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Gender Gap in Pensions: Looking ahead

STUDY FOR THE FEMM COMMITTEE

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POLICY DEPARTMENT C: CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS

WOMEN'S RIGHTS & GENDER EQUALITY

Gender Gap in Pensions: Looking ahead

STUDY

Abstract

The study was commissioned overseen and published by the European Parliament's Policy Department for Citizens' Rights and Constitutional Affairs at the request of the FEMM Committee. The issue of gender gap in pensions has aroused increasing attention over recent years. While the current gap in pension levels between men and women reflects past labour market tendencies and design of pension systems, pronounced changes have occurred with regard to both employment of women and pension systems.

The ageing population has stimulated revision to pension systems, including raising retirement age and the introduction of a closer correspondence between lifetime earnings and pension levels. These changes will influence the pattern in the future gender pension gap.

This report recommends an approach to assessment of the future gender pension gap using the Forward-looking Gender Pension Gap Index. The index proposed spans two domains: the employment gap and pension system compensation. Both these domains impact tomorrow's distribution of pensions between men and women.

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LIST OF ABBREVIATIONS

AAI	Active Ageing Index
CEE	Central and Eastern Europe
EU	European Union
EU - EQLS	European Quality of Life Survey
EU - LFS	European Labour Force Survey
EU - SILC	European Survey of Income and Living Conditions
FGPGI	Forward-looking Gender Pension Gap Index
GDP	Gross Domestic Product
HDI	Humand Development Index
OECD	Organisation for Economic Development and Cooperation
PAR	Pension Adequacy Report
TRR	Theoretical Replacement Rate
UNDP	United Nations Development Programme

LIST OF ABBREVIATIONS OF EU COUNTRIES

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
HR	Croatia
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

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EXECUTIVE SUMMARY

Background

Women and men in Europe experience different life course developments, which reflect their choices and roles in relation to employment and family responsibility, in addition to educational attainment, aspirations and individual preference. These developments vary over time, while socio-economic conditions prevailing in Europe are also subject to change. Population ageing is the main driver for pension system reform, for which the main incentive is to maintain the sustainability and adequacy of those systems. Socio-economic changes in labour markets, stemming from globalisation, among other factors, transform labour markets themselves – causing many forms of atypical employment to emerge. All these influences are life changing irrespective of gender.

One important outcome from gender specific life choices is the gender pension gap. Today, an average retired woman in Europe receives a pension almost 40% lower than her male counterpart. This difference reflects yesterday's differences in the labour market and pension systems. Today's labour market developments and pension system reforms will contribute to the gender pension gap of tomorrow.

Aim

This study offers an approach to prediction of the gender pension gap, offering a broad perspective on contributions from various relevant factors.

Forward-looking Gender Pension Gap Index

The proposed Forward-looking Gender Pension Gap Index is a multi-dimensional measure covering two domains:

1. Employment gaps
2. Pension system compensation

The first domain reflects various aspects of women's presence on the labour market, so affecting future pensions. The second captures characteristics of pension systems that can either attenuate or widen the gap.

Selection of these indicators in the two domains pursues the main goal, that is, to capture the influence of employment history, in conjunction with pension system design, on the magnitude of the gender pension gap. Choice of relevant indicators offers a comparative perspective on the position of different countries and in turn, informs development of strategies to narrow the potential gender pension gap. Indicators selected for the first domain include: (i) gap years from employment, compared to the full-time career used to assess future pension adequacy; (ii) the gender pay gap and iii) the work intensity gap owed to women in part-time employment. In the second domain, there are four indicators to reflect projected theoretical replacement rates of workers starting employment in 2013: (i) career break compensation; (ii) pension redistribution; (iii) pension indexation and (iv) retirement age difference.

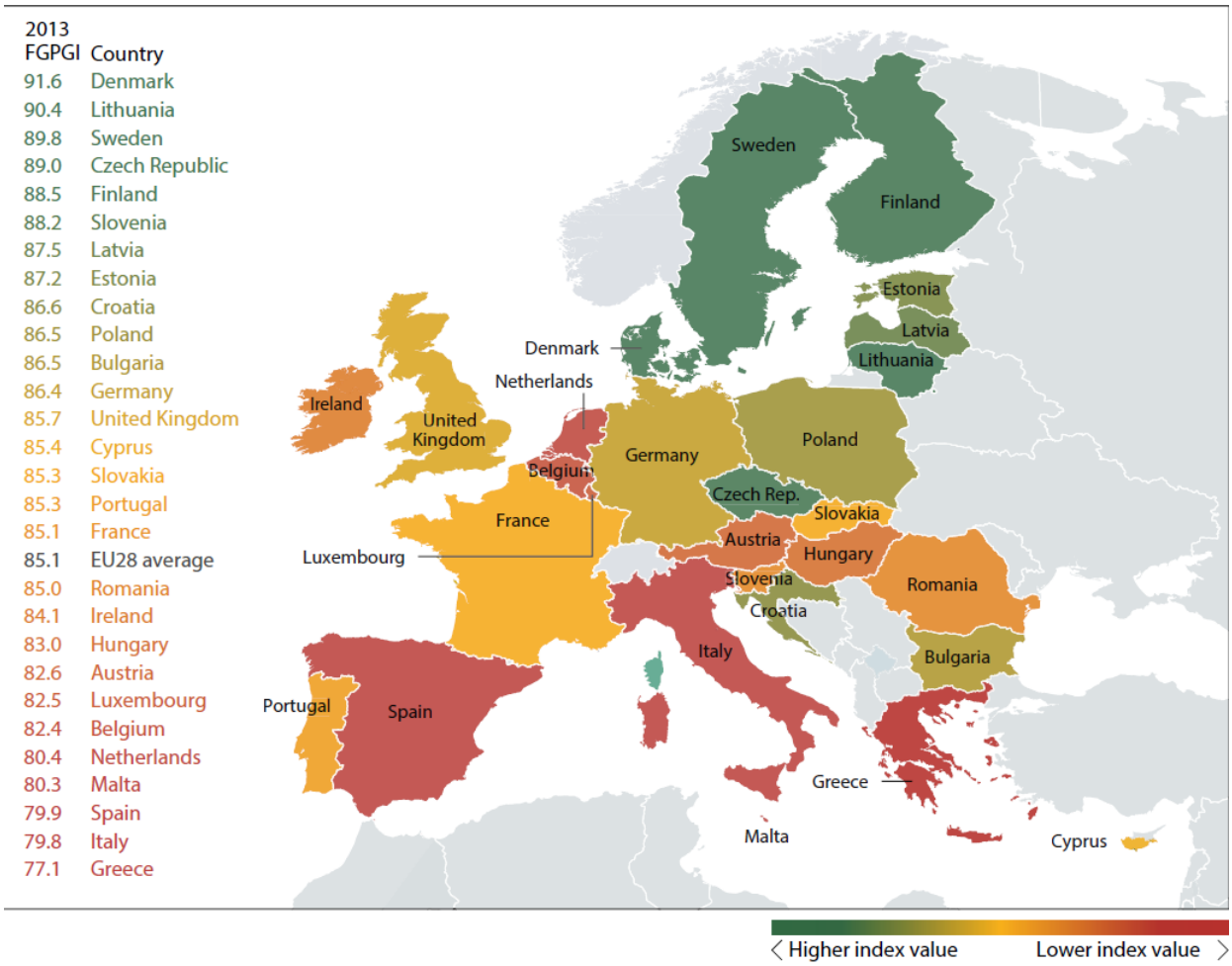
The choice of indicators is rooted in the principles of comparability, sustainability, measurement of outcomes, focus on the current generation of working women and coverage.

The proposed index is based on weights chosen to reflect expert assessment of the risk posed by selected indicators on the future gender pension gap.

How countries score?

The assessment of the Forward-looking Gender Pension Gap Index indicates that the gender pension gap is likely to be sustained into the future, both due to labour market differences and pension system design. Countries with the lowest exposure to risk of the future gender pension gap are: Denmark, Lithuania, Sweden, the Czech Republic and Finland, while those facing higher risk include: Greece, Italy, Spain, Malta and the Netherlands.

Ranking of the 28 EU Member States on the basis of the 2013 overall Forward-looking Gender Pension Gap Index



Policy implications

In order to increase women's pension entitlements, policies aimed to reduce labour market differences are crucial. These include:

- Facilitating smooth school-to-work transition and reduction of risks that lead to lack of employment at the start of the labour market paths;
- Policies strengthening reconciliation of work and family rôles, including access to high quality and affordable care facilities;
- Policies stimulating extended working lives;
- Policies promoting equal pay for equal work, as well as promoting equal access for men and women to employment in different sectors.

Pension systems should be monitored from the perspective of performance in their effects on the gender pension gap. This should cover, most importantly:

- Allocation of pension credits for career breaks, related not only to childcare, but also to care of other family members, particularly in the light of an ageing population and the rising numbers of older people requiring care or support;
- Equalisation of actual retirement ages for men and women;
- Monitoring outcomes from pension indexation rules that could lead to widening of the gap of pension levels in respect of older women.

1. INTRODUCTION

At the request of the FEMM committee, this study presents our recommendations for the prediction of the future profile of the gender pension gap. There are persistent differences between levels of pension income to men and women in all EU countries, as evidenced by the current gender pension gap (Bettio, Tinios, Betti, Gagliardi, & Georgiadis, 2012). This situation is the product of past developments on the labour market, further influenced by change in pension systems.

In both of these areas, there have been significant changes in recent years. Women active on the labour market have increased in numbers, which means that they now contribute proportionately more towards their future pensions. Pension systems have also changed. Reform of pension systems frequently targets improved fiscal sustainability of pensions, which often also implies a reduction in the ratio between pensions and wages. Many countries have also introduced closer correspondence between lifetime earnings and pension entitlement. This means that labour market differences, particularly between men and women, are accentuated into pension differences.

There are very limited possibilities for policy responses to narrow the current gender pension gap. However, the future gender pension disparity can be influenced by coordinated policies, covering both the labour market and design of the pension system. For the labour market, policies should focus on closing gender related gaps in employment and wages. For the pension system itself, policies should include appropriate compensatory measures.

Therefore, there is a clear need for a forward-looking gender pension gap indicator to forecast the gender pension gap in the future, while reflecting the current labour market situation in conjunction with current design of pension systems.

The study proposes a forward-looking gender pension gap index (FGPGI) that focuses on two domains: labour market differences and the gender dimension of pension systems. The proposed methodology discussed here draws from the Human Development Index (HDI) of the United Nations Development Programme (UNDP, 1990) and Active Ageing Index (AAI) (UNECE & European Commission, 2015; Zaidi et al., 2013).

The proposed FGPGI extends the analysis of gender gaps beyond single-dimensional individual indicators linked to wages, employment or pension levels. It gives a broader perspective on the combination of various factors that contribute to gender differences in pensions, not only at present but also in the future. This approach provides evidence that should guide policymakers towards strategies to reduce the burden of gender differences in pensions more comprehensively. In particular, it should stimulate and inform debate on the issues:

- Why do some countries outperform others with balanced policies to reduce gender gaps on the labour market?
- How does pension system design influence gender gaps in pensions?
- How does the labour market interact with pension systems with reference to the gender pension gap?

This proposal is based on the expert opinion of the author. However, the approach is flexible and can readily be adjusted to reflect the needs of policymakers.

This study details the concept and proposed method for assessment of the FGPGI, including its regular update, in addition to the analysis of results for the 2013 FGPGI. It is divided into the following sections:

- Section 2 describes the methodology, choice of domains and indicators for the FGPGI. It also reveals data sources and presents methods for construction of the composite measure.
- Section 3 presents key findings based on the calculation of the FGPGI for 2013. It shows the ranking of the 28 EU member states and tests its relationship with the current Gender Pension Gap, in addition to key social and economic indicators.
- Section 4 discusses how the FGPGI can be used to inform EU policies towards gender-balanced pensions.

2. ESTIMATION OF THE FUTURE GENDER PENSION GAP

2.1. Main features of the proposed Forward-looking Gender Pension Gap Index and its domains

The literature on the gender pension gap (Burkevica, Humbert, Oetke, & Paats, 2015; Chłoń-Domińczak, 2013; European Commission, 2015a; Flory, 2011; OECD, 2013; Samek Lodovici, Drufuca, Patrizio, & Pesce, 2016) indicates that today's pensions are influenced by the yesterday's employment and social norms, past pension reforms and short-term pressures. These lead to the gender gap, that is defined as follows:

> The gender gap in pensions is the percentage by which women's average pension is lower than men's; it measures by how much women are lagging behind men (Bettio et al., 2012, p.7)

Equally, tomorrow's gap in pensions will be influenced by today's employment, social norms and current pension reforms. Given this, two domains of the FGPGI were selected:

3. Employment gaps,
4. Pension system compensation.

The first domain reflects various aspects of women's presence on the labour market that influence the future level of pensions. The basic indicator used for assessment of future pension system adequacy is the theoretical replacement rate (TRR), which is calculated on the assumption that a person starts employment in a given year and continues working full-time with an average wage for 40 years (European Commission, 2015a). There are three main employment gaps that can be identified in relation to these assumptions:

- The average number of years in employment for women is lower, owing to various types of employment breaks, for example, child care;
- The wages of women are below the average;
- Their work intensity is less than full time - as women tend to work part-time more frequently than men.

