X                            | X                                   |
| <b>Poland</b>          |   | X                            |                                     |
| <b>Portugal</b>        |   | X                            | X                                   |
| <b>Romania</b>         |   |                              | X                                   |
| <b>Slovakia</b>        |   | X                            | X                                   |
| <b>Slovenia</b>        |   | X                            | X                                   |
| <b>Sweden</b>          | Yes (-0.9)  |                              | X                                   |
| <b>Czechia</b>         |   |                              | X                                   |
| <b>Finland</b>         | Yes (-0.2)  |                              |                                     |

*Edited by the authors, data source: Mutual Information System on Social Protection, 2019.*

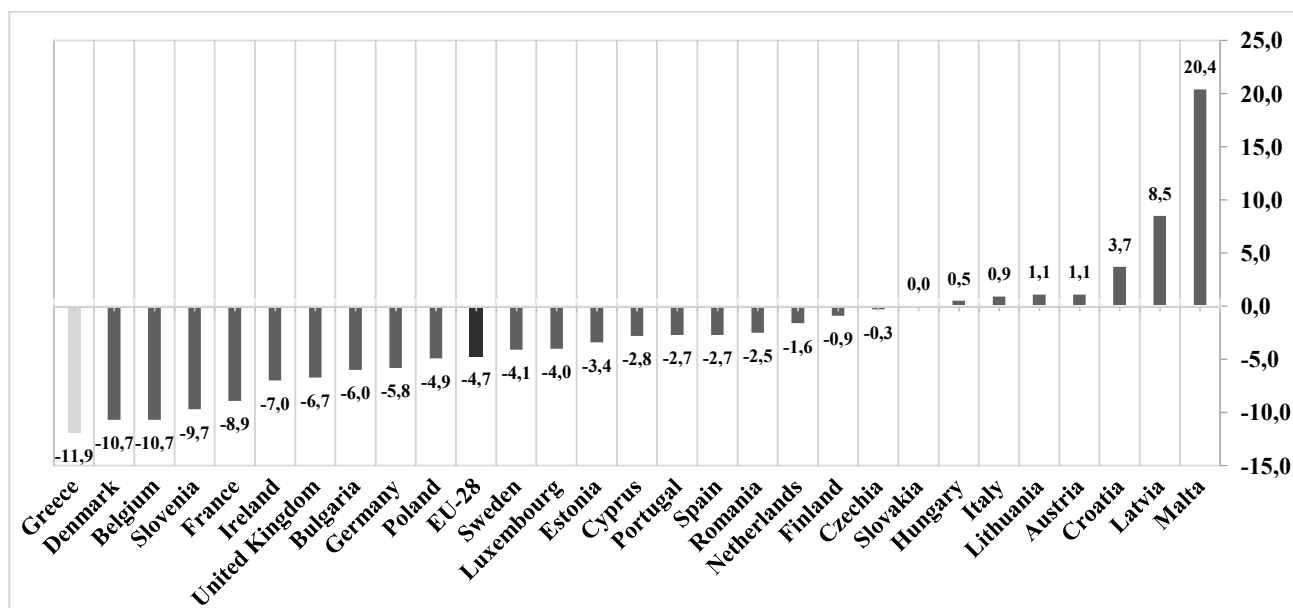
After the identification of the provisions of the pension system that are considered effective for tackling the gender pension gap by EU member-state, a benchmarking process was carried out. This was based on a comparative study which focused on analysing and assessing the most effective policies in tackling the gender pension gap in selected EU member states. The EU member-states were selected on the basis of their performance in specific indicators, such as the level of their gender pension gap (see *Figure 3*), the evolution of the gender pension gap over the period 2010-2018 (see *Figure 4*), and other indicators concerning the root causes of the gender pension gap (data from the LFS and EU-SILC surveys for the population aged 65+) (see *Figures 5-11*). This process led to the identification of those policies and measures that have a potential to be transferred to the Greek context.

**Figure 3: Gender pension gap (65 years or over), EU countries, 2018**



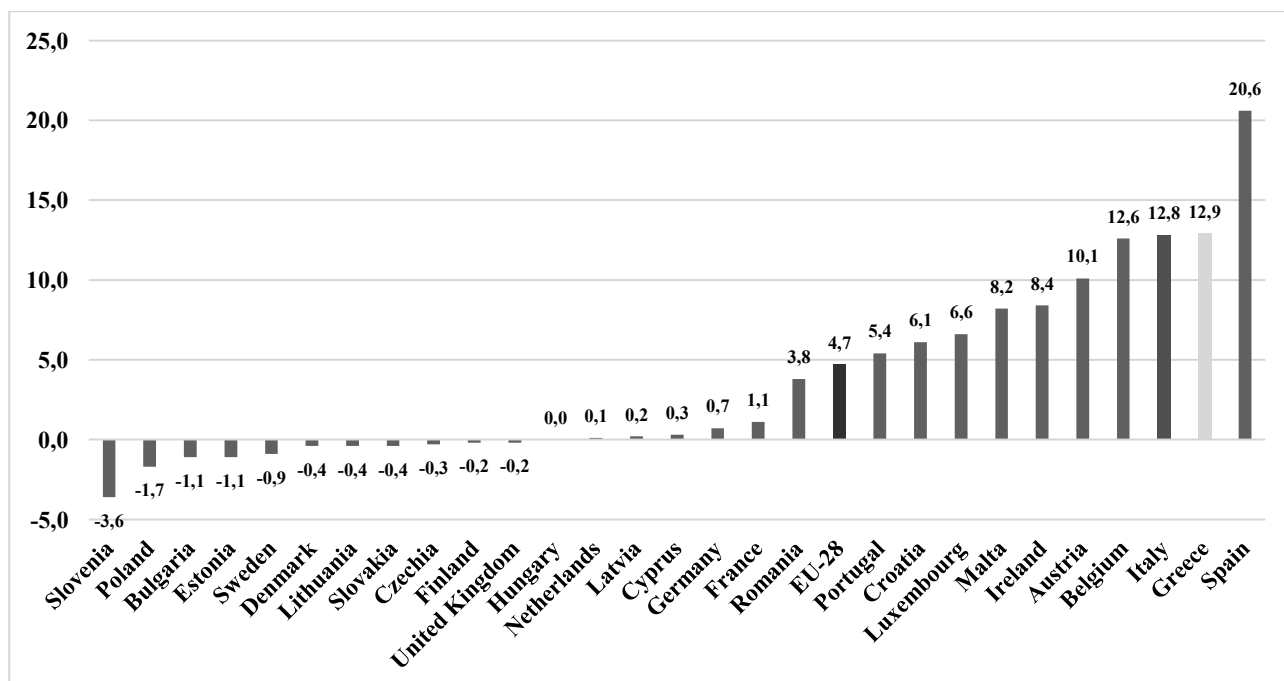
*Edited by the authors, source: Eurostat database, EU-SILC survey [ilc\_pnp13], Data extracted: 22/05/2020*

