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Individualised pensions and women in Greece: caveats and opportunities

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Abstract:

Within pension reforms in Europe, one of the policy trends with significant gender implications is a gradual emphasis on individual pension rights based on labour market participation and the recognition of periods of care, and a decrease in the importance of derived pension rights for women's pension income. The paper analyses six pension reforms in Greece between 1982-2002 to illustrate a gradual shift towards greater pension individualisation for women. It argues that unless this shift is coordinated with employment and family policies that allow both women and men to build adequate individual pension rights, greater pension individualisation could have adverse consequences for those with weak links to the labour market.

Keywords: pensions; individualisation; Greece; gender

Introduction

The gender gap in terms of the poverty risk in old age in the EU-25 stood at 7 percentage points in 2005 (25 per cent of men compared to 32 per cent of all women aged 65 and over) (Eurostat 2005)[1]. Almost without exception, older women everywhere are more likely to be financially disadvantaged than men, as a result of the way their life course patterns, including paid work, unpaid work and care, interact with entitlement structures of modern pension systems (Smeeding and Sandstrom 2004; Zaidi, Grech et al. 2006). Part of this gap can be explained by women's typical employment patterns: fewer women than men enter the labour market, and when they do, women are more likely to have interrupted working histories and to care for dependants, more likely to work part-time and in less well-paid jobs, impacting on their lifetime earnings, the length of their pension contribution records and the type of pension schemes they have contributed to (Ginn, Street et al. 2001). Another part of this gap can be explained by the default structure of modern pension systems that rewards individuals' long and continuous links with the labour market but often undermines unpaid work and care performed outside the labour market, typically to a greater extent by women.

In the last 25 years or so, women's two avenues to pension entitlement, either through *individual* or through *derived* pension rights, have been affected by pension reforms taking place across the European Union. Such reforms have resulted from the need to balance pension adequacy that prevents old-age poverty with fiscal sustainability to prevent the bankruptcy of pension systems in the face of population ageing and rising pension expenditures (Holzmann, Orenstein et al. 2003). On the output side, such reforms have included the strengthening of the link between pension contributions and income from paid work, the prolongation of working lives and the emphasis on employer- and private- rather than state-provided pensions. From a gender perspective, an important parallel to such pension reforms has been the phasing-out of women's derived pension rights, both as a consequence of women's massive entrance in the labour market and as an incentive for its continuation (European Commission 2006). The shift away from the importance of derived pensions for women's total income in old age represents a gradual individualisation of pension protection, based on women's employment records but also periods of care provision recognised by the pension system. But although such individualisation may have positive consequences in terms of pension security in contexts with high female labour market participation rates, its consequences may be less welcome in contexts where derived pension rights continue to contribute considerably to women's late-life incomes (European Commission 2006).

This paper engages with these debates by illustrating the shift towards greater individualisation in women's pension protection in Greece. The section that follows contextualises the paper by considering the gender implications of recent pension reforms and the meaning of greater individualisation of pension rights for women in particular. The basic characteristics of the Greek welfare state are examined in the third section in the context of the existing comparative literature on welfare regimes, leading to an outline of the Greek pension system. In the fourth section the paper discusses women's

[1] Based on 60 per cent of median income after housing costs.

avenues to pension entitlement in the context of the Greek pension system and labour market. The fifth section turns to the main elements of six pension reforms introduced between 1982 and 2002, while the sixth section revisits the debates set at the outset and describes the shift towards greater individualisation of women's pension rights in Greece. The final section discusses the implications of this shift for women's pension accumulation prospects in Greece and beyond.