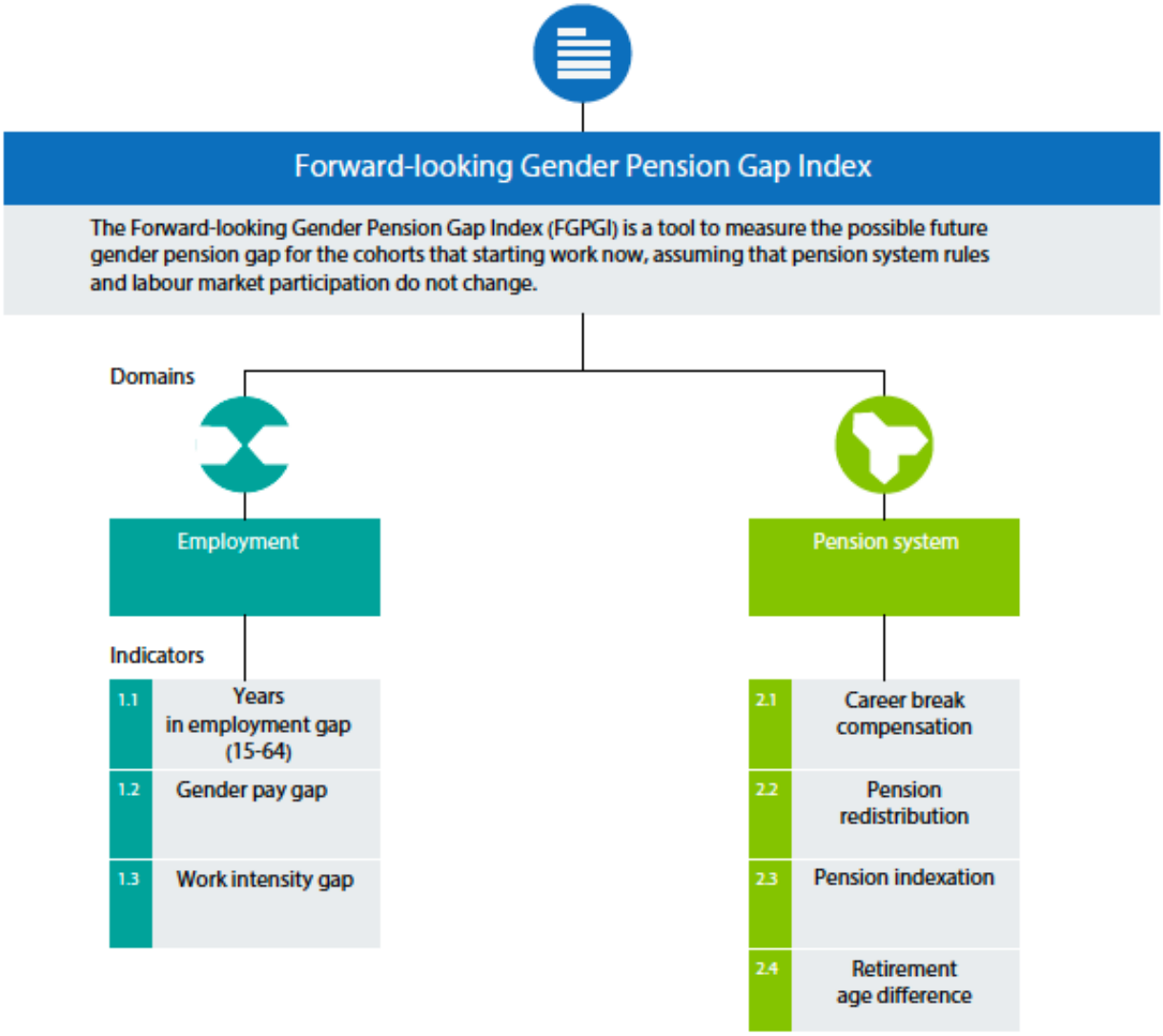
The second domain captures characteristics of pension systems that can either reduce or reinforce the gender pension gap. The compensatory instruments include, for example, granting pension rights for periods of child care to compensate for the entailed career breaks. In many countries, income redistribution is intrinsic in pension formulas, which means that low income earners can expect relatively higher levels of pension (compared to their wage levels). The gap reinforcing instruments include, most importantly, women's lower retirement age. As a result, women can expect lower benefits, as they have shorter working lives and more anticipated years of pension payment. Since women live longer, the way in which pensions are indexed also affects income from pensions, particularly for older women. If pensions are indexed closer to prices, the relative value of pensions, compared to average wage reductions, accentuates the pension gap between women and men.

Each of the indicators included in the two recommended domains are chosen to represent the pension gap risk for tomorrow's pensioners relating to the gaps and mechanisms described.

2.2. The indicators across the two domains

The selection of indicators in the two domains is intended to pursue the main goal, that is to capture the influence of employment history and pension system design on the magnitude of the gender pension gap. The choice of various indicators offers a comparative perspective on the position of different countries and in turn, informs development of strategies to reduce the potential gender pension gap.

Figure 1: The domains and indicators of the Forward-looking Gender Pension Gap Index



Source: Author

There are several principles reflected in the selection of indicators. These principles are applied to generate a high-quality indicator that captures the various dimensions that explain the gender pension gap.

- **Comparability**: the FGPGI should be comparable over time and between countries. Therefore, the data used for construction of the index should allow such comparisons. Comparable datasets with harmonised definitions and methods were selected.
- **Sustainability:** the aim of the FGPGI is development of a tool to monitor future risk of the gender pension gap. Indicators chosen were derived from regular cyclical surveys and reports.
- **Measuring outcomes:** the indicators and weights chosen for the index focus on economic aspects of the gender pension gap, based on the labour market situation, as well as the expected outcomes of the existing pension system design.
- **Focus on the current generation of working women:** the indicators focus on the current employment situation of women and the future expected level of pensions for those who start working in the base year for the FGPGI calculation. This means that they capture the potential future risk of the gender pension gap and can be used to inform policies designed to mitigate this risk.
- **Coverage:** The FGPGI is designed to assess the forward-looking gender pension gap in the EU countries. However, the choice of indicators makes it possible to extend this calculation to other countries where similar datasets and assessments of pension levels are made (such as the OECD countries);

Based on these principles, 7 FGPGI indicators were chosen from two main sources. The first being the EU Labour Force Survey (EU – LFS), used for calculation of indicators for the employment gap domain. The second source was the Pension Adequacy Report (PAR) that is published every five years (European Commission, 2012a, 2015a), which includes standardised assessment of theoretical replacement rates.

Table 1: Indicators selected for the Forward-looking Gender Pension Gap Index

The following indicators were selected for the assessment of the contribution of the two domains to tomorrow's gender pension gap:

1	**Employment Gaps**		
1,1	**Years in employment gap (15-64)**	EU LFS	Total expected number of years in employment between ages 15 and 64 calculated multiplying the empoloyment rate of women in age group 15-64 [lfsa_ergan] by 50 years (time span between the two age borders) divided by 40 years, (%)
1,2	**Gender pay gap**	EU LFS	The average wage of women compared to the average wage of men, calculated as 100 minus gender pay gap in unadjusted form, (%)
1,3	**Work intensity gap**	EU LFS	Full-time employmnent of women measured as 100 minus part-time employment as percentage of the total employment [lfsa_eppgan], (%)
2	**Pension system compensation**		
2,1	**Career break compensation**	PAR	Net TRR case for average wage earner with career break due to child care for 3 years divided by net TRR case for average wage earner with no career breaks (Base case I 40 years up to 65 of standard pensionable age (SPA) if the SPA is higher), (%)
2,2	**Pension redistribution**	PAR	Net TRR case for low wage earner (66%) with no career breaks divided by net TRR case for average wage earner with no career breaks (Base case I 40 years up to 65 of standard pensionable age (SPA) if the SPA is higher), (%)
2,3	**Pension indexation**	PAR	Net TRR after 10 years of indexation divided by net TRR case for average wage earner with no career breaks (Base case I 40 years up to 65 of standard pensionable age (SPA) if the SPA is higher), (%)
2,4	**Retirement age difference**	PAR	Net TRR case for female average wage earner with no career breaks at SPA for women divided by net TRR case for male average wage earner with no career breaks (Base case I 40 years up to 65 of standard pensionable age (SPA) if the SPA is higher), (%)

Source: Author

2.3. Methods for calculating the Forward-looking Gender Pension Gap Index

Individual indicators are measured on relative scales. For the employment gap domain, indicators range from 0 (least positive result in terms of the forward-looking gender pension gap) to 100 (the most positive result). Pension system compensation indicators can range from above 100, which means that the instruments in the pension system reduce the pension gap to below 100, which means that instruments in the pension system reinforce the gender pension gap.

All individual indicators measure the forward-looking gender pension gap monotonously, that is, higher values indicate better outcomes, i.e., a lower gender pension gap. For example, the indicator for the work intensity gap is expressed as the proportion of women in full-time employment, associated with greater accumulated pension rights and a lower pension gap.

The FGPGI is scaled and offset in such a way that scores range from 0 to 100. It should fit countries with different labour market outcomes and pension system design. It is relative, that is, it does not account for expected pension levels, but rather the relation of women's pensions to men's. Every country can make progress, which means that the value of the FGPGI can be increased. It should also be borne in mind that the value of the FGPGI is not

comparable to the Gender Pension Gap assessment, which measures difference in the levels of pension payment.

An important methodological choice in constructing the FGPGI is the weighting for individual indicators within each domain, in addition to weighting for the domains themselves when they are aggregated to create the overall Index (Helpage, 2013; UNECE & European Commission, 2015). The weights assigned to different indicators do not have to remain constant – they depend on assessment of the relative importance of the indicator within the domain. Similarly, weights assigned to each domain do not have to be constant. The proposed weights reflect the author's judgment and can be reassigned according to assessment of political relevance.

Table 2 : Indicators selected for the Forward-looking Gender Pension Gap Index

Domains	Domain weight (within overall index)		Indicators	Indicator weight (within domain)
Employment Gaps 	**65**	1,1	Years in employment gap (15-64)	50
		1,2	Gender pay gap	25
		1,3	Work intensity gap	25
				100
Pension system compensation 	**35**	2,1	Career break compensation	25
		2,2	Pension redistribution	25
		2,3	Pension indexation	25
		2,4	Retirement age difference	25
				100
	100			

Source: Author

For the Forward-looking Gender Pension Gap index, the proposed assignment of weights is shown in Table 4. It is proposed that the employment gap domain should have more weight in the overall index. This is based on the assessment that labour market differences are the main driver for differences in pension rights (see: Chłoń-Domińczak & Strzelecki, 2013). Therefore, the proposed first domain weight 65, while the second is 35. The span of the working career is one of the most important parameters affecting the level of pension rights and it is proposed that the weight of the indicator related to the gap in years of employment is 50, while the other two indicators have equal weights. In the pension system compensation domain, all indicators are proposed to have equal weight.

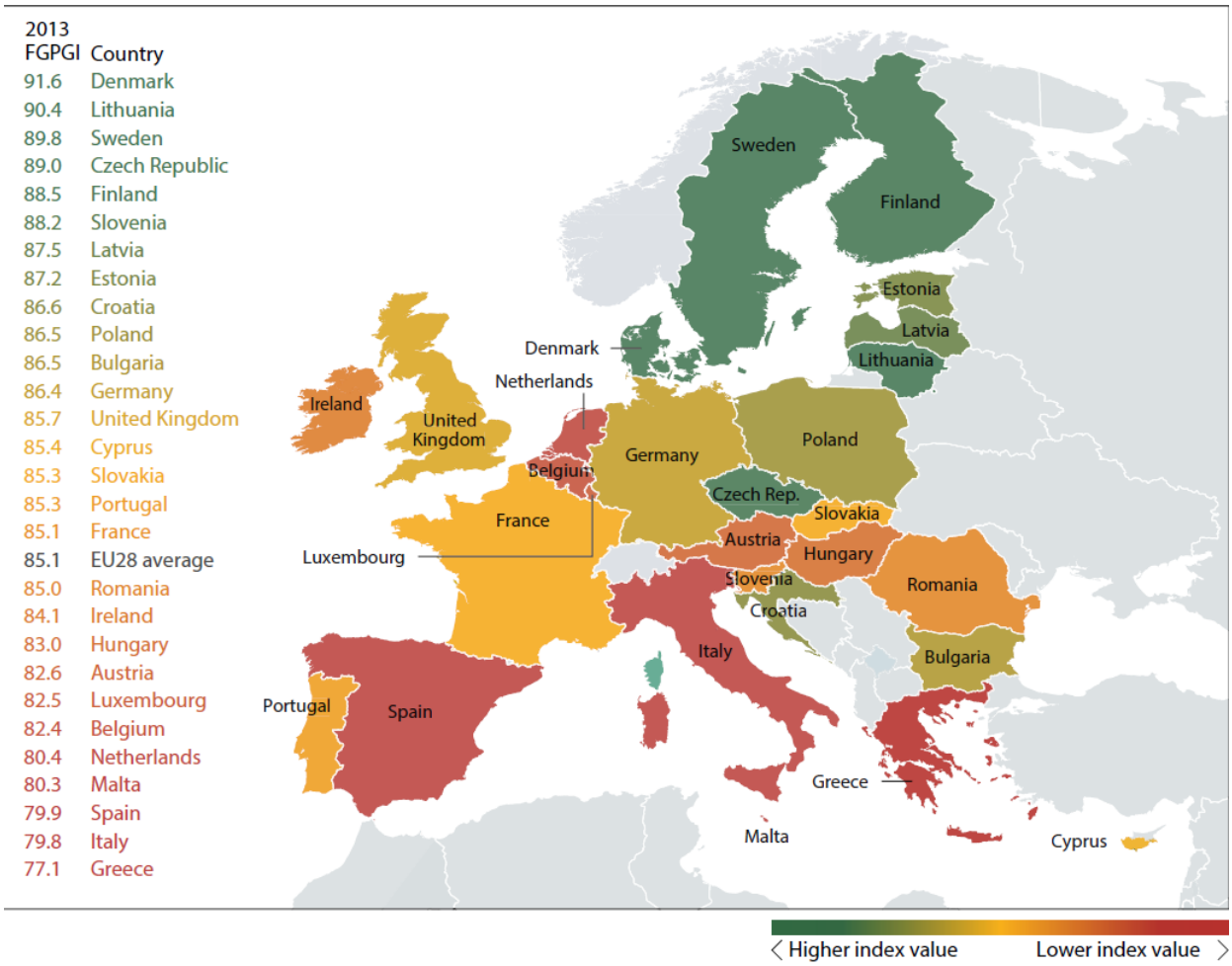
Due to the availability of the underlying data, the FGPGI can be calculated every three years, together with an assessment of pension adequacy and stability.