**Figure 4: Evolution of the gender pension gap (65 years or over), EU countries, 2010-2018**



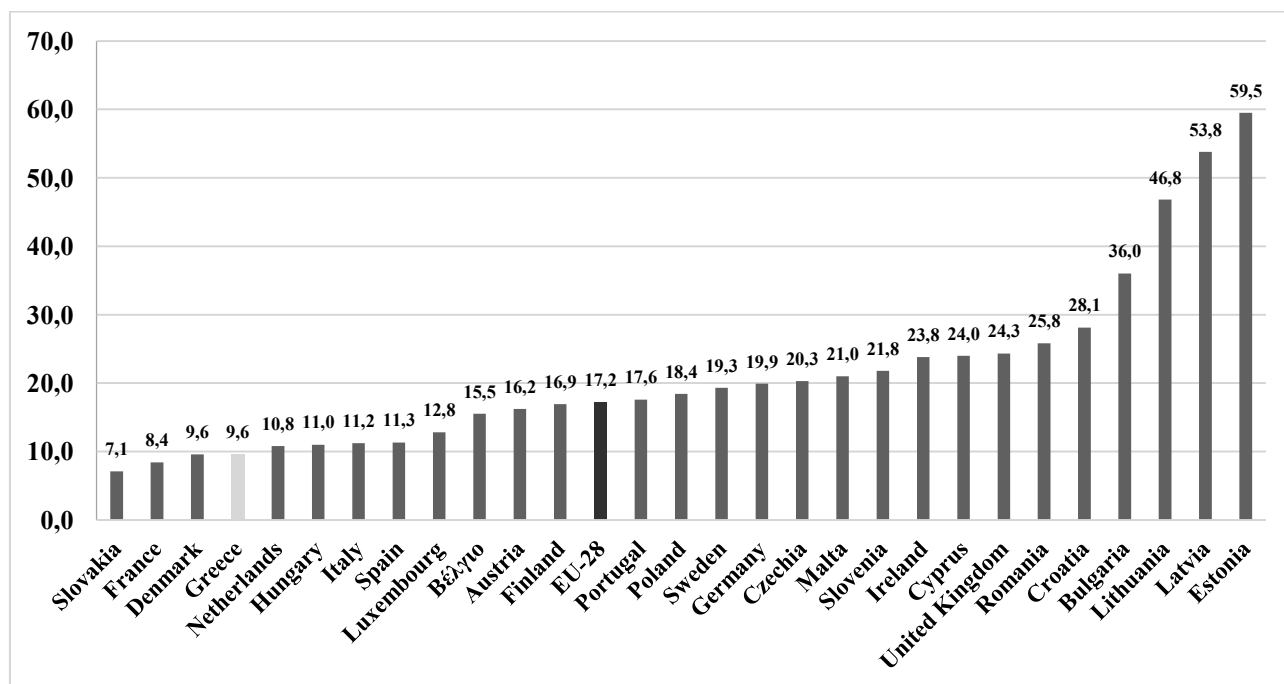
*Edited by the authors, data source: Eurostat database, EU-SILC survey [ilc\_pnp13], Data extracted: 22/05/2020.*

**Figure 5: Gender coverage rate in pension (65 years or over), EU countries, 2018 (in p.p.)**



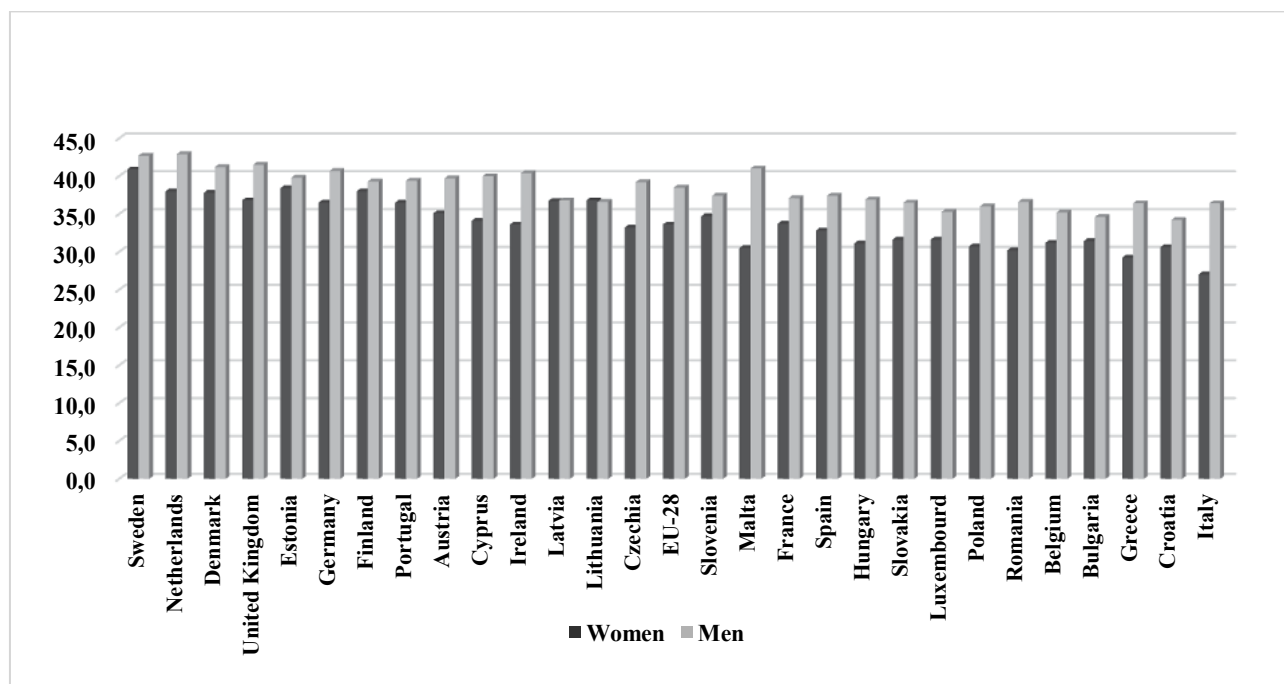
*Edited by the authors, data source: Eurostat database, EU-SILC survey [ilc\_pnp14], Data extracted: 22/05/2020.*