Pension reform trends and their gender implications

Pension reforms in Europe have taken place as a result of three interacting factors: population ageing that gradually increases the proportion of pension claimants while shrinking the labour base; the concomitant rise in pension expenditures that threatens the financial sustainability of pension systems; and the changes in modern labour markets – including the increase in women's participation- that demands the adjustment of pension entitlement structures (Bonoli and Shinkawa 2005). The policy responses of European Member States have been very context-specific, underlining the particular social, economic and political capacity of each context to introduce reform, however certain key trends in pension reform are identifiable across the region. These include a greater shift of the responsibility to provide pensions from the state to the employer and the individual, a gradual reduction in the generosity of state-provided pensions and a tightening of the eligibility criteria for pension receipt (European Commission 2006). Both the challenges pension systems have faced and the ways in which they have responded to them have profound gender implications documented by policy-makers and academics alike (Ginn 2004; European Commission 2006). Cost-reducing policies that target rising pension expenditures are more likely to disadvantage women than men, because women are more likely to have irregular and/or weak ties with the labour market, and are therefore more likely to rely on statutory pension provision during old age (Rake 1999). At the same time, women are more likely to incur a 'pension penalty' for providing care to dependants over their life course, and less likely to benefit from employer-provided security as a result of their working patterns (Ginn and Arber 1993; Evandrou and Glaser 2003).

Pension systems reflect and reproduce gender inequalities that stem from the labour market and the household, which pension reforms have tried to address in different ways, highlighting the importance of individual and derived pension rights for women. Women can build *individual* pension rights through paid work and/or the recognition of care for dependants, or *derived* pension rights by virtue of their marital bond to their spouse. Certain countries, like Belgium and Luxembourg, have opted for the enhancement of derived pension rights, like survivor benefits, that typically support women to a greater extent in old age given their higher life expectancy. Other countries have focused instead on the enhancement of women's prospects to build individual pension rights, through policies related to pension accumulation but also policies that encourage women's (and especially mothers') participation in the labour market. Examples of this latter policy direction are more frequent in the European policy context. They include the decrease in the value of survivor benefits (Austria); the enhancement of compensatory measures such as carers' pension credits towards the basic state pension (Germany); the contribution by the state or the employer to occupational pension schemes for periods of maternity or parental leave (Sweden, Denmark and Poland); and the opportunity for parents to contribute to supplementary pension schemes whether employed or not (Ireland) (European Commission 2006). But although the facilitation of individual pension entitlement can potentially result in greater gender equality in pension protection, it also comes with certain important caveats.

A shift away from derived pension rights and towards individual pension rights can be regarded as a positive step towards greater gender equality because it facilitates women's financial autonomy throughout their life course and especially in old age (Luckhaus and Ward 1997). It also implies a shift away from the gender-specific design of social policy, which in Southern Europe has been traditionally protective of women, towards social policy that is gender-neutral in its perception of workers, parents and carers. In country contexts where the welfare state recognises and supports the combination of work and care through employment and pension policies, the shift away from derived pension rights is almost a natural occurrence because every individual, irrespective of their gender, is provided with opportunities to build individual pension rights. The existence and generosity of carers' credits towards the state pension is a fundamental element of such an arrangement, while such credits towards the occupational pension are equally important especially in countries where the value of the state pension is low, for example in Britain. However, in countries where the combination of work and care is either difficult due to the lack of statutory support, or where it is penalised in the context of pension accumulation, the phasing-out of derived pension rights can be to women's financial detriment and may hinder the drive towards greater gender equality. Indeed, in such contexts, financial adequacy in old age through derived pension rights may be a preferable aim compared to financial autonomy through individual pension rights, at least until every individual is provided with opportunities to benefit from greater pension individualisation. This paper is aimed at exploring the issues and challenges that pension individualisation can raise in the Greek context, a context with several idiosyncrasies in terms of welfare protection, the history of pension reform and women's prospects for pension accumulation.