3. KEY FINDINGS – THE 2013 FORWARD-LOOKING GENDER PENSION GAP INDEX

3.1. The overall Forward-looking Gender Pension Gap Index

The results of the 2013 FGPIG are presented in **Error! Reference source not found.**. Denmark has the highest score (i.e., the lowest expected level of future gender pension gap), followed by Lithuania, Sweden, Czech Republic and Finland. At the other end of the spectrum, the lowest level of the FGPGI is noted in Greece, followed by Italy, Spain, Malta and the Netherlands. The EU28 average value (not weighted) is 85.1. In total, 12 countries fall below this average.

Figure 2 : Ranking of the 28 EU Member States on the basis of the 2013 overall Forward-looking Gender Pension Gap Index



Note : For Greece, the latest available gender pay gap value (for 2010) was used in the calculation.

Source: Author - based on data from Eurostat LFS and (European Commission, 2015b)

The maximum value of the Index (assuming that all indicators are at maximum value noted for all countries) is 100. This means, that there is a potential mix of employment policies, combined with compensation measures in pension systems that may lead to the elimination of the gender pension gap. Only two top ranking countries scored within 10 points of the maximum limit, while three low ranking countries – all from Southern Europe scored more

than thirty points below, which implies their significant future risk of a high gender pension gap.

3.2. Differences across the two domains

Further analysis of the results was conducted on three groups:

1. Six countries that are the leaders in the FGPGI, with scores of 88 or more: Denmark, Lithuania, Sweden, Czech Republic, Finland and Slovenia.
2. Eleven countries scoring below the EU FGPGI average: Greece, Italy, Spain, Malta, Netherlands, Belgium, Luxembourg, Austria, Hungary, Ireland, Romania and France.
3. Eleven middle ranking FGPGI countries: Latvia, Estonia, Croatia, Poland, Bulgaria, Germany, the United Kingdom, Cyprus, Slovakia and Portugal.

Table 3: Ranking of EU-28 countries on the basis of the overall 2013 Forward-looking Gender Pension Gap Index and its domain-specific scores

Rank	Overall	Overall index	Employment Gaps Domain		Pension system Compensation Domain	
1	Denmark	91,6	Lithuania	83,7	Denmark	111,6
2	Lithuania	90,4	Latvia	83,3	Czech Republic	107,3
3	Sweden	89,8	Finland	82,8	Germany	105,8
4	Czech Republic	89,0	Slovenia	82,3	Croatia	105,4
5	Finland	88,5	Sweden	82,2	Ireland	104,8
6	Slovenia	88,2	Bulgaria	81,2	United Kingdom	104,5
7	Latvia	87,5	Denmark	80,8	Sweden	104,0
8	Estonia	87,2	Estonia	80,5	Lithuania	102,9
9	Croatia	86,6	Portugal	79,4	France	101,4
10	Poland	86,5	Romania	79,3	Slovakia	100,6
11	Bulgaria	86,5	Czech Republic	79,2	Poland	100,4
12	Germany	86,4	Poland	79,0	Netherlands	100,1
13	United Kingdor	85,7	Cyprus	77,9	Estonia	99,7
14	Cyprus	85,4	Slovakia	77,1	Belgium	99,3
15	Slovakia	85,3	Croatia	76,5	Slovenia	99,3
16	Portugal	85,3	Luxembourg	76,4	Cyprus	99,3
17	France	85,1	France	76,3	Italy	99,2
18	Romania	85,0	Hungary	76,0	Finland	98,9
19	Ireland	84,1	Germany	75,9	Malta	98,9
20	Hungary	83,0	United Kingdom	75,6	Greece	97,2
21	Austria	82,6	Austria	75,0	Spain	97,1
22	Luxembourg	82,5	Belgium	73,3	Austria	96,7
23	Belgium	82,4	Ireland	73,0	Portugal	96,3
24	Netherlands	80,4	Spain	70,7	Bulgaria	96,2
25	Malta	80,3	Malta	70,3	Hungary	95,8
26	Spain	79,9	Netherlands	69,7	Romania	95,7
27	Italy	79,8	Italy	69,4	Latvia	95,3
28	Greece	77,1	Greece	66,3	Luxembourg	93,9
	EU28 avg	85,1		76,9		100,3

Note : For Greece the latest available gender pay gap value (for 2010) was used in the calculation.

Source: Author - based on data from Eurostat LFS and (European Commission, 2015b)

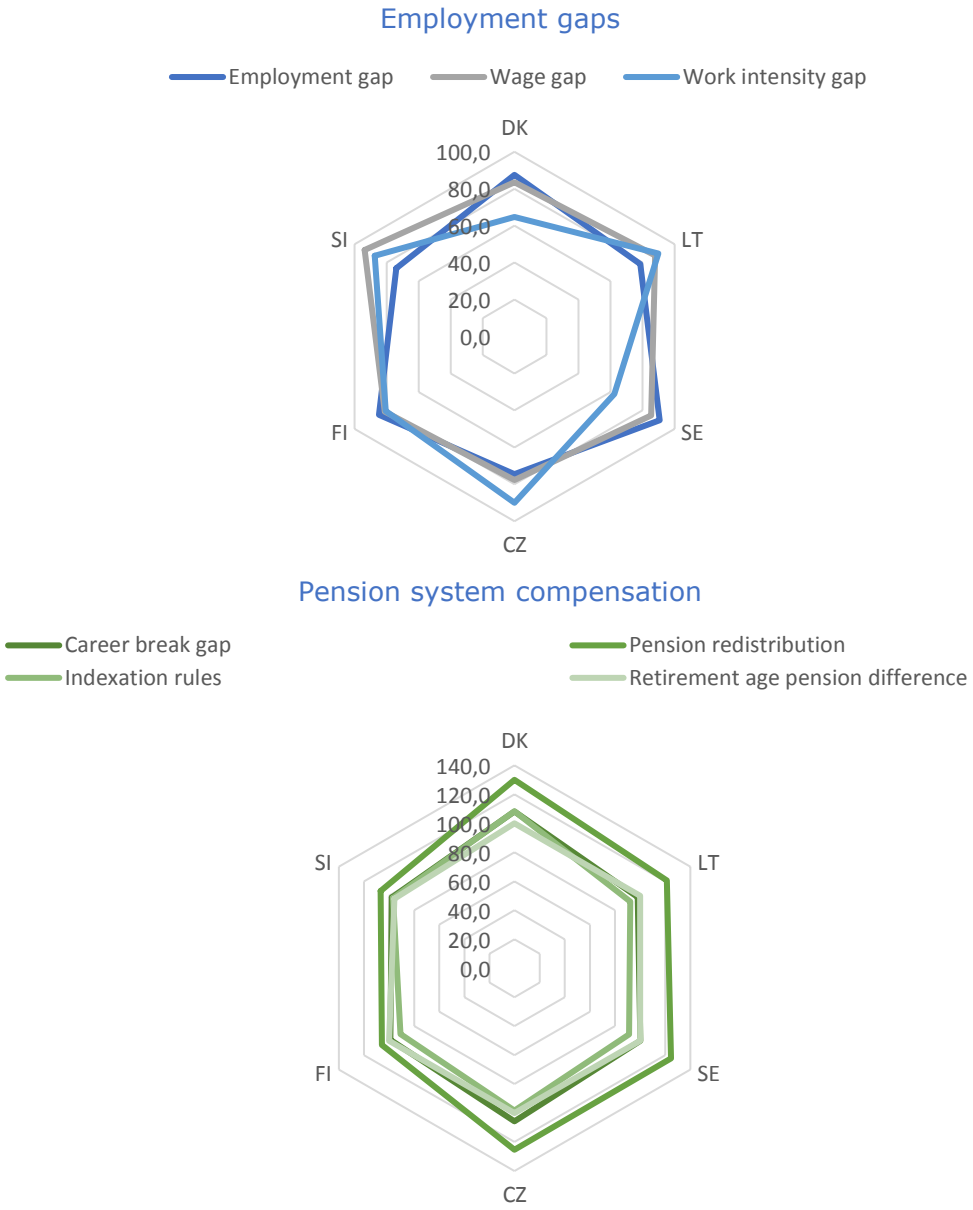
3.2.1. High-scoring countries

The high-scoring countries in general enjoy a relatively good labour market situation. Employment rates for women are high and the gender pay gap remains low. In two Nordic

countries: Denmark and Sweden, a high proportion of women work part-time, which should be associated with lower accumulation of pension rights. The three countries from the New Member States group (Lithuania, Czech Republic and Slovenia) have a high proportion of women employed full time.

Taking a closer look at the pension system situation, again, all countries in the high-score group compensate well for career breaks for child-care, which reduces tension arising between work and family obligations in the context of the gender pension gap. All countries, with the exception of Finland, also have high levels of income redistribution, which means that the compensatory role of pension systems is dominant in this group.

Figure 3 : High-Scoring countries – relative values of within domain indicators



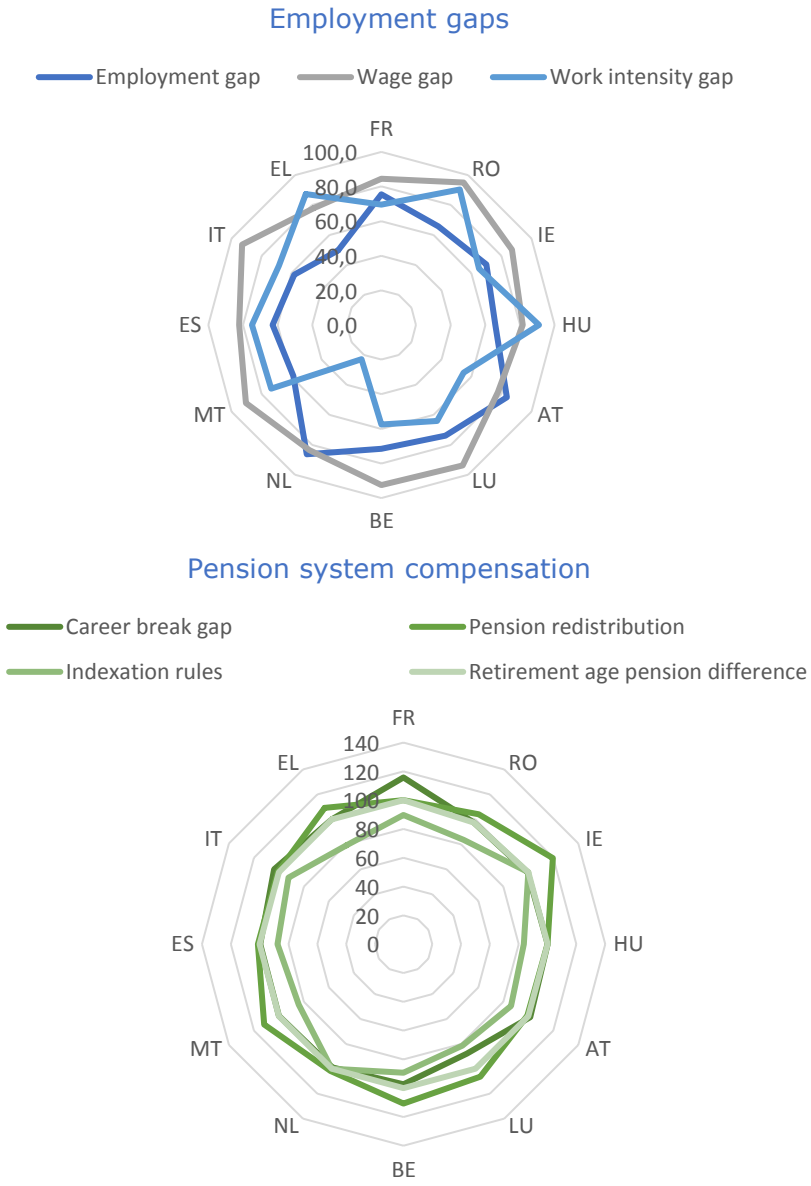
Source: Author - based on data from Eurostat LFS and the European Commission, (2015b)

3.2.2. Low-scoring countries

Countries in this group exhibit a highly varied situation with regards to employment of women. In many of the countries, the female employment rates are, in general, low (Greece,

Italy, Malta, Spain, Romania, Hungary), which result from low employment rates for all ages (Greece Spain, Italy), or reduced employment rates for older people (Malta, Romania, Hungary, Luxembourg). In several countries in this group, despite the high employment rate for women, it is combined with the high proportion of women working part time (the Netherlands, Austria, Belgium and Luxembourg). In several countries this is also combined with high levels of gender pay gap (Austria, Greece, Hungary, Spain and the Netherlands).

Figure 4 : Low-Scoring countries – relative values of within domain indicators



Note : For Greece, the latest available gender pay gap value (for 2010) was used in the calculation.