**Figure 6: At-risk-of-poverty rate for women pensioners 65 years or older (after social transfers), EU countries, 2018**



*Edited by the authors, data source: Eurostat database, EU-SILC survey [ilc\_pns6], Data extracted: 22/05/2020.*

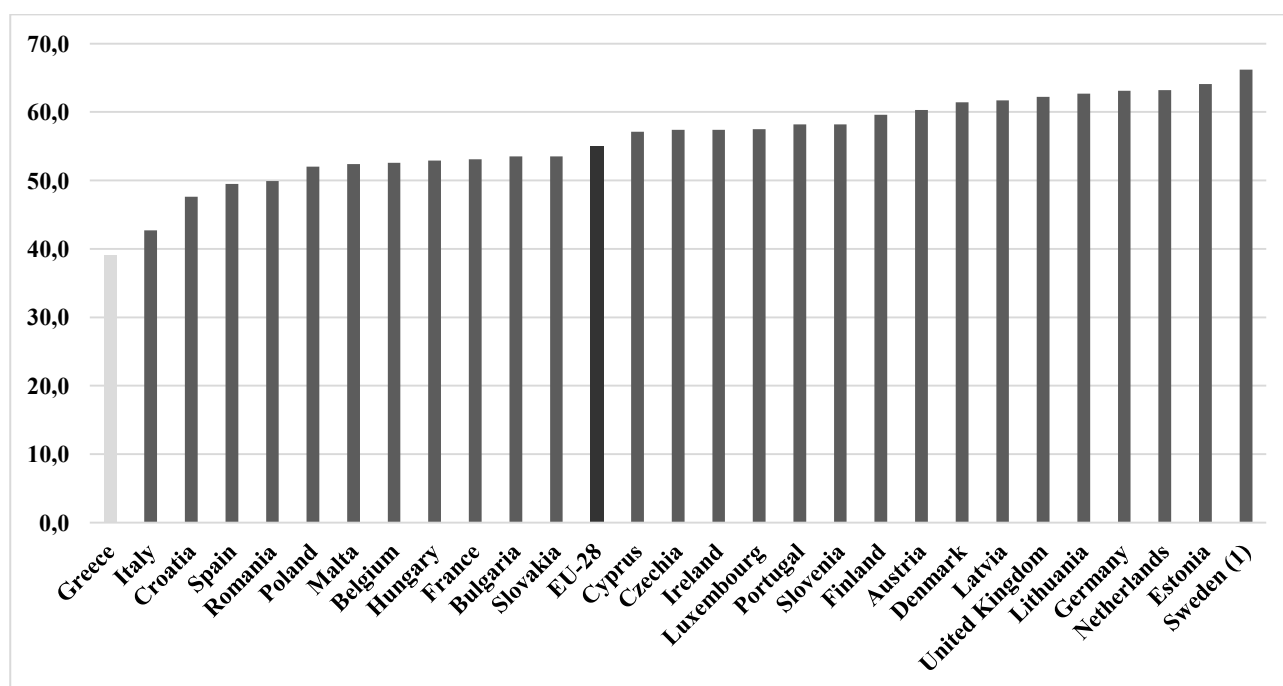
**Figure 7: Duration of working life in years (annual data), EU countries, 2018**



*Edited by the authors, data source: Eurostat database, LFS[lfsi\_dwl\_a], Data extracted: 22/05/2020.*