Caught between ideal types: the Greek welfare state

Within the conventional typology of welfare regimes, the 'allegiance' of the Greek welfare state has often been debated, as it includes elements of both the Southern European and the conservative-corporatist type (Katrougalos 1996). On the one hand, the Greek welfare state can be described as the archetype of the Southern European welfare regime when one considers its disproportionate spending on pension protection and, by contrast, its relatively limited capacity to protect citizens from basic social risks, particularly unemployment and long-term unemployment (Leibfried 1993; Ferrera 1996). In terms of poverty protection it is telling that Greece is still the only Southern European country not to have applied, or even trialled, a universal net of social assistance (Matsaganis, Ferrera et al. 2003). It is within this welfare arrangement that the importance of the family as a welfare provider becomes paramount (Naldini 2003). The bulk of welfare protection in Southern Europe is still provided by what Martin terms 'an alternative welfare society', which comprises strong kinship networks that may have been altered but certainly not to the same extent as elsewhere in Continental Europe (Martin 1997; Saraceno 1997). On the other hand, the Greek welfare state maintains a structure of entitlement to social rights based on individuals' occupational affiliation, which defines the ideal conservative-corporatist welfare regime (Esping-Andersen 1990). Such structure has a bipolar effect on access to welfare: occupational groups comprising the nucleus of the labour force can expect multi-faceted welfare protection, while categories of workers in the so-called 'peripheral' labour market often have to rely on informal networks for the coverage of their fundamental social needs (Burtless 2001). As Ferrera notes, there exists 'a real abyss of guarantees and opportunities' between 'insiders' and 'outsiders' in terms of welfare protection (Ferrera 1999: 34).

The structure of the Greek pension system, which like elsewhere in Southern Europe absorbs the majority of the social expenditure, further exacerbates the problem of patchy welfare protection. Its most developed pillar is the first pillar, which accounts for approximately 84 per cent of the total pension expenditure, or 10.6 per cent of the country's GDP (MLSS & MEF 2002). Membership in this pillar is mandatory for all employed and self-employed persons, and it operates on a Pay-As-You-Go basis. Although the vast majority of the working population receives a pension from this pillar, the value of the basic pension varies considerably between different insurance funds, while the conditions attached to its receipt –also variable across funds- often preclude workers with insufficient, interrupted or low-salary employment records from securing it. Depending on one's occupational affiliation, auxiliary pensions that account for about 14.5 per cent of the total pension expenditure, can add to the basic pension income, while less than 10 per cent of the working population also receive private (or personal) pensions, which amount to about 1.5 per cent of the country's GDP (MLSS & MEF 2002). In addition, despite the government's stated intention in 2008 to apply greater uniformity and to reduce the number of funds from 92 to 13, (Greek Daily 'Kathimerini' 2008), the system is still an administrative labyrinth, which creates inequalities between occupational groups, and which is costly. In 2003 the Economic Policy Committee projected the cost of public pension provision to rise from 12.6 per cent of the GDP in 2000 to 24.8 per cent by 2050 (EPC 2003).

Women's avenues to a pension income in Greece

This section of the paper examines the prospects that Greek women have to build individual and derived pension rights, considering their position in the Greek labour market and the entitlement conditions of the pension system.

The right to the basic state pension, which can be between €400-1,100 per month, is currently secured with at least 10 years of work during the last 5 of which the individual must have been insured at the same insurance fund. It is difficult to ascertain exactly what proportion of women are entitled to an individual pension, as the current lack of a unified monitoring system permits the receipt of multiple pensions –both individual and derived (Romanias 2007). However, the characteristics of women's labour market participation are a useful starting point in analysing their capacity to build a pension entitlement.

Figure 1 combines the most recent data from the Greek labour market to show that fewer than half of women of working age work full-time, and approximately 18 per cent of all women work part-time (compared with 6 per cent of all men). Unemployment is more than double among women than men (15 per cent compared to 6 per cent), while long-term unemployment is three times higher among women compared to men (9 per cent compared to 3 per cent). For the unemployed and the long-term unemployed, welfare protection is a function performed primarily through informal family networks (Matsaganis and Petroglou 2001). Women's low participation in the labour market can begin to explain the over-reliance of the female pensioner population on derived pensions and women's under-representation among claimants of individual pensions. In 2002, 80 per cent of all male pensioners received an individual pension compared to 33 per cent of all female pensioners (Romanias 2007). However, a closer look at the gender division of labour, as well as the opportunities parents have to combine work with care, reveals a more complex picture.