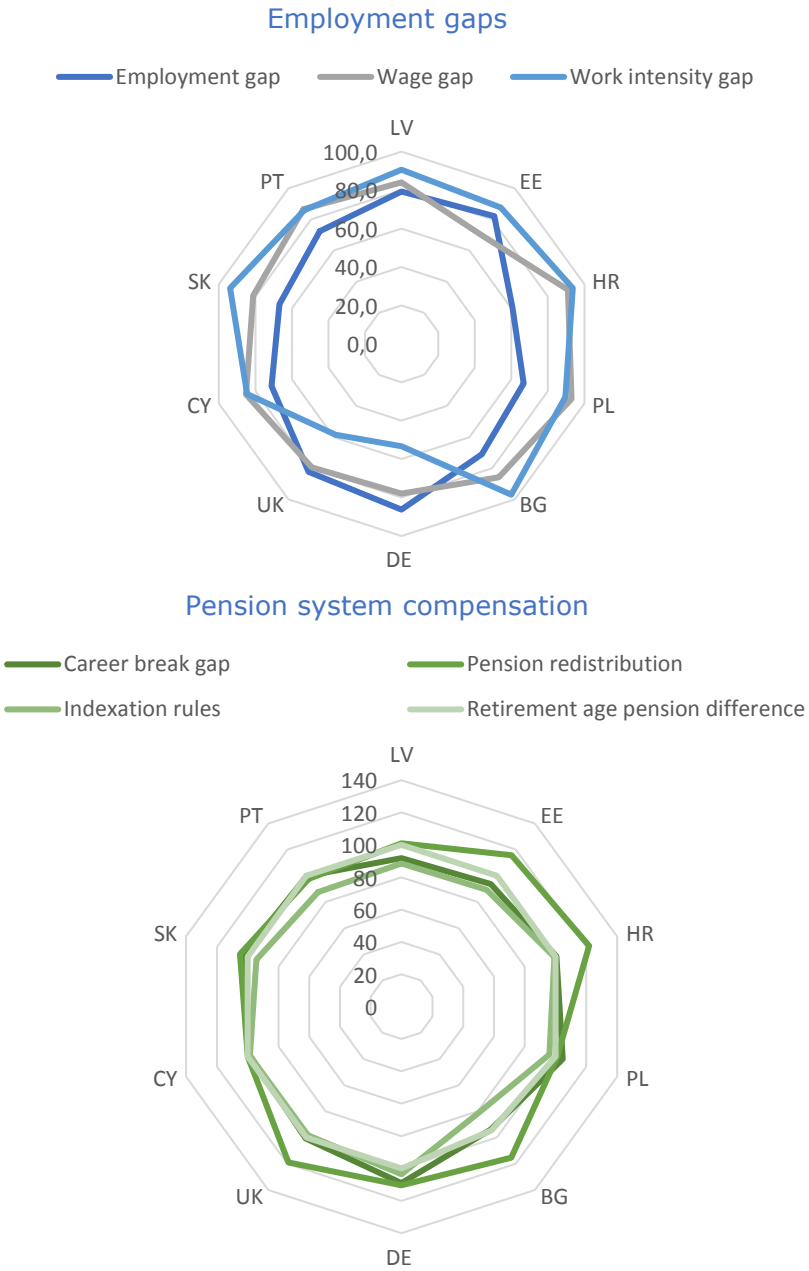
Source: Author - based on data from Eurostat LFS and the European Commission, (2015b)

For pensions, in many countries in this group, benefit indexation is set to lead to relative reduction in the value of pensions as compared to wages (Greece, Luxembourg, Hungary, Romania and Malta). The redistributive component in many pension systems is also limited (Austria, Hungary, Italy, Spain and the Netherlands). Furthermore, in Romania, women retire earlier, which contributes to additional widening of the gender pension gap.

3.2.3. Medium-scoring countries

In the medium scoring countries, there is also significant diversity in the pattern of employment for women. Usually, at least one of the three indicators constituting this domain has a lower value. In particular, Croatia, Poland, Bulgaria, Cyprus, Slovakia and Portugal have lower levels of employment rate. This is mainly the result of low activity of women aged 45 and over on the labour market. Germany and the United Kingdom, despite higher levels of employment, at the same time have a high proportion of women working part time. Estonia, despite high levels of employment, has one of the highest levels of gender pay gap.

Figure 5 : Medium-Scoring countries – relative values of within domain indicators



Source: Author - based on data from Eurostat LFS and European Commission, (2015b)

In the pension system domain, in general, the scale of income redistribution is lower or negligible compared to high-scoring countries (Portugal, Cyprus, Latvia and Poland). The redistribution component is high only in Croatia and the UK. In many countries, pension indexation also leads to a large reduction in relative pension levels (Bulgaria, Portugal, Latvia

and Estonia). Finally, the retirement age of women in Bulgaria is lower, compared with men, which means that their expected pensions are also lower.

3.3. Cross-country comparison of indicators in the two domains of the FGPGI

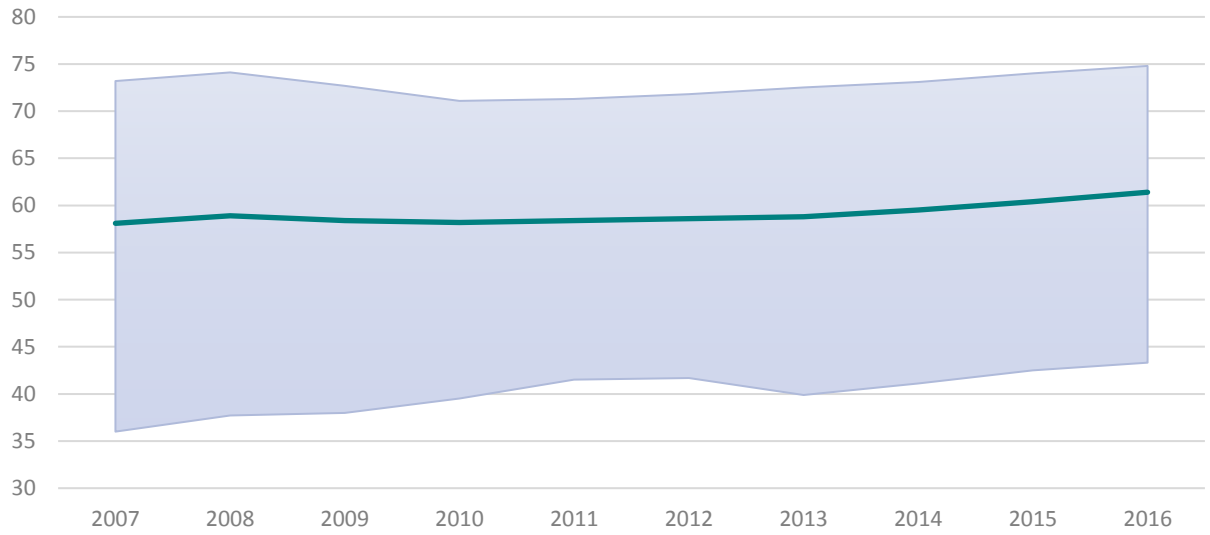
This section examines how individual indicators in the two domains of the proposed Index vary between countries.

3.3.1. Employment gap domain

Employment rate

Activity on the labour market, as measured by employment rate, is key to the potential level of accumulated pension wealth. Increasing the employment rate for women has remained at the heart of EU policies and strategies for many years, which was underlined both in the Lisbon and the Europe 2020 strategies. Over the past 10 years (between 2007 and 2016), the EU-28 average employment rate for women increased by 3.3 percentage points, which is a moderate increase. The spread between countries with highest and lowest activity of women on the labour market remains high, as shown in Figure 6 below.

Figure 6 : Employment rate of women aged from 15 to 64 in the EU, 2007-2016

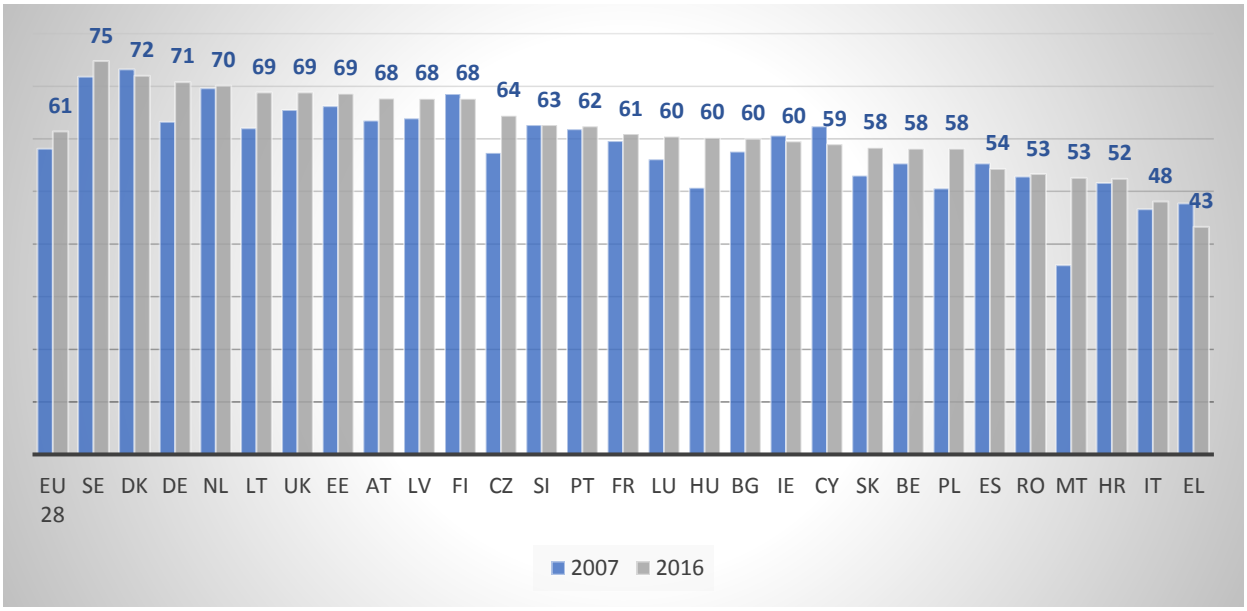


Note: The shaded area shows the span between the lowest and the highest value of employment rate from 15 to 64 years in the 28 EU countries. The central line shows the EU-28 average.

Source: Eurostat EU-LFS

The change at the EU level results from various developments at country level (Figure 7). Women's engagement on the labour market increased in 21 Member States. The largest increases were noted in Malta (16.6 p.p), Hungary (9.5 p.p); Germany (7.6 p.p), Poland (7.5 p.p) and the Czech Republic (7.1 p.p). At the same time, six countries noted a decline in employment rates: Greece (-4.4 p.p), Cyprus (-3.4 p.p), Denmark (-1.2 p.p), Ireland (-1.1 p.p), Spain (-1.0 p.p) and Finland (-0.9 p.p). Employment rate remained constant in Slovenia. These developments may influence women's pension rights in the future. Increases in the employment rate mean higher lifetime earnings and, by the same token, higher pension wealth.

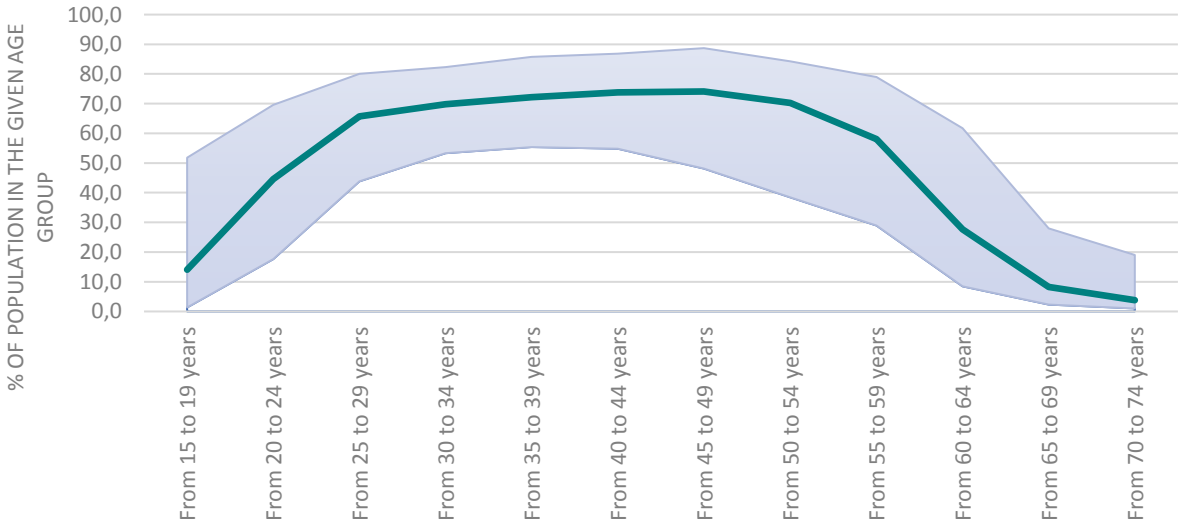
Figure 7 : Employment rate of women from 15 to 64 years by Member States, 2007 and 2016



Source: Eurostat EU-LFS

The employment age profiles vary significantly between the EU countries. Across all ages, there is a sizeable difference between the lowest and highest observed levels of employment rates, as shown in Figure 8. The range of observed employment rates widens particularly for age groups 45-64. This implies various life courses for women across EU member states, affecting accumulation of pension entitlements.[1]

Figure 8 : Distribution of employment rate in the EU countries, 2013



Note: The shaded area shows the span between the lowest and the highest value of employment rate in a given age group among EU 28 countries. The central line shows the EU-28 average.