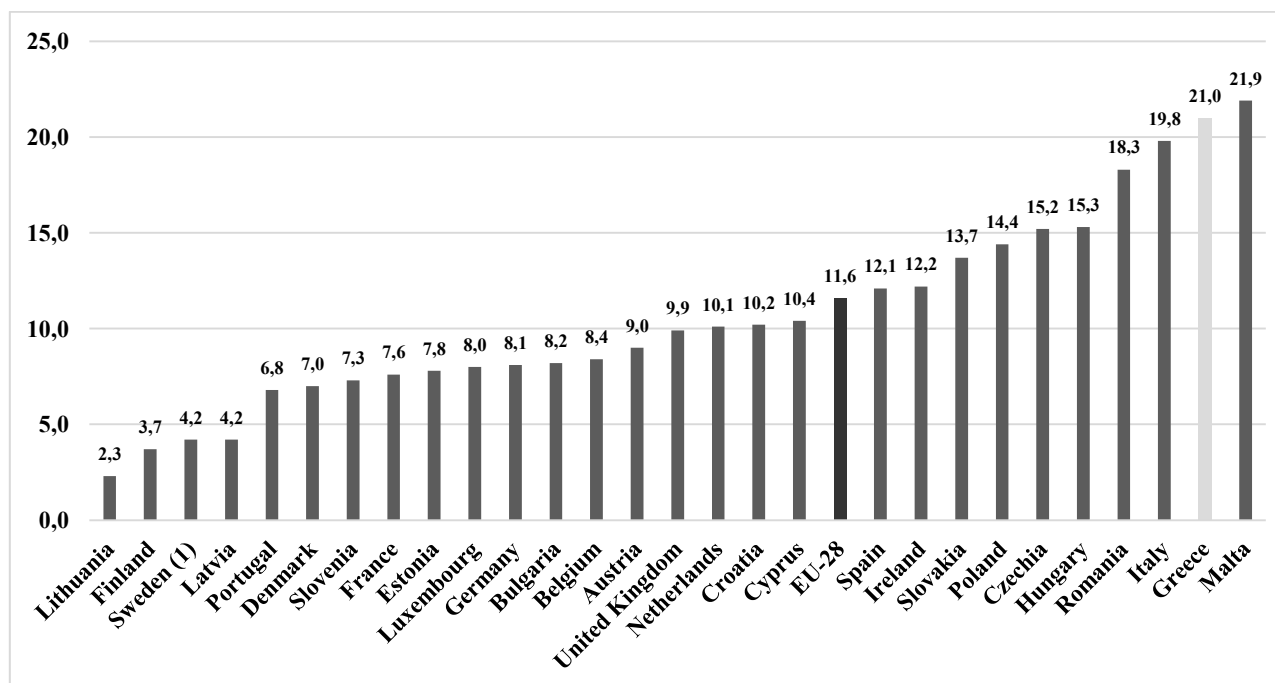


**Figure 8: Employment rate of women (15-74 years old), EU countries, 2018**



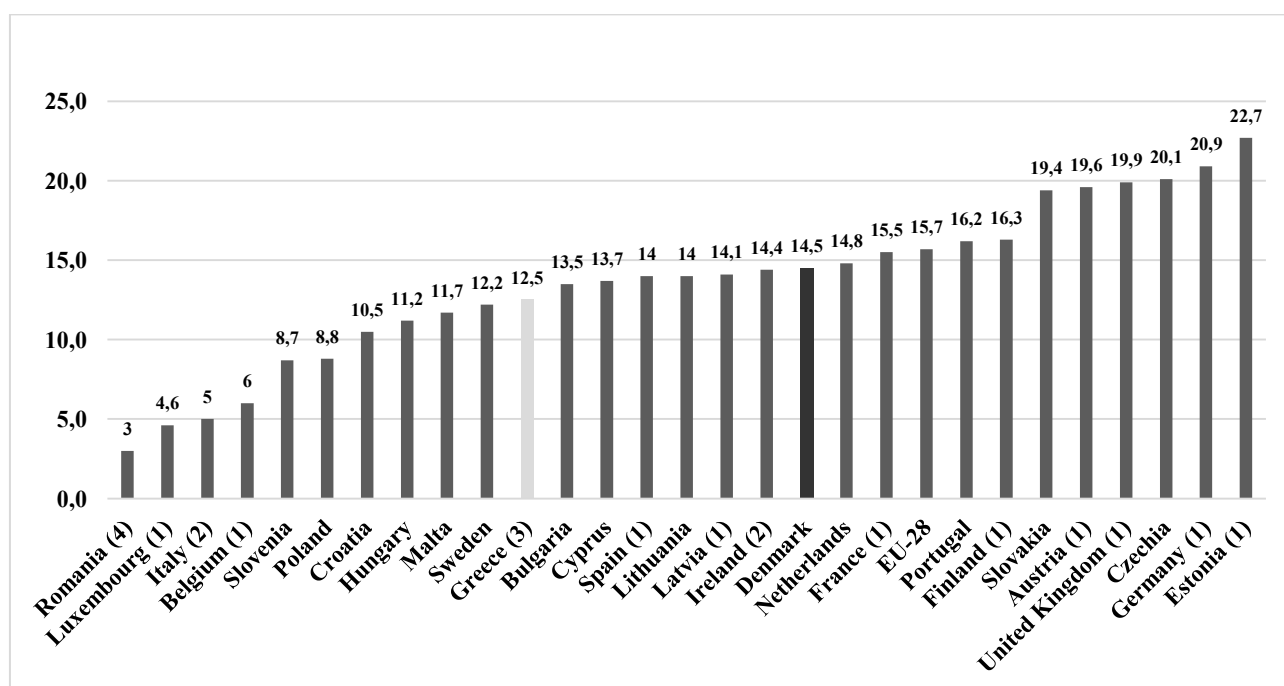
*Edited by the authors, data source: Eurostat database, LFS [lfsa\_ergan], Data extracted: 22/05/2020.*

**Figure 9: Gender employment gap (20-64 years old), EU countries, 2018, (in p.p.)**



*Edited by the authors, data source: Eurostat database, LFS [sdg\_05\_30], Data extracted: 22/05/2020.*

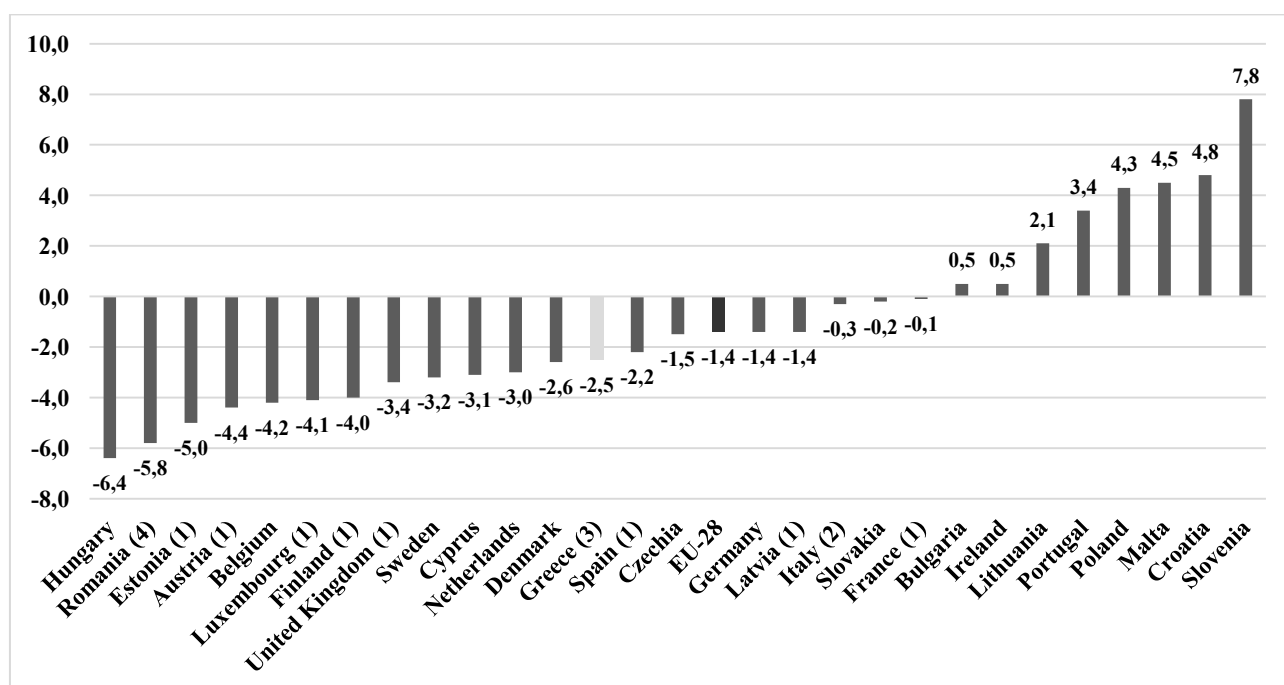
**Figure 10: Gender pay gap in unadjusted form, EU countries, 2018**