Table 1 maps the division of labour among married couples in the four countries of Southern Europe: Greece, Italy, Spain and Portugal, showing considerable differences within a region that the literature often considers homogeneous. In terms of full-time employment, Greece is similar to Italy and Spain in terms of the proportion of couples where both the man and the woman work full-time (between 38 and 47 per cent of all couples), and where only the man works full-time (43-45 per cent). Part-time employment is less prevalent across all four countries, while other working arrangements (for example where the woman works full-time and the man part-time) are equally uncommon across Southern Europe. Embedded in women's employment patterns is a gender segregation and a gender pay gap that can have an impact on their lifetime earnings and pension contributions (MLSS 2003). The gender wage gap across Europe has narrowed considerably during the last two decades or so as a result of European legislation (OECD 2002). Nevertheless, in the Greek public sector, where women comprise about 40 per cent of all employees, women's average earnings were 83 per cent of male earnings, while in the private sector women's earnings were 74.5 per cent of male earnings (Cholezas and Tsakloglou 2006).

What the apparent polarisation in Greece between women's full-time employment (in 47 per cent of couples) and no employment at all (in 44 per cent of couples) masks is women's economic contribution to the informal economy. Empirical data in this area is scarce, partly due to variable definitions of the 'informal economy', and therefore can only be taken as an indication of the prevalence of informal work that is relevant to this discussion. Data from the ILO show that in 1981, 36.4 per cent of all working women were 'contributing family workers', by 2000 this had decreased to 17.2 per cent and in 2006 about 11 per cent of all women still fell in that category. Although this represented a significant decrease for the Greek context, it was still quite high in relation to other Southern European countries: in 2006 only 2.7 per cent of Italian women were classified as 'contributing family workers', compared with 1.9 per cent of Spanish and 1.8 per cent of Portuguese women (ILO 2006). Informal employment in Greece, amounting to about 29 per cent of the country's GDP in 2001, is often found in the broader family sphere and in occupational sectors where women are likely to be over-represented, such as agricultural work and services (Papadimitriou 2006). During the late 1980s almost half of all working women belonged to this category, having no direct access to any kind of social insurance (Avdi-Kalkani 1988). Since then, the composition of this ‘invisible’ working population in social insurance terms has changed as a result of a steady in-migration flow of labour to provide care in Greece, which in turn has probably contributed to the increase in the labour force participation of women of Greek origin (Lazaridis 2000).

The duration and type of work women can perform, which affects their individual pension contributions, is directly affected by whether they have children or not, how many children they have, and also the extent to which the state provides them with support to balance work with caring obligations (Ginn, Street et al. 2001). Table 2 compares the type of employment among women in Southern Europe based on the number of children. Between 57-62 per cent of childless women worked in Greece, Italy and Spain compared to about 77 per cent of childless women in Portugal, while the proportion of women in work in Greece decreased to 54 per cent (1 or 2 children) and to 40 per cent (3 children or more). Partly reflecting the low prevalence of part-time work in Greece altogether, its combination with care is more common in Italy and Spain, compared to Greece and Portugal.

Although women in Greece, like in most other European countries, tend to be the main care providers, the care infrastructure in Greece is under-developed, even in comparison to its Mediterranean neighbours (Paparrigopoulou-Pehlivanidi 2005). Table 3 shows that only 3 per cent of children up to the age of 3 use formal child care arrangements, compared with 6 per cent in Italy, 5 per cent in Spain and 12 per cent in Portugal. At the same time, 95 per cent of children between the age of 3 and the mandatory school-age use child care facilities in Italy, compared with 75 per cent in Portugal, 84 in Spain but only 46 in Greece (OECD 2001: Table 4.7). The Greek welfare state has initiated the modernisation of care facilities for infants, children and older people, however inequalities of access still exist within rural areas (MLSS 2004).