Source: Eurostat EU-LFS

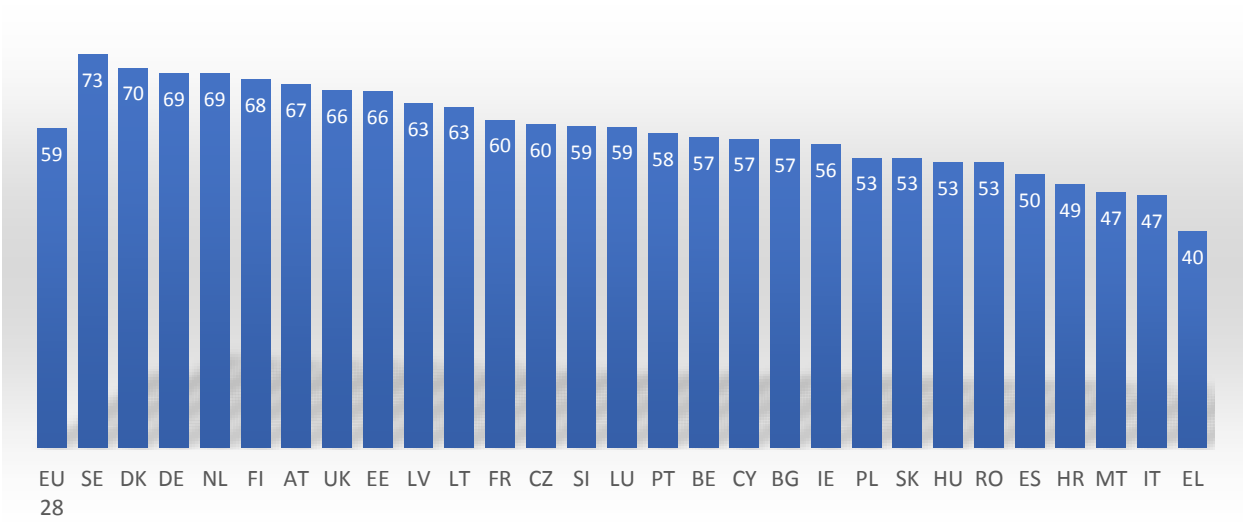
These differences translate into different outcomes expressed in the total employment rate for women of working age (15-64 years). As shown in Figure 9, in 2013, the base year for the FGPGI, only 2 out of 5 women of working age in Greece were in employment, compared

[1] Values for individual countries are presented in the Annex.

to more than 7 out of 10 in Sweden. More than two thirds of women of working age are in actual employment in only 6 of the 28 EU countries, while in four, fewer than half are working.

This indicator shows that there is significant room for improvement and higher engagement of women in economic activity that would help reduce the future gender pension gap.

Figure 9 : Employment rate of women aged 15-64, 2013

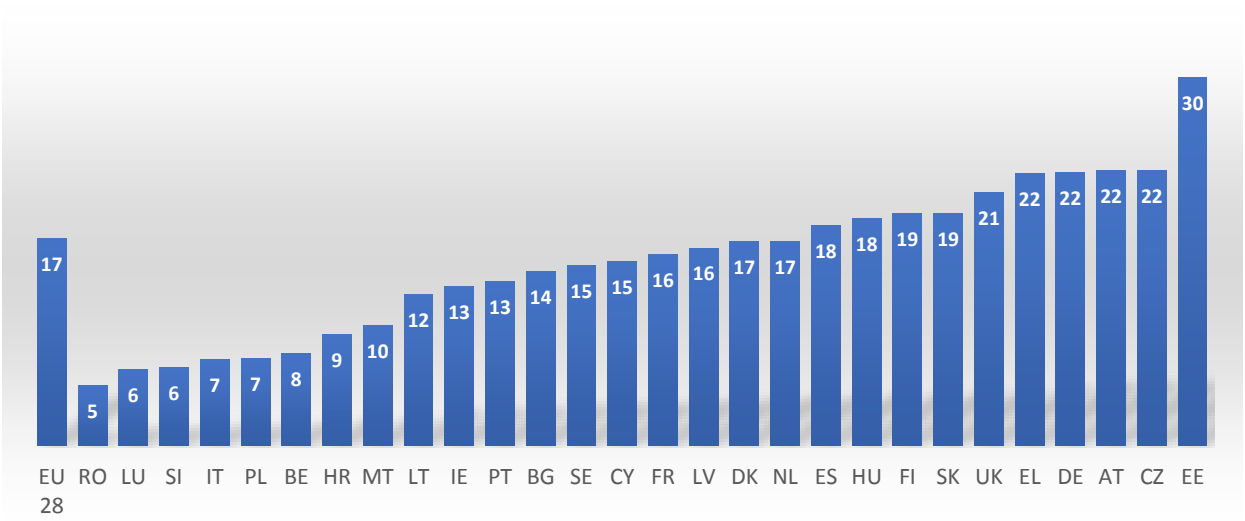


Source: Eurostat EU-LFS

Gender pay gap

Difference in wages between men and women is another cause for the lower level of pension wealth. The extent of the gender pay gap in its unadjusted form, again shows wide variation in Europe. The country with the highest pay gap (Estonia) exhibits a six fold difference compared to Romania, with the lowest pay differential.

Figure 10 : Gender pay gap in unadjusted form, EU countries, 2013



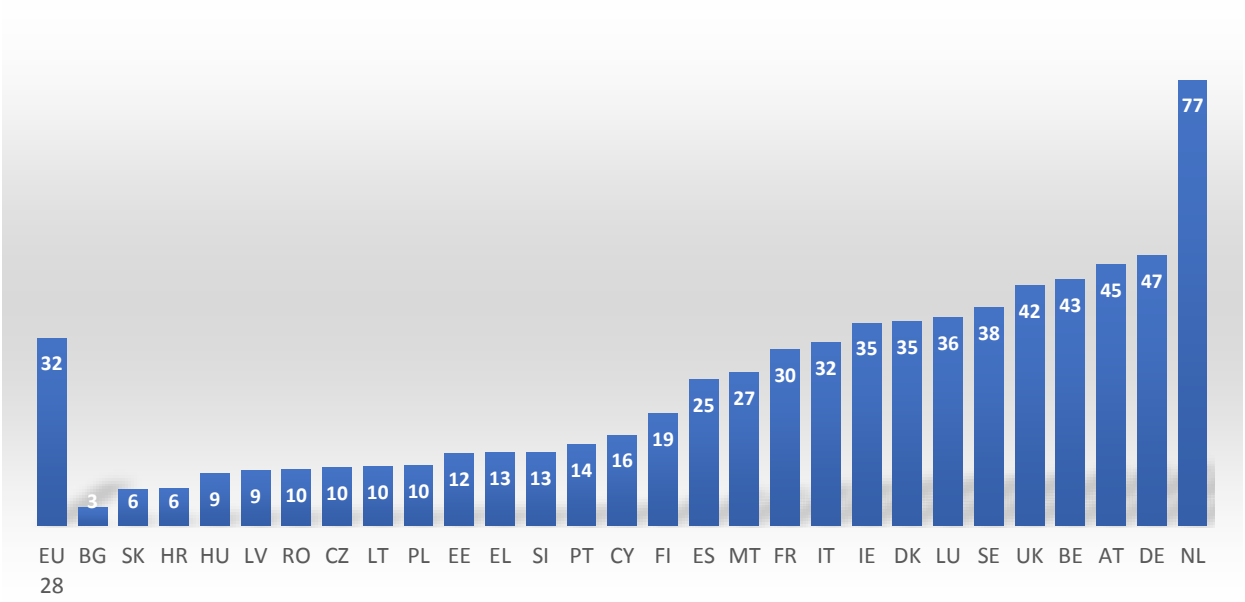
Note : For Greece the latest available gender pay gap (for 2010) is shown.
Source: Eurostat

In Greece and Hungary, the high pay gap is combined with a low employment rate for women. In several, however, the low employment rate for women is associated with a low pay gap (Romania, Italy). There are also countries that have both high employment of women and a

large pay gap (Austria, the Czech Republic). All these permutations lead to varied outcomes in terms of accumulation of pension wealth and resultant pension levels.

Part-time employment
Women are also more frequently active than men in part-time employment. Again, from the perspective of accumulation of pension rights, this type of contract leads to lower lifetime earnings, and – also therefore, pensions. Overall, around a third of European working women work part-time. As shown in Figure 9, this figure also varies quite significantly. More than 3 in 4 working women in the Netherlands work part-time. This means, that despite the high overall employment rate in this country, accumulation of pension rights may be lower. A similar pattern is also seen in Germany, Austria and Sweden.

Figure 11 : Part-time employment as a percentage of total employment, women, EU countries, 2013



Source: Eurostat EU-LFS

Part-time employment among women is relatively rare in the new Member States. The ten countries with the lowest proportion of women working less than full-time are in the Central and Eastern parts of Europe (CEE).

This indicator shows divergence in the labour markets that could be attributed to varied socio-economic development in the past, but also however, to the overall level of wages. Lower levels earnings in CEE countries means that households depend on a full double income to meet expected living costs.

3.3.2. Pension systems compensation domain

Indicators for the pension system are chosen to reflect elements of national pension systems that could compensate for some differences observed in the labour market. However, it should be underlined, that the main rôle of pension systems is to provide mechanisms for provision of adequate income in old age, which can be divided between the two main mechanisms - consumption smoothing and poverty protection in old age (Barr & Diamond, 2010). Further, in the light of population ageing, pension systems are subject to reform in order to maintain their long term sustainability (European Commission, 2012b; European

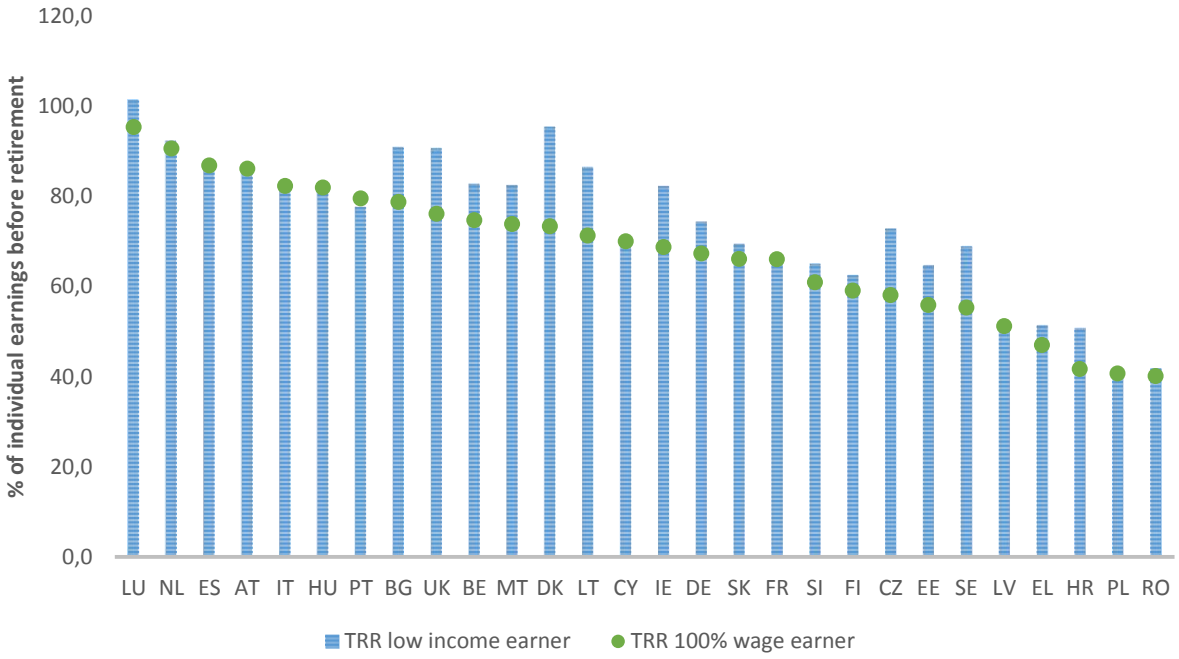
Commission Directorate-General for Economic and Financial Affairs, 2015). These developments also impact future pensions and the potential pension gap.

All indicators in this domain are derived from projections for individual pension levels for hypothetical individuals, starting work in 2013 and due to retire, aged 65 or at standard pension age (SPA), according to the legislated design of the pension system in the base year. These projections accord with agreed assumptions and were published in the Pension Adequacy Report (European Commission, 2015).

Redistribution to low-income earners

An important direction, embraced by pension reform in many EU Member States is the creation of a close link between lifetime earnings and contributions to pension systems and concomitant benefit levels. As a result, regardless of earnings, individuals can expect pensions representative of their earnings before retirement. In 12 countries, as shown in Figure 12 below, those with lower earnings should expect a higher level of replacement of their prior income. Such a policy solution does not depend on the overall level of assumed pensions, as compared to wages, as seen in countries that currently expect higher levels of income replacement (Luxembourg, Bulgaria, the United Kingdom), but also lower levels (Czech Republic, Estonia, Sweden or Croatia).