(1) Provisional data, (2) 2017 data, (3) 2014 data, (4) Estimated data

*Edited by the authors, data source: Eurostat database, [sdg\_05\_20], Data extracted: 22/05/2020.*

**Figure 11: Evolution of gender pay gap in unadjusted form, EU countries, 2010-2018**



(1) Provisional data, (2) 2010-2017 data, (3) 2010-2014 data, (4) Estimated data

*Edited by the authors, data source: Eurostat database, [sdg\_05\_20], Data extracted: 22/05/2020.*

The findings of this comparative study revealed that certain EU member-states have managed to keep a low gender pension gap (Estonia, Denmark, Slovenia) and/or have significantly reduced the gender pension gap over the period 2010-2018 (Denmark, Belgium), remaining below the respective EU-28 averages. In addition, Slovakia, Denmark and France are the countries with the lowest poverty related indicators for persons aged 65+, while Sweden, the Netherlands and Denmark appear to have the best performance in the employment-related indicators.

In order to combine the performance of the EU member-states and to categorise them based on their performance in all indicators cumulatively, a scoring system was used. In particular, each country was scored per indicator as follows: 1 (one) point if the performance of the country was worse by more than 20% of the respective EU-28 average, 2 (two) points if the country's performance was up to 20% worse or up to 20% better than the respective EU-28 average and 3 (three) points if the country's performance was better at more than 20% of the respective EU-28 average. In addition, 1 (one) point was given to the country that had the best performance per indicator (see *Table 5*). The results of this scoring system are presented in the *Table 6* below.

**Table 5: EU member-states with the best performance per indicator**

|              | Gender pension gap (65 years or over), 2018 | Evolution of gender pension gap (65 years or over), 2010-2018 (in p.p.) | Gender coverage rate in pension (65 years or over), 2018 (in p.p.) | At-risk-of-poverty rate for women pensioners 65 years or older (after social transfers), 2018 | At-risk-of-poverty rate for women 65 years or older (after social transfers), 2018 | Duration of working life (in years), 2018 | Employment rate of women (15-74 years old), 2018 | Gender employment gap (20-64 years old), 2018 (in p.p.) | Gender pay gap unadjusted form, 2018 | Evolution of gender pay gap unadjusted form, 2010-2018 (in p.p.) |
|--------------|---|---|--|---|--|---|--|---|--------------------------------------|--|
| <b>EU-28</b> | <b>30.1%</b>                                | <b>-4.7</b>   | <b>4.7</b>   | <b>17.2%</b>  | <b>18.1%</b>   | <b>33.6 years</b>                         | <b>55.0%</b>                                     | <b>11.6</b>   | <b>15.7%</b>                         | <b>-1.4</b>  |
|              | <b>Estonia</b><br>(1.1)                     | <b>Greece</b><br>(-11.9)  | <b>Slovenia</b><br>(-3.6)  | <b>Slovakia</b><br>(7.1)  | <b>Slovakia</b><br>(7.1)   | <b>Sweden</b><br>(40.9)                   | <b>Sweden</b><br>(66.2)                          | <b>Lithuania</b><br>(2.3)                               | <b>Romania</b><br>(3.0)              | <b>Hungary</b><br>(-6.4)   |
|              | <b>Denmark</b><br>(7.4)                     | <b>Denmark</b><br>(-10.7)   | <b>Poland</b><br>(-1.7)  | <b>France</b><br>(8.4)  | <b>Denmark</b><br>(8.8)  | <b>Estonia</b><br>(38.4)                  | <b>Estonia</b><br>(64.1)                         | <b>Finland</b><br>(3.7)                                 | <b>Luxembourg</b><br>(4.6)           | <b>Romania</b><br>(-5.8)   |
|              | <b>Slovakia</b><br>(8.2)                    | <b>Belgium</b><br>(-10.7)   | <b>Bulgaria</b><br>(-1.1)  | <b>Denmark</b><br>(9.6)   | <b>France</b><br>(8.9)   | <b>Netherlands</b><br>(38.0)              | <b>Netherlands</b><br>(63.2)                     | <b>Sweden</b><br>(4.2)                                  | <b>Italy</b><br>(5.0)                | <b>Estonia</b><br>(-5.0)   |