A similarly limited scope characterises the provision of leave to care in Greece. Table 3 compares the duration of the leave, its value as a proportion of national average wages and the total duration of childcare leave within Southern Europe. The Greek welfare state is the least generous in terms of the duration of the maternity leave (16 weeks), its value as a proportion of average wages (50 per cent) and the total number of weeks that can be taken to care for a child (42 weeks). In addition, the Greek case displays important inequalities between different occupational sectors. For example, among the different types of leave to care for a dependent person (maternity leave, paternity leave, parental leave and leave to care for other family members) the private sector recognises only maternity leave for the purpose of social security contributions. By contrast, parental leave is recognised in the private sector only if the relevant time is ‘bought off’, which requires both the employer and the employee to pay the corresponding contributions into the insurance fund. The public sector, on the other hand, recognises both maternity and parental leave, while time spent caring for a dependant that is not a child is not recognised by either the private or the public sector (Kazakou, Varhalama et al. 2004).

An exception to the inertia that has characterised this policy area was the introduction in 2002 of child care credits, adding 1 year to women's pension contributions for the first child, 1 ½ years for the second child and 2 years for the third child and for every child after that.

For those women with pension contributions of less than 10 years, or with no contributions at all, the Greek pension system provides the 'pension for the uninsured' (approximately €220), which can only be received if no other member in the household is in receipt of a pension and if the annual income in the claimant's household does not exceed €3,000. Until recently several instances of women's preferential treatment existed in the pension system, displaying the patriarchal values that protected women as wives or as daughters from financial destitution. For example, the minority of wives/ daughters of public sector employees had been traditionally allowed to receive a pension for life following the death of their husband/ father, whether working or not. Provisions such as this are being gradually phased out in line with the principle of gender equality dictated by the Greek Constitution. In cases of divorce, still not as common in Greece as in the rest of Europe, since 2004 women have been able to claim half of the couple's pension income. Given the complexity of women's working patterns and the stringent conditions of entitlement, women's reliance on derived pensions -especially survivor benefits, is not surprising. In 2002, and across all insurance funds, one-fifth of all female pensioners were receiving a survivor pension, compared to only 0.3 per cent of male pensioners (Romanias 2007). Older data (from 1998) from the largest insurance fund (IKA) show that more than 97 per cent of all survivor pensions were received by women, compared with only 2.4 per cent received by men, although part of this discrepancy is explained by women's higher life expectancy (Karamesini 2002).

'Running to stand still': pension reform in Greece

Between 1975 and 2002 over twenty pieces of legislation introduced changes to the Greek pension system, however none has significantly altered the modus operandi of the pension system. The academic literature offers a mixed explanation on this issue that refers to the resistance to change by organised interests and the importance of social and financial equilibrium in light of the country's entry in the EU and the EMU (Featherstone 2005). This section discusses six reforms, introduced between 1982-2002, which resulted in certain important changes to men's and women's criteria of pension entitlement. These laws and their specific titles are summarised in the Table 4.

The 1980s saw a rapidly expanding welfare state in Greece that reflected the Socialist government's declared promotion of gender equality, and the 1982 pension reform was part of this drive. Aimed at raising living standards in rural Greece, the 1982 law increased the value of farmers' pensions by 50 per cent, increased the minimum wage by 40 per cent and introduced a 'pension for the uninsured' for those with inadequate contributions (Dedouli 1993). From a gender perspective, this reform was path-breaking for introducing an individualised pension for female farmers. Social protection for farmers had been established since 1961, however female farmers could only claim a derived pension if their husband was already insured with the Organisation of

Agricultural Insurance (OGA) (Pantazi-Tzifa 1984). The right to an individual pension was of paramount importance to working women, more than 40 per cent of whom were farmers at the time, compared with 26 per cent of all working men (Pantazi-Tzifa 1984: 31). The reform also took a decisive step to alleviate poverty in rural Greece, by increasing the average farmer household income by 76 per cent (Law 1287/82 Minutes 1982: KE' Meeting). The benefit to the general population, almost one-quarter of whom lived in absolute poverty at the time, was immense (Tsakloglou 1990).

The 1988 reform targeted the female working population in a more implicit manner by establishing the right to social insurance of employees working for persons 'with whom they are spouses or first- or second- degree relatives'. This was the first attempt of the Greek welfare state to address a policy issue that at the time affected approximately half of all working women, and would affect about one-third of all working women by the 1990s (Kyriazi 1995). However this reform also expanded the more lenient conditions of retirement enjoyed by mothers of underage children to unmarried and divorced mothers, and to mothers of disabled children, in line with the European Directive 86/613 on equal treatment.