Figure 12 : Theoretical Replacement Rate for average wage earners and low income earners (net)

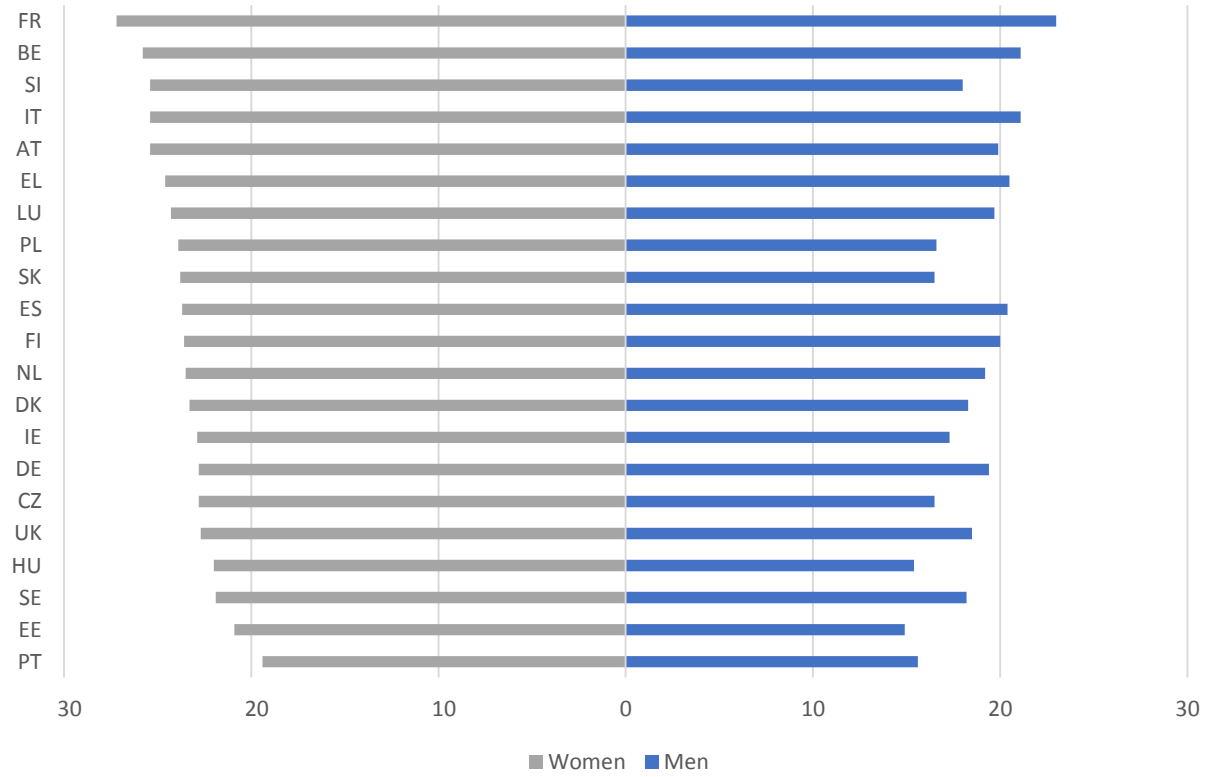


Source: European Commission, 2015b

Indexation of pensions

Due to the difference in life expectancy, the expected number of years in retirement is higher for women than for men. According to OECD estimates, the expected number of years for women in retirement in 2014 ranged from 27.2 years in France to 19.4 years in Portugal (Figure 13). This is much longer than for men, who are expected to spend 4.2 and 3.8 fewer years in retirement, respectively. The greatest difference was noted in Slovenia, Slovakia and Poland, where the currently official retirement age for women is lower.

Figure 13 : Expected years in retirement in selected EU countries, by sex, 2014



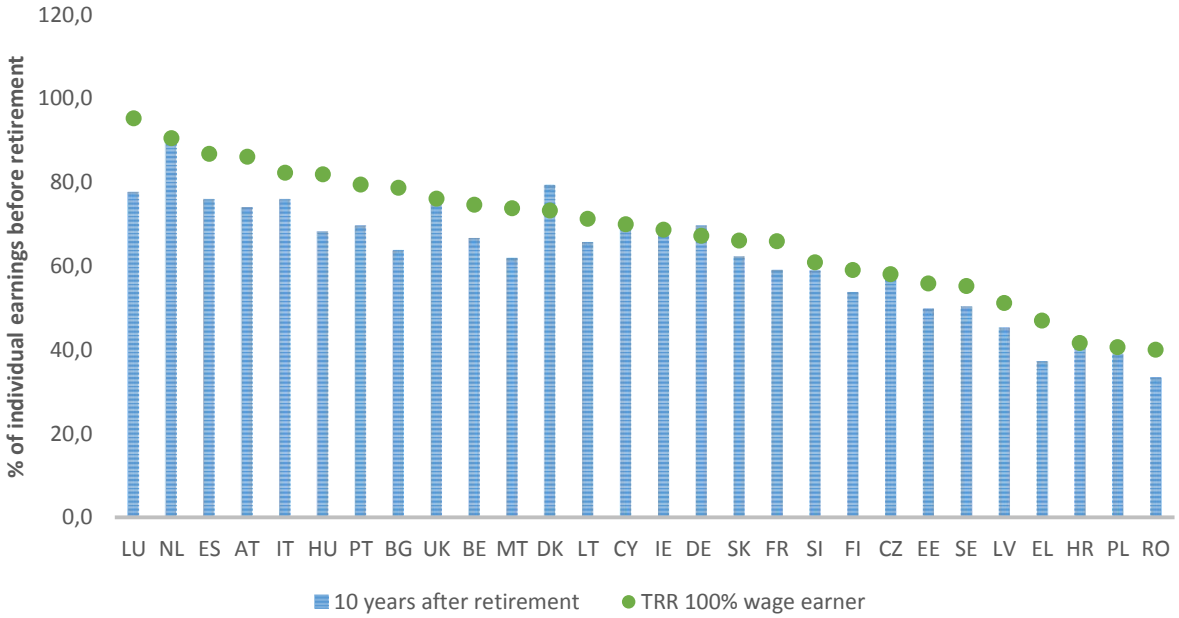
Source: OECD Stat

Given such a long pensionable period, the gender pension gap is also accentuated by differences in the age structure of pensioners and higher proportion of women of advanced age and who are receiving benefits granted many years earlier.

The level of their pensions depends not only on initial value on retirement, but also rules of indexation, which specify how changes in prices and wages are taken into account when benefits are increased, usually on an annual basis. In recent years, many EU countries have introduced changes linking indexation to prices, rather than wage growth, which may contribute to the widening of the gender pension gap.

The pension policies related to indexation are captured in the indicator that shows the replacement level of a pension 10 years after retirement, around a half of the expected period in retirement for women. As shown in Figure 14, in 16 EU countries, the expected level of pension after 10 years is significantly below the initial level. Again, such policies are introduced in countries that have different levels of expected pension as compared with wages.

Figure 14 : Theoretical Replacement Rate : 10 years after retirement

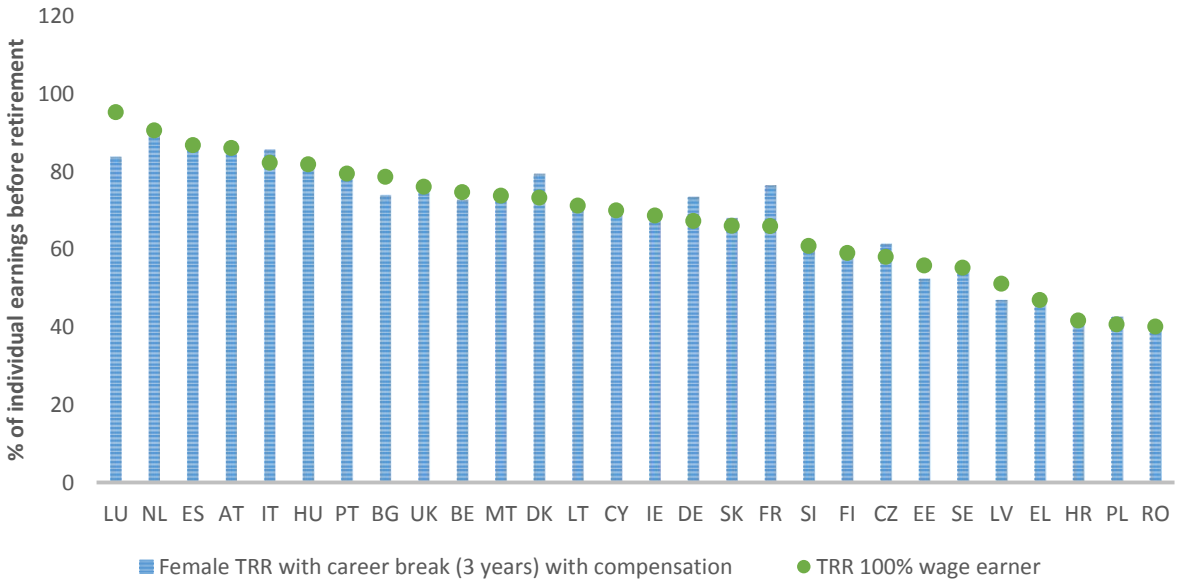


Source: European Commission, 2015b

Compensation for career breaks for child-care

An important mechanism in many European pension systems is compensation for career breaks for child-care. Maternity or child-care leave is frequently respected by national pension systems, depending on system design. This can be fulfilled by attributing pension rights or making contributions towards future pensions for parents from public funds (D'Addio, 2013). This is an important policy tool that can reduce the potential gender pension gap.

Figure 15 : Theoretical Replacement Rate : 3-year career break for child care



Source: European Commission, 2015b

However, the extent to which the career break is compensated, again differs depending on country. In Italy, Denmark, Germany and France, parents can actually expect higher

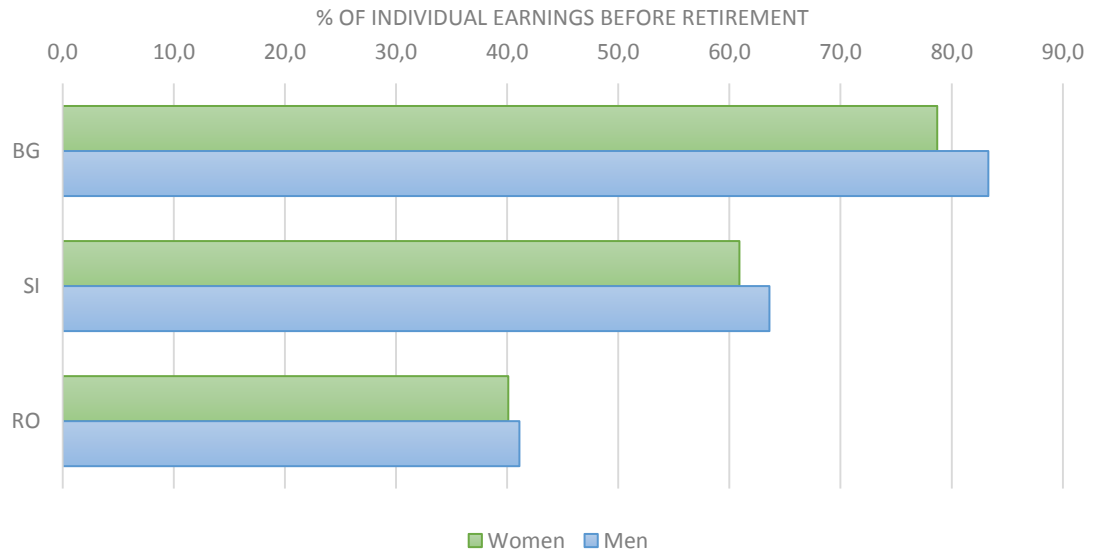
pensions compared to those without career breaks. Parents in Luxembourg, Bulgaria, Estonia and Latvia can expect a reduction.

Difference in pensionable age

One major pension system parameter and a driver for the magnitude of the gender pension gap is retirement age. In the past, in many countries, women retired earlier than men. However, in most EU countries these rules have now changed and women starting work today share an equal official retirement age with men. There are only three countries: Romania, Slovenia and Bulgaria that still discriminate retirement age according to gender. Additionally, as of October 2017, such a policy will be restored in Poland, but this is not considered in this report, as it covers the principles prevalent in systems in 2013.

As shown in Figure 16, the penalty to levels of pension related to varying retirement age further widens the potential gender pension gap in these three countries. Two countries from this group: Bulgaria and Romania also demonstrate significant differences between men and women on the labour market. As a result, they can expect high risk of a wide gender pension gap in the future.

Figure 16 : Theoretical Replacement Rate : Lower Retirement Age of Women



Source: European Commission, 2015b

Table 4: Factors reducing and reinforcing the gender pension gap in the 2014 Forward-looking Gender Pension Gap Index

This table presents factors that mediate the gender pension gap for each country, based on a comparative review of the individual indicators that make up the FGPGI. It should be noted that in all cases there are both attenuating and reinforcing factors. It may be possible for countries to learn from each other.

Cluster	Country		Factors reducing the gender pension gap	Potential for improvement
High-scoring countries	Denmark	91.6	High employment rate of women and low gender pay gap; more than full compensation for career breaks; pension redistribution towards low-income earners, pension indexation that allows maintenance of relative value of pension payments	High proportion of women working part-time, which can reduce their future pension rights
	Lithuania	90.4	High proportion of women working full time and relatively low gender pay gap; pension redistribution towards low-income earners; high compensation for child care career breaks	Employment rate of women could be increased, compared to the top performers; benefit indexation rules lead to an increasing pension gap for older women
	Sweden	89.8	The highest employment rate of women and low gender wage gap; pension redistribution towards low-income earners; high compensation for child care career breaks	Relatively high proportion of women working part-time, which can reduce their future pension rights
	Czech Republic	89.0	High proportion of women working full time; benefit indexation allows maintenance of the relative value of pension payments; very high compensation for child-care career breaks	Relatively high wage gap, employment rate of women below 30 and above 60 is below average;
	Finland	88.5	Balanced and relatively high for all employment indicators: work intensity, pay gap and employment levels; pension redistribution towards low-income earners; high compensation for child care career breaks	Benefit indexation rules lead to increasing pension gap for older women

Cluster	Country		Factors reducing the gender pension gap	Potential for improvement
	Slovenia	88.2	Very low wage gap and high proportion of women working full-time; pension redistribution towards low-income earners, relatively high compensation for career breaks; indexation rules that help to maintain relatively stable value of benefits in the longer term	Employment rate for women in age group 50 and over could be increased; difference in retirement ages of men and women, which leads to comparatively lower expected pension level for women
Middle-scoring countries	Latvia	87.5	High employment rate of women, particularly of prime age; high proportion of women working full time;	Noticeable gender wage gap; compensation for career-break periods could be strengthened, benefit indexation rules can lead to rising gender pension gap at older ages
	Estonia	87.2	High employment rate combined with high proportion of women working full time; pension redistribution towards low-income earners	The highest gender wage gap; low compensation for career-breaks, pension indexation rules can lead to rising gender pension gap at older ages;
	Croatia	86.6	Moderate gender wage gap, high proportion of women working full time; pension redistribution for low-income earners, high compensation for career breaks; pension indexation helps to maintain relatively stable level of benefits;	Low employment rates of women, particularly aged 55 and over;
	Poland	86.5	Relatively low gender wage gap; high proportion of women working full time; high compensation for career breaks;	Low, but rising employment rate of women aged 55 and over; reintroduction of lower retirement age of women, highly increases risk of widening gender pension gap in the future;
	Bulgaria	86.5	High proportion of women working full time, moderate wage gap; rising employment rate among women in age group 55 and over	Low employment rate of women, particularly below 30 years of age; compensation for career breaks should be strengthened; pension indexation rules can lead to a rising gender pension gap for older women; different retirement age for men and women leads to rising gender pension gap