*Own calculations, data source: Eurostat*

Table6: Total scoring of EU member-states

|             | Gender pension gap (65 years or over), 2018 | Evolution gender pension gap (65 years or over), 2010-2018 | Gender coverage rate in pension (65 years or over), 2018 (in p.p.) | At-risk-of-poverty rate for women pensioners 65 years or older (after social transfers), 2018 | At-risk-of-poverty rate for women 65 years or older (after social transfers), 2018 | Duration of working life (in years), 2018 | Employment rate of women (15-74 years old), 2018 (in p.p.) | Gender employment gap (20-64 years old), 2018 (in p.p.) | Gender pay gap in unadjusted form, 2018 | Evolution of gender pay gap in unadjusted form, 2010-2018 | Total scoring |
|-------------|---|--|--|---|--|---|--|---|---|---|---------------|
| Denmark     | 4   | 4  | 3  | 4   | 4  | 3   | 2  | 3   | 2                                       | 3   | 32.0          |
| Sweden      | 2   | 2  | 3  | 2   | 2  | 4   | 4  | 4   | 3                                       | 3   | 29.0          |
| France      | 2   | 3  | 3  | 4   | 4  | 2   | 2  | 3   | 2                                       | 2   | 27.0          |
| Belgium     | 3   | 4  | 1  | 2   | 2  | 2   | 2  | 3   | 3                                       | 3   | 25.0          |
| Hungary     | 3   | 1  | 3  | 3   | 3  | 2   | 2  | 1   | 3                                       | 4   | 25.0          |
| Slovakia    | 4   | 1  | 3  | 4   | 4  | 2   | 2  | 2   | 1                                       | 2   | 25.0          |
| Greece      | 3   | 4  | 1  | 3   | 3  | 2   | 1  | 1   | 3                                       | 3   | 24.0          |
| Finland     | 3   | 1  | 3  | 2   | 2  | 2   | 2  | 4   | 2                                       | 3   | 24.0          |
| Netherlands | 1   | 1  | 3  | 3   | 3  | 3   | 3  | 2   | 2                                       | 3   | 24.0          |
| Estonia     | 4   | 2  | 3  | 1   | 1  | 2   | 3  | 3   | 1                                       | 4   | 24.0          |
| Luxembourg  | 1   | 2  | 1  | 3   | 2  | 2   | 2  | 3   | 4                                       | 3   | 23.0          |
| Slovenia    | 3   | 3  | 4  | 1   | 1  | 2   | 2  | 3   | 3                                       | 1   | 23.0          |
| Poland      | 3   | 2  | 4  | 2   | 2  | 2   | 2  | 1   | 3                                       | 1   | 22.0          |
| Germany     | 1   | 3  | 3  | 2   | 2  | 2   | 2  | 3   | 1                                       | 2   | 21.0          |
| Bulgaria    | 2   | 3  | 4  | 1   | 1  | 2   | 2  | 3   | 2                                       | 1   | 21.0          |
| Spain       | 2   | 1  | 1  | 3   | 2  | 2   | 2  | 2   | 2                                       | 3   | 20.0          |
| Romania     | 2   | 1  | 2  | 1   | 1  | 2   | 2  | 1   | 4                                       | 4   | 20.0          |
| UK          | 2   | 3  | 3  | 1   | 1  | 2   | 2  | 2   | 1                                       | 3   | 20.0          |
| Latvia      | 3   | 1  | 3  | 1   | 1  | 2   | 2  | 3   | 2                                       | 2   | 20.0          |
| Czechia     | 3   | 1  | 3  | 2   | 2  | 2   | 2  | 1   | 1                                       | 3   | 20.0          |
| Lithuania   | 3   | 1  | 3  | 1   | 1  | 2   | 2  | 4   | 2                                       | 1   | 20.0          |
| Italy       | 2   | 1  | 1  | 3   | 2  | 2   | 1  | 1   | 4                                       | 2   | 19.0          |
| Portugal    | 2   | 1  | 2  | 2   | 2  | 2   | 2  | 3   | 2                                       | 1   | 19.0          |
| Cyprus      | 1   | 1  | 3  | 1   | 1  | 2   | 2  | 2   | 2                                       | 3   | 18.0          |
| Austria     | 1   | 1  | 1  | 2   | 2  | 2   | 2  | 2   | 1                                       | 3   | 17.0          |
| Ireland     | 2   | 3  | 1  | 1   | 1  | 2   | 2  | 2   | 2                                       | 1   | 17.0          |
| Croatia     | 2   | 1  | 1  | 1   | 1  | 2   | 2  | 2   | 3                                       | 1   | 16.0          |
| Malta       | 1   | 1  | 1  | 1   | 1  | 2   | 2  | 1   | 3                                       | 1   | 14.0          |

\*The countries with the best performance per indicator are shown in blue.

Edited by the authors, own calculations, data source: Eurostat database.

For the member-states with the best scoring, namely Denmark, Sweden, France and Belgium, a comparative presentation of their relevant policies that have contributed to their positive results was made. This process allowed for the identification of those policies and measures that have a potential to be transferred to the Greek context.

Based on the findings of the activities of this project, a comprehensive framework of policy recommendations to address the gender pension gap in Greece was developed. Before embarking into the analysis of the proposed measures, it is considered necessary to point out that in order to effectively address the gender pension gap any interventions should be multilevel, in line with the complexity of the phenomenon. The proposed measures should, thus, focus mainly on the policy areas that affect it, namely the functioning of the labour market and the family status. As already mentioned, the gender inequalities that prevail in the labour market (earnings/wages, work intensity, duration of working life, representation of women in positions of responsibility), are now the root causes of the gender pension gap in Greece in combination with the unequal distribution of caring responsibilities. Therefore, addressing the gender pension gap in the country requires, among others, interventions to eliminate these gender inequalities.

However, an intervention in policy areas that affect the labour market today is expected to affect positively the formation of the future gender pension gap in the country, given that tomorrow's gap in pensions is influenced by today's employment and current pension reforms. This is congruent with the fact that an intervention in the labour market will affect today's employed persons and, thus, its results will be reflected in future pensions. The same applies for the interventions which aim at reconciling work and family life, given that these interventions concern mainly today's employed mothers. Therefore, apart from the fact that these interventions presuppose structural changes, they will not have direct results or an immediate effect on narrowing the gender gap in pensions, but they can potentially affect its formation in the long run.

On the other hand, a reform of the pension system will be more effective in reducing the gender pension gap in the medium run, as it will be directly applicable to new pensioners and to employees who are close to the retirement age. In addition, an intervention in the pension provisions can also act as a filter for the gender inequalities that women face in the labour market. In this way, the pension system will

function “correctively”, without perpetuating these inequalities in retirement, while at the same time it will contribute to the immediate improvement of the gender pension gap. Moreover, interventions in the pension system can lead to an amelioration of the adequacy of the pensions of new pensioners and, consequently, to an improvement in their standard of living, thus contributing to the reduction of pensioners experiencing poverty and social exclusion.

In this context, and without underestimating the role of adopting measures in the labour market, it is considered necessary to place particular emphasis on the pension system, given that, as already mentioned, interventions in the pension system are expected to have a direct impact on the gender pension gap. In any case, the proposals include measures aimed at reducing gender inequalities in the labour market and caring responsibilities, as these are expected to influence the future gender pension gap in the country.

Taking into account the complexity of the phenomenon and its special features for the case of Greece, the institutional arrangements that -according to the literature- are considered to contribute to addressing the gender pension gap as well as the best practices of EU member-states, the following policy proposals that can be implemented in Greece have been developed. It should be pointed out that these policy proposals were formulated, on the one hand, on the basis of the relevant experience of other EU member-states and the best practices identified, and on the other hand, by evaluating their transferability and adaptation to the Greek reality, taking into account the characteristics of the Greek labour market and the Greek social insurance system.