Cluster	Country		Factors reducing the gender pension gap	Potential for improvement
	Germany	86.4	High overall employment rate of women; very high compensation for child care break periods; benefit indexation helps to maintain the value of pensions paid; redistribution towards low-income earners	High proportion of women working part-time, which can reduce their pension rights in the future; relatively high gender pay gap
	United Kingdom	85.7	High overall employment rate of women; relatively generous compensation for child care break periods; benefit indexation helps maintain the value of pensions paid; redistribution towards low-income earners	High proportion of women working part-time, which can reduce their pension rights in the future; relatively high gender pay gap
	Cyprus	85.4	High proportion of women working full time, moderate wage gap; good compensation for child-break periods, indexation helps to maintain the value of benefits in the long run	Low employment rate, particularly for women in age group 40 and over
	Slovakia	85.3	High proportion of women working full time; very generous compensation for child-break periods, pension income redistribution towards low-income earners;	Low employment rate of women, particularly younger women, high gender pay gap
	Portugal	85.3	High proportion of women working full time; gender pay gap below EU average;	Low employment rate of women, that already starts to fall for women in mid 40s; pension indexation leads to falling benefit levels relative to wages, which increases risk of gender pay gap for older women;
Low-scoring countries	France	85.1	Employment rate of women slightly above EU average; very high pension compensation for child break periods;	High proportion of women working part time; pension indexation leads to falling benefit levels relative to wages, which increases risk of gender pay gap for older women;

Cluster	Country		Factors reducing the gender pension gap	Potential for improvement
	Romania	85.0	High proportion of women working full time, low gender pay gap	Very low employment rates, particularly for women in age group 45 and over; inverse pension redistribution, pension indexation leads to falling benefit levels relative to wages, which increases risk of gender pay gap for older women;
	Ireland	84.1	Pension income redistribution skewed towards low-income earners; pension indexation designed to maintain the value of benefits in the long term	Employment rate of women below EU average, however rising proportion of women working in the over 50 age group; proportion of women working part-time;
	Hungary	83.0	High proportion of women working full time;	Low employment rate of women, combined with relatively high gender pay gap; pension indexation leads to falling benefit levels relative to wages, which increases risk of gender pay gap for older women;
	Austria	82.6	High employment rate of women; good compensation for child-care breaks;	High proportion of women working part-time, combined with wide gender pay gap; pension indexation leads to falling benefit levels relative to wages, which increases risk of gender pay gap for older women;
	Luxembourg	82.5	Relatively low gender pay gap;	Low employment rate of women, combined with high proportion of women working part-time; low compensation for career breaks due to child care; pension indexation leads to falling benefit levels relative to wages, which increases risk of gender pay gap for older women;
	Belgium	82.4	Relatively low gender pay gap; redistribution towards low-income earners	Employment rate of women below EU average and high proportion of women in part time work;

Cluster	Country		Factors reducing the gender pension gap	Potential for improvement
	Netherlands	80.4	High employment rate of women; gender pay gap slightly below EU average; good compensation for child-break periods, pension indexation maintains the value of benefits;	Very high proportion of women working part-time;
	Malta	80.3	Relatively low gender pay gap; redistribution towards low-income earners	Low employment rate of women, combined with relatively high proportion of women working part time; pension indexation leads to falling benefit levels relative to wages,
	Spain	79.9	Good compensation for career breaks for child care	Low employment rate of women, combined with relatively high gender pay gap and significant share of women working part-time; pension indexation leads to falling benefit levels relative to wages,
	Italy	79.8	Relatively low gender pay gap; good compensation for career breaks for child care	Low employment rate of women, combined with significant proportion of women working part-time; pension indexation leads to falling benefit levels relative to wages,
	Greece	77.1	Pension redistribution towards low-income earners	Very low employment rate of women, combined with relatively high gender pay gap and significant proportion of women working part-time; pension indexation leads to falling benefit levels relative to wages.

Source: Author

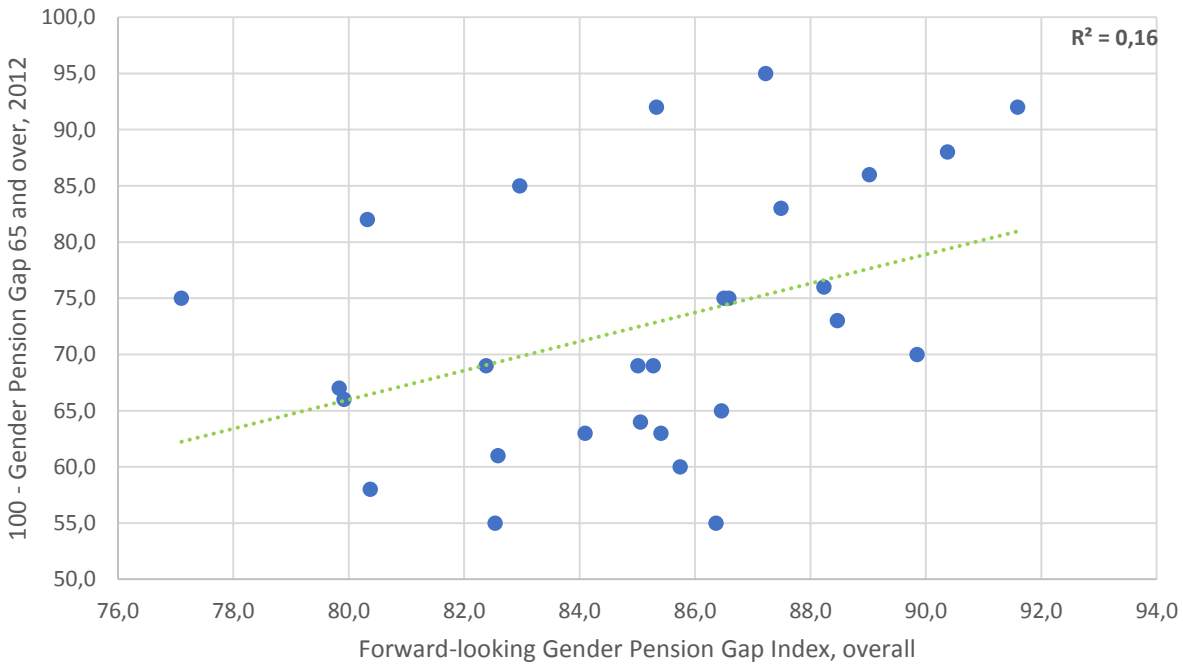
3.4. Relationship between the Forward-looking Gender Pension Gap Index and other indicators

This section examines the relationship of the FGPGI with other economic and social indicators. The four measures of interest are: the current Gender Pension Gap, GDP per capita, women's overall life satisfaction and overall income inequality – as measured by the Gini coefficient. While the FGPGI is a forward-looking measure, it is assessed using current indicators. Therefore, such a comparison is justified.

3.4.1. The Forward-looking Gender Pension Gap Index and current Gender Pension Gap

There is a positive relationship between the current pension gap and the forward-looking index. This means that in those countries currently with a sizeable difference in pension levels, both the labour market situation and pension system design further support continuation of the difference. However, correlation between these two indicators is not very strong, which signifies other developments, which may either reduce or widen the pension gap. Based on the assessment presented, the future gender pension gap may narrow in Germany, Luxembourg, the United Kingdom, Austria, Belgium, Bulgaria, France, Ireland and the Netherlands. It may widen in the Czech Republic, Denmark, Estonia, Greece, Hungary, Lithuania, Latvia, Malta and Slovakia. In the latter group, there are many countries from the CEE region, which highlights pronounced change due to economic transition and changing activity patterns in female labour market, in addition to pension system reforms (Chłoń-Domińczak, 2015)

Figure 17 : FGPGI scores and current Gender Pension Gap

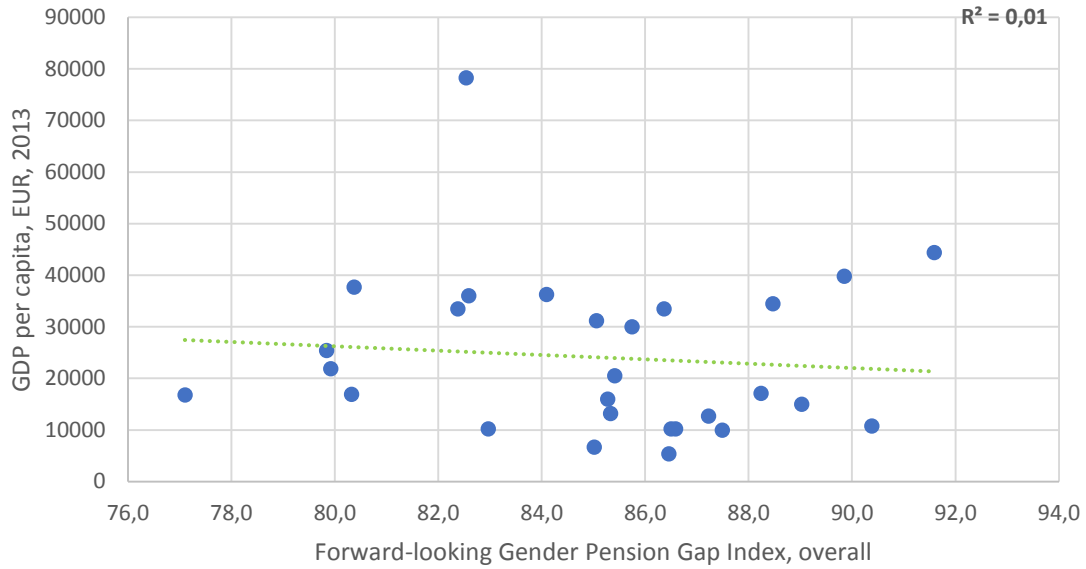


Source: Author (FGPGI) and Burkevica et al., 2015 (Gender Pension Gap)

3.4.2. The Forward-looking Gender Pension Gap Index and GDP per capita

There is no observed relationship between GDP per capita and the FGPGI, as shown in Figure 18 below.

Figure 18 : FGPGI scores and GDP per capita (a proxy for economic development and living standards)



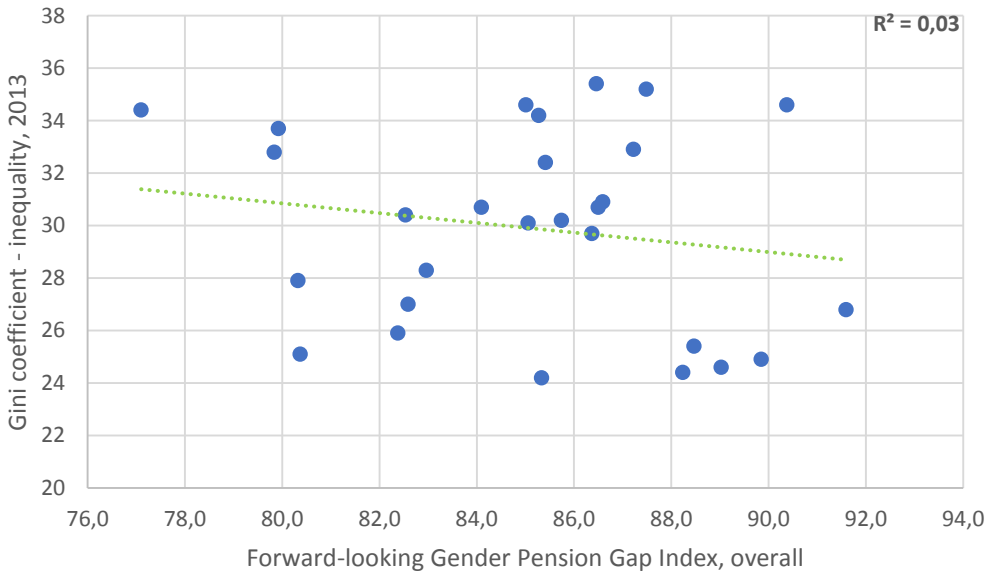
Source: Author (FGPGI) and Eurostat (GDP per capita)

This indicates that underlying causes for differences between men and women on the labour market, in addition to potential pension differences, are not related to level of economic and social development and may result from various cultural, social, economic and political circumstances. It also means that future economic and social development, as such, will not impact gender differences in pensions, which need to be addressed as integral to equal rights policy.

3.4.3. The Forward-looking Gender Pension Gap Index and inequality measured by the Gini coefficient

Figure 19, below, also shows a weak relationship between the FGPGI and each Member State's Gini coefficient. As income inequalities are measured at household level, the difference in men and women's level of income from work, as captured by indicators used for the calculation of the FGPGI, is reduced. Societal changes and the rising proportion of single-person households, combined with ageing of the population, may also lead to rising income inequalities as a result of differences in levels of older people's income.