## POLICY PROPOSALS FOR TACKLING THE GENDER PENSION GAP IN GREECE

On this basis and building upon the findings of all research activities the following measures are proposed:

### **i) the extension the possibility of taking into account ‘notional years of insurance’ (credits for non-contributory periods)**

In Greece, the pension system provides for the possibility to take into account periods for which no contributions have been paid (so-called ‘notional years of insurance’). In particular, the system provides the possibility to take into account up to 7 ‘notional years of insurance’, provided that the insured person has completed at least 12 years of contributions or 3,600 working days. It is possible to recognise ‘notional years of insurance’ by paying a specified amount for specific periods of career break (e.g. military service, parental leave) as well as without paying for the following periods: periods of subsidised unemployment (up to 1 year), period of sickness (up to 1 year) and for periods of pregnancy and childbirth. The latter, however, are only taken into account for pension entitlement and not for the calculation of the amount of the pension benefit.

In this context, it is proposed in particular:

- To reduce the prerequisite years of contributions for the possibility to take into account ‘notional years of insurance’ (less than 12 years of insurance).
- To increase the number of years that can be taken into account as ‘notional years of insurance’ (more than 7 years).
- To provide the possibility to take into account all ‘notional years of insurance’ for the calculation of the amount of the pension benefit.
- To extend the possibility of taking into account ‘notional years of insurance’ without purchase for the career breaks relating to:
  - The provision of care to dependent persons of the family (children and disabled persons with more than 67% level of disability),
  - Non-subsidised unemployment either for the years following a period of subsidised unemployment or following a dismissal of a person who is not eligible for the unemployment benefit.



- To take into account as a period of regular insurance based on the amount of the last salary all periods of sickness, pregnancy and childbirth.

These proposed measures are based on the successful implementation of relevant provisions in France and Belgium, whose pension systems are similar to the Greek system. In particular, the implementation of a relevant policy which provides that certain periods are either credited or taken into consideration for pensions in France appears to have contributed in maintaining a low gender gap in social insurance coverage (i.e. only 1.1 percentage points in 2018). In addition, the relevant provisions of ‘assimilated periods’ in Belgium, which concern all insured persons, have contributed to the reduction of the gender pension gap in coverage by 10.7 percentage points over the period 2010-2018.

Therefore, the adoption of these measures is expected to reform the pension system by providing the necessary mechanisms in order for the pension system to act ‘correctively’ by eliminating the consequences of non-activity periods, especially as regards unemployment, maternity and care responsibilities. Extending the possibility to take into account ‘notional years of insurance’ will contribute in increasing women’s contribution periods and, thus, in helping women to fulfil the eligibility criteria for pension entitlement. This, in turn, will contribute in reducing the gender gap in social insurance coverage.

At the same time, the possibility of taking into account the ‘notional years of insurance’ for the calculation of pension benefits will increase the replacement rates and, thus, it will improve the amount of the contributory pension benefit, while in some cases (less than 20 years of contributions) it will improve the amount of the national pension benefit. Given this, women’s economic independence will be strengthened, affecting positively the gender pension gap, while reducing poverty and social exclusion for women pensioners.

## **ii) the introduction of predetermined minimum annual pensionable earnings along with a minimum contributory pension benefit**

In Greece, the key factors for the determination of the contributory pension (which is one of the two parts of the primary pension) is the amount of contributions, the contribution period (total years of contributions/insurance) and the replacement rates

which are specified by law. In particular, the contributory pension is calculated by adding the annual replacement rates for the total years of insurance (both contributory and notional) and multiplying this sum with the pensionable earnings. The latter is the average earnings for which contributions were paid over the working life of the insured person.

In this context, it is proposed:

- To adopt predetermined guaranteed minimum annual pensionable earnings for all insured persons with more than the minimum years of insurance of the retirement conditions (15 years of insurance today). The predetermined guaranteed minimum annual pensionable earnings will be calculated on the basis of the minimum wage of the unskilled worker (€ 650 today) and will be used to calculate the contributory pension for each year in which the resulting actual pensionable earnings are lower. More specifically, they will be used either for the years when the average monthly wage falls short of the minimum wage of the unskilled worker or for years of work with no full insurance (provided that the insured person has a minimum period of insurance for at least 9 months). These predetermined guaranteed minimum annual pensionable earnings will be applied without any eligibility criterion, while they may be increased depending on the dependent children and/or family members with disabilities.
- To introduce a guaranteed/minimum contributory pension benefit for all the insured persons who fulfil the retirement conditions (15 years of insurance today). The amount of the minimum contributory pension benefit will be calculated by the sum of the annual replacement rates corresponding to the minimum years of insurance (according to the respective retirement conditions), multiplied by the respective minimum wage. The minimum contributory pension benefit is paid to the insured persons whose contributory pension (on the basis of their actual pensionable earnings) is less than the amount of the minimum contributory pension benefit. The amount of the minimum contributory pension benefit may be increased depending on the dependent children and/or family members with disabilities.

These measures are proposed based on the relevant provisions of the pension systems in France and in Belgium. In France, the pension system provides a minimum pension

to all insured persons who are granted low pension benefits, without having to fulfil any eligibility criterion. In Belgium, the guaranteed minimum wage is applied in order to absorb the effects of part-time employment and of low earnings on pension benefits.

The adoption of these policy measures introduces a 'guaranteed/minimum contributory pension' for all insured persons, while improving the ability of the pension system to reduce the negative effects of gender differences during working life (duration of employment, wages/earning on the amount of pensions granted. In addition, it can absorb (or compensate for) the effects of care responsibilities, which mainly affect, as the relevant data show, the choices of women during their working life. Finally, it improves the impact of informal forms of employment and unpaid work on pensions, both for women and men, as fluctuations in income or temporary breaks will not affect the calculation of the contributory pension.

### **iii) the introduction of a guaranteed minimum pension income**

The Greek pension system provides the provision of primary pensions, which consist of two parts: a) the national pension (financed by the state budget) and b) the compulsory contributory pension which operates under a defined-benefit pay-as-you-go scheme (unfunded scheme). More specifically, the national pension is provided to pensioners who fulfil the retirement conditions, based on the years of residence in Greece; the full amount of the national pension is € 384 per month, which is equal to the at-risk-of poverty threshold for a single person for 2014 and provided to pensioners who have 40 years of residence and at least 20 years of insurance. This amount is reduced by 2% for every year which falls short from 20 to 15 years of insurance. It should be noted, however, that the amount of the national pension of all insured persons (natives or foreigners) is to be reduced by 1/40 for each year below the 40 years of permanent residence required.