Figure 19 : FGPGI scores and income inequality – as measured by Gini coefficient

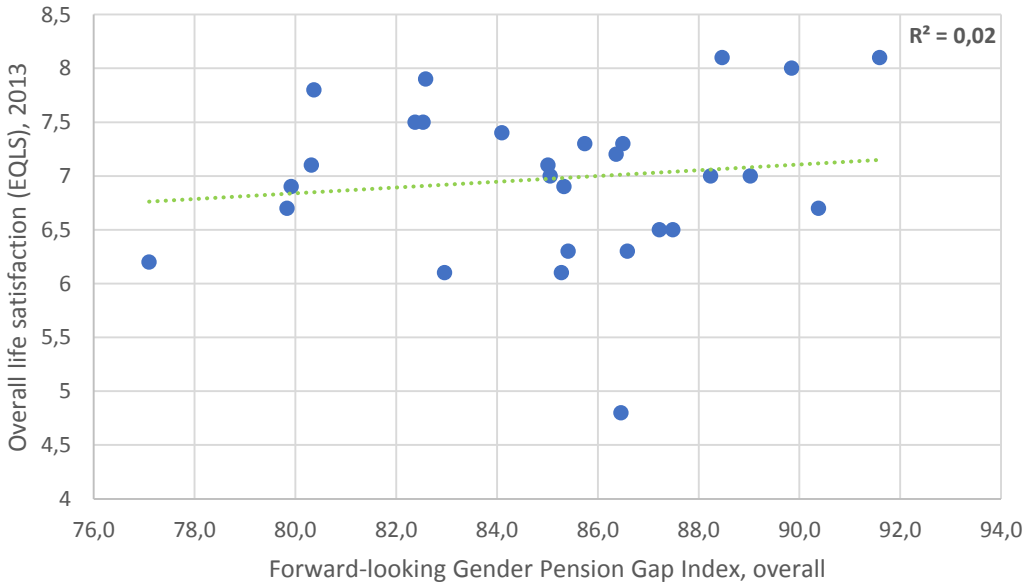


Source: Author (FGPGI) and Eurostat (Gini coefficient, EU SILC)

3.4.4. The Forward-looking Gender Pension Gap Index and life satisfaction

Another investigation into the FGPGI and women's self-reported life satisfaction also revealed no discernible association. This suggests that differences between men and women reflected in the FGPGI do not influence life satisfaction - as reported by women.

Figure 20 : FGPGI scores and life satisfaction among women, drawn from EQLS



Source: Author (FGPGI) and Eurostat (overall life satisfaction, EU EQLS)

4. CONCLUSIONS AND POLICY RECOMMENDATIONS

4.1. Main result

Women in Europe have various roles during their lifetimes, not only including economic activity, but also family responsibilities. As a result, they experience discontinuity in employment and their careers or choose reduced activity on the labour market. As a result, they accumulate smaller pension wealth and lower pension entitlements, compared to individuals with uninterrupted employment histories.

In recent years, the female presence on the labour market in many Member States has increased. This may translate to higher expected pensions and a potential reduction of the gender pension gap.

Many countries are also engaged in reform of their pension systems to meet the challenge of ageing populations. This is achieved, in part, by strengthening the relationship between lifetime wages and pension levels in combination with raising retirement age and – in most Member States – equalising retirement age for both sexes. These developments will also impact expected pension benefits. In particular, narrowing the divide between earnings and pensions means that gender differences on the labour market will be reflected in gender differences in the pension systems.

The current gender gap in pensions is estimated as 38% for the EU-27 countries (Burkevica et al., 2015) and ranges from 45% in Germany to 5% in Estonia. Over recent years, the employment rate for women in Germany has increased significantly. In Estonia, the gender pay gap is significantly high. It should be inferred that the gender pension gap for today's workers may differ from present levels.
The proposed Forward-looking Gender Pension Gap Index can monitor performance of economic and policy developments which may influence disparities between pensions for men and women. It measures the extent, to which gender differences on the labour market in association with design of the pension system can contribute to the gender pension gap and is based on the set of indicators.

The ranking, generated according to the proposed methodology, projects the gender pension gap as an endemic phenomenon that will persist into the future. The rising generations of women still face fundamental labour market challenges in terms of full employment, wages and part-time work.

In many Member States, pension systems are designed to combat some causes of the gender pension gap. In particular, allowances are made to cover career breaks for child-care. However, the limited scale of income redistribution in combination with pension indexation principles can still contribute to widening of the pension gap between men and women.

4.2. Policy implications

The gender gap in pensions mainly results from differences on the labour market. Therefore, to increase women's pension incomes, policies aimed to **reduce these labour market differences** are vital. These policies should:

- Encourage greater employment levels throughout women's entire life at working age, starting early. This includes **facilitating smooth school-to-work transition and reduction of risks that lead to lack of employment at the start of the labour market path.** Such developments may cause the « scarring effect », leading to lower lifelong participation in the work force;

- Strengthen **reconciliation of work with family life,** including access to high quality and affordable child-care facilities in addition to supporting care for adult family members in need of care owing to age or disability. This would allow women improved access to the labour market during prime working age;
- Extend working lives, offering access to preventative medicine, age management and lifelong learning to encourage development and updating of skills to accommodate the changing needs of the labour market.
- Promote **equal pay for equal work, in addition to equalising access to employment in different sectors for both men and women;** this would help reduce "gender" stigmatisation of certain professions, such as teaching or nursing and help attenuate the gender pay gap;

Performance of pension systems should also be monitored from the perspective of their rôle in mediating the gender pension gap. The most important considerations are in terms of:

- **Pension credits for career breaks not restricted to childcare, but also to cover care for other family members,** particularly in the light of an ageing population and the rising numbers of older people requiring care;
- **Equalisation of actual retirement ages** for men and women;
- Monitoring **outcomes from pension indexation rules** that could exacerbate the pensions gap for older women, in particular.

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ANNEX – ADDITIONAL TABLES FOR CHAPTER 3

Table 5. Forward-looking Gender Pension Gap Index: indicators, domain and overall scores

Country	Employment gap	Wage gap	Work intensity gap	Career break gap	Pension redistribution	Indexation rules	Retirement age pension difference	**Labour market domain**	**Pension system domain**	**Forward-looking Gender Pension Gap Index, overall**
AT	83.6	77.7	54.9	101.6	99.3	86.1	100.0	75.0	96.7	**82.6**
BE	71.5	92.5	57.5	97.3	110.7	89.3	100.0	73.3	99.3	**82.4**
BG	71.0	85.9	97.0	93.8	115.4	81.1	94.5	81.2	96.2	**86.5**
CY	71.1	85.1	84.4	98.6	100.0	98.6	100.0	77.9	99.3	**85.4**
CZ	74.5	77.7	90.0	105.7	125.3	98.3	100.0	79.2	107.3	**89.0**
DE	86.3	77.9	53.3	109.1	110.4	103.6	100.0	75.9	105.8	**86.4**
DK	87.5	83.5	64.7	108.2	130.0	108.3	100.0	80.8	111.6	**91.6**
EE	82.1	70.2	87.6	93.7	115.7	89.3	100.0	80.5	99.7	**87.2**
EL	49.9	78.0	87.4	100.0	109.4	79.4	100.0	66.3	97.2	**77.1**
ES	62.9	82.2	74.8	99.5	101.2	87.6	100.0	70.7	97.1	**79.9**
FI	84.8	81.2	80.6	99.0	105.8	91.0	100.0	82.8	98.9	**88.5**
FR	75.5	84.5	69.6	115.8	100.0	89.7	100.0	76.3	101.4	**85.1**
HR	60.6	91.0	93.6	100.5	121.8	99.3	100.0	76.5	105.4	**86.6**
HU	65.8	81.6	91.0	100.0	100.0	83.4	100.0	76.0	95.8	**83.0**
IE	69.9	87.1	65.0	99.4	119.7	100.0	100.0	73.0	104.8	**84.1**
IT	58.1	93.0	68.3	103.9	100.7	92.3	100.0	69.4	99.2	**79.8**
LT	78.5	87.8	89.8	98.2	121.2	92.1	100.0	83.7	102.9	**90.4**
LU	73.9	93.8	64.1	87.8	106.3	81.5	100.0	76.4	93.9	**82.5**
LV	79.3	84.0	90.6	91.8	101.0	88.5	100.0	83.3	95.3	**87.5**
MT	58.8	90.3	73.5	99.9	111.7	84.0	100.0	70.3	98.9	**80.3**
NL	86.3	83.5	22.9	98.9	101.8	99.9	100.0	69.7	100.1	**80.4**
PL	66.8	92.9	89.6	104.7	101.0	96.1	100.0	79.0	100.4	**86.5**
PT	72.4	86.7	86.0	99.7	97.6	87.7	100.0	79.4	96.3	**85.3**
RO	65.8	95.1	90.4	97.5	104.2	83.5	97.6	79.3	95.7	**85.0**
SE	90.6	85.4	62.3	100.2	124.6	91.1	100.0	82.2	104.0	**89.8**
SI	74.0	93.7	87.4	97.9	106.7	96.9	95.8	82.3	99.3	**88.2**
SK	66.8	81.2	93.8	102.9	105.0	94.4	100.0	77.1	100.6	**85.3**
UK	82.3	79.5	58.5	100.8	119.1	98.3	100.0	75.6	104.5	**85.7**

Source: Author

Table 6. Employment rates of women by age (%) in 2013, EU countries

	From 15 to 19 years	From 20 to 24 years	From 25 to 29 years	From 30 to 34 years	From 35 to 39 years	From 40 to 44 years	From 45 to 49 years	From 50 to 54 years	From 55 to 59 years	From 60 to 64 years	From 65 to 69 years	From 70 to 74 years
European Union (28 countries)	14.1	44.6	65.7	69.8	72.2	73.8	74.1	70.2	58.1	27.6	8.2	3.8
Belgium	4.4	37.5	71.5	75.3	76.7	77.3	75.5	67.9	51.9	18.0	2.6	1.2
Bulgaria	2.4	30.0	55.4	67.1	76.2	77.3	77.6	74.1	63.2	24.7	5.3	
Czech Republic	2.5	34.9	64.1	59.9	73.9	84.4	88.7	84.2	65.3	18.6	7.5	4.0
Denmark	47.1	62.6	68.1	77.3	80.4	82.8	82.2	81.0	74.8	38.4	9.7	3.1
Germany	24.8	62.9	74.4	75.9	76.9	81.4	82.2	78.9	71.4	42.8	9.3	3.8
Estonia	6.9	47.4	65.4	67.2	74.3	83.9	87.5	78.5	75.7	51.2	28.0	11.4
Ireland	10.8	49.4	68.5	69.2	67.8	62.9	62.2	61.3	53.2	32.3	10.1	5.2
Greece	1.3	17.6	43.8	53.3	55.4	55.4	55.0	43.7	33.4	18.3	3.9	1.2
Spain	2.8	28.2	57.5	64.3	64.7	62.7	60.1	56.0	46.2	25.2	3.7	1.0
France	7.6	43.3	70.2	74.6	77.4	79.0	79.3	75.9	63.9	21.9	4.4	1.2
Croatia	2.8	21.7	58.7	69.6	71.7	65.3	65.9	58.6	41.9	19.2	5.9	2.8
Italy	1.9	24.4	45.8	57.5	62.3	60.6	60.2	57.5	47.6	18.1	4.0	1.6
Cyprus	3.1	41.1	71.5	75.6	75.4	72.0	69.6	60.2	51.8	24.3	8.3	4.4
Latvia	5.0	42.5	71.6	75.1	75.8	80.7	79.3	74.2	71.3	37.1	15.7	8.2
Lithuania		37.8	74.3	82.3	80.4	81.3	82.4	76.0	66.1	35.1	9.0	
Luxembourg	7.5	31.7	73.9	80.2	79.0	75.8	75.0	68.2	45.0	16.8		
Hungary	1.7	30.5	61.4	62.5	68.3	76.2	77.6	74.0	51.4	11.1	3.8	
Malta	17.4	66.9	77.6	65.3	61.7	54.8	48.1	38.4	28.9	8.5		
Netherlands	51.8	69.6	80.1	78.7	78.8	77.6	77.2	73.3	62.6	35.5	7.1	2.5
Austria	30.8	66.4	78.7	77.6	80.7	83.0	83.8	78.1	53.4	14.4	7.1	3.8
Poland	3.2	33.3	64.6	70.1	74.2	76.6	75.4	67.3	46.9	13.7	6.4	3.1
Portugal	4.9	35.2	66.9	75.3	76.0	74.3	71.7	67.7	51.2	30.3	14.3	9.6
Romania	6.2	29.6	63.5	68.1	71.8	72.8	71.8	61.7	42.9	22.9	20.6	19.0
Slovenia	8.9	35.1	65.3	78.8	84.2	86.8	83.4	76.5	37.9	10.1	6.0	4.8
Slovakia	1.8	27.9	58.0	57.5	70.7	80.5	79.5	75.1	57.3	11.7	2.3	
Finland	26.9	60.3	69.7	70.3	75.8	83.0	85.5	83.5	76.7	44.2	9.3	2.4
Sweden	24.5	58.1	74.5	79.8	85.8	86.4	85.4	84.0	79.0	61.7	13.9	6.2
United Kingdom	28.5	61.5	71.6	73.1	74.3	75.8	78.3	77.2	67.7	37.5	16.0	6.3

Source: Eurostat EU LFS

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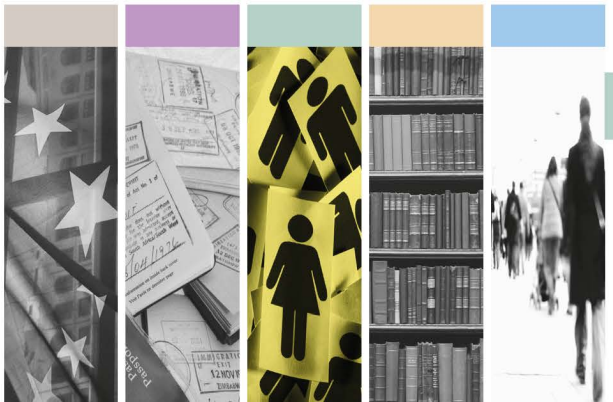

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