In this context, the introduction of a guaranteed minimum pension income is proposed. This should include the two parts of the primary pensions, namely the national pension and the contributory pension. In particular, it is proposed:

- To link the amount of the national pension with the at-risk-of poverty threshold.
- In cases where the total amount of both the national and the contributory pension is less than the amount of the full national pension, no reduction will be

applied so as to ensure that the amount of the total pension benefit is not lower than the poverty threshold.

This policy proposal is based on the relevant experience of EU member-states (Denmark through the provision of the “public pension”, Sweden through the provision of the “guarantee pension”, France through the provision of “solidarity allowance for old people” and Belgium through the provision of “guaranteed minimum pension”), adapted to the particularities of Greece and its pension system. The adoption of these measures will improve the amount of pension benefits of people with less than 20 years of contributions and lower wages/earnings, ensuring at the same time a minimum standard of living above the poverty threshold. It is clear that, although these measures concern mainly women, men can also benefit from them. Therefore, the adoption of this policy measure is not a positive measure in favour of women and remains in accordance with the principles of equal treatment. Following from above, it becomes evident that these measures will contribute to closing the gender pension gap as well as to the prevention of poverty for pensioners by ensuring a decent standard of living for all retirees, strengthening social solidarity and reinforcing the redistributive elements of the pension system.

To sum up, all these proposed measures are considered necessary to address effectively the gender pension gap in Greece, as their results are expected to be immediate and, thus, they will have a positive effect on gender pension gap in the medium and long term. The adoption of these policy proposals will reform the country’s pension system in a way that it will no longer constitute a “neutral filter” of gender inequalities in the labour market, but instead it will provide the mechanisms to absorb these inequalities at retirement. At the same time, it will ensure an adequate standard of living for all pensioners, both men and women.

In any case, it should be underlined that eliminating the gender pension gap presupposes the adoption of multilevel interventions in all policy areas that affect it. In this context, it is considered necessary to provide certain policy recommendations concerning the other factors that affect the gender pension gap, namely the labour market and the family status.

More specifically, to increase women’s participation in the labour market, policies aimed to equal sharing of caring responsibilities are vital. In this context, in order to

ensure the reconciliation of work and family, it is necessary to ensure access to high quality and affordable childcare and long-term care services for the elderly and disabled persons. Yet, this presupposes the development of relevant structures in the country. This measure will contribute to the release of women from the caring responsibilities and will eventually lead to the increase of women participation in employment.

Moreover, the introduction of ‘paternity leave’ on similar terms to those provided for maternity leave is considered necessary in order to achieve an equal sharing of childcare responsibilities. In this respect, particular emphasis should be placed on equating the provisions for maternity leave (and parental leave in general) between the private and public sector so as to create a unified framework of parental leave, which will ensure equal treatment in all sectors of the labour market.

In addition, effectively eliminating the gender pay gap requires addressing the gender pay gap, which is a multidimensional phenomenon that is not related to a single factor. To this end, it is necessary to establish appropriate mechanisms that will promote and monitor the implementation of the principle of equal pay for equal work in order to ensure its proper and effective implementation. Consequently, in order to reduce the pay gap, it is necessary to adopt measures to combat vertical and horizontal gender segregation in the labour market and to take action to promote equal opportunities for participation and equal treatment for men and women in matters of employment.

All these should be accompanied by awareness-raising and systematic information initiatives by the relevant policy makers, the social partners and all the organisations involved. This will help inform citizens, on the one hand, about their rights and, on the other, about the impact of individual choices during working life on pensions and their quality of life. In addition, information and awareness-raising activities should target not only women but the general population with an emphasis on employees and employers, as well as public officials, with the aim of contributing to the change of patterns, attitudes and perceptions of men and women about the stereotypes and social norms for the division of roles in both family and professional life. An indicative example in this respect is the proposal to establish a “Day for Equality in Earnings and Pensions”, an initiative which has been established in several EU countries with encouraging results for the degree of awareness and information of the citizens.

Furthermore, it is considered necessary to point out that a personal approach to information and legal aid in labour and social insurance issues should be provided free of charge to all persons, especially to women. This need was also expressed by women who participated in the focus groups implemented by the Research Centre for Gender Equality (KETHI) in the framework of this project. In particular, women stressed the need for counseling services and better information about their employment/pension/insurance rights as well as for activation of women's movement in order to promote women's demands.<sup>8</sup> To this end, the European experience and the relevant good practices and initiatives on information and raising awareness about the gender pay and pension gap, as identified by the Research Centre for Gender Equality (KETHI) in the framework of this project should be utilised.<sup>9</sup> In any case, there is a need for greater mobilisation and coordination of all national stakeholders involved through the exchange of know-how and good practices.

Overall, **addressing the gender pension gap in Greece remains a challenge**, given that, as highlighted by this report, it is a phenomenon linked to many different policy areas. The need to address this challenge becomes even more imperative in the context of population ageing, given that Greece has one of the highest shares of persons aged 65+ in the total population among the EU member-states. As Greece's population is ageing, the number and share of older women in the population is expected to increase further due to their longer life expectancy. Thus, concerted action is needed to address the gender pension gap in Greece, as women, who will constitute the majority of pensioners in the future, and are more likely to live on their own, will be at a greater risk of poverty and social exclusion in the future.

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<sup>8</sup>Theofilopoulos Th. & Moschovakou N. (2020), *Research Report*, Athens, Research Centre for Gender Equality (KETHI), available at: <https://www.kethi.gr/sites/default/files/wp-content/uploads/2019/10/https://www.kethi.gr/sites/default/files/wp-content/uploads/2019/10/Ερευνητική-Έκθεση.pdf> (in Greek).

<sup>9</sup> Germotsi V., Theofilopoulos Th. & Moschovakou N. (2020), *Good Practice Guide*, Athens, Research Centre for Gender Equality (KETHI), available at: [https://www.kethi.gr/sites/default/files/wp-content/uploads/2019/10/ΟΔΗΓΟΣ-ΚΑΛΩΝ-ΠΡΑΚΤΙΚΩΝ\\_PEGASUS.pdf](https://www.kethi.gr/sites/default/files/wp-content/uploads/2019/10/ΟΔΗΓΟΣ-ΚΑΛΩΝ-ΠΡΑΚΤΙΚΩΝ_PEGASUS.pdf) (in Greek).











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