The change of government in 1990 brought the Conservatives to power and symbolised the beginning of a series of 'reform by instalments' (Tinios 2006). Key aspects of the pension problem, such as the threat to the long-term sustainability of the system as identified by OECD and IMF analyses (Hemming, Schwartz et al. 1992; Mylonas and de la Maissoneuve 1999), were left in the margins as the government's stated objective was only to "lay the foundations" for a future pension reform (PCCEA 1990). Instead, the 1990 and 1992 pension reforms focused on incremental changes that 'tightened' the entitlement structure and that affected women and men alike (Romanias 2007). The retirement age was increased to 60 for men and 58 for women for those who had entered the system before 1993, and to 65 for both men and women who had entered the system after 1993; total contributions were gradually increased from 27 to 30 per cent; and the total replacement rate was decreased from 80 to 60 per cent. Finally, the age 65 was established as the age at which a pension could be drawn with a minimum contribution of 15 years, abolishing a contested right for women in the public sector to draw a pension at any age.

Following their return to power in 1993, the Socialists strived to make the 1990s synonymous with modernisation and 'change for the better' (Pagoulatos 2003). The publication of the 'Spraos Report' in 1997 –named after its chair-, commenced a new round of social dialogue on pensions (CEEPLT 1997). The 1999 reform was not as radical as envisaged and introduced a number of administrative changes, but in gender terms it further applied gender equality in the receipt of survivors' pensions. In doing so, however, the law created more stringent conditions for both men and women, which affected women to a greater extent because of their higher life expectancy. The second part of the Socialists' initiative came in 2002, following the Report of the British Government Actuaries Department on the Greek system, which stated the obvious: that 'quite simply, any attempt to reduce the level of the annual financing gap must either increase income or reduce expenditure' (MLSS 2001: 3). After failing to reach a consensus with the government in the social dialogue, the unions rejected the Report and produced an independent study with not dissimilar fiscal projections (INE GSEE-ADEDY 2001). However, the government's proposals personified by the then Minister Yiannitsis, were fiercely rejected by the unions, prompting the swift replacement of the Minister and the introduction of a milder 2002 pension reform.

The 2002 pension reform maintained the uniform retirement age of 65 and a 70 per cent replacement rate for all post-1993 entrants, but for the pre-1993 entrants differences remained depending on one's occupational sector and the year they had entered the pension system. In gender terms the 2002 reform was innovative in that it introduced pension care credits towards the pension contributions of mothers.

Women's shifting status in the Greek pension system: from privileged dependence to unsupported individualisation

The history of the Greek pension system is filled with examples of differential entitlement based on one's gender, family status, occupational affiliation and the year they entered the pension system. An analysis of reforms relating to all these characteristics is beyond the scope of this paper. This paper is concerned specifically with differences in pension entitlement based on gender and the implications for women of a shift towards greater pension individualisation. Drawing on selected elements of the six pension reforms outlined earlier, this section describes a shift in the way women are viewed by the Greek pension system that is concomitant with a gradual individualisation of pension rights. Since its inception, the Greek pension system has viewed women as what could paradoxically be termed as 'privileged dependants', enjoying more lenient conditions of retirement eligibility based on their gender or their motherhood status. The rationale behind this arrangement was to reward women's multi-faceted contribution to Greek society, but it was underpinned by an institutionalised discouragement of women's employment in the formal labour market that usually left them financially dependent across their life course and in old age. Through incremental reforms, women have gradually been perceived as individuals in their own right rather than depending on their spouses, however they are still not provided with enough opportunities to claim an individual pension. In that sense, it is a particular kind of individualisation of pension rights that is taking place in Greece, which on one hand gradually withdraws women's preferential treatment and emphasis on derived pensions, but on the other hand fails to support them in balancing their multiple roles and securing an adequate pension income in old age. The remainder of this section draws on specific elements of the six pension reforms introduced between 1982 and 2002, in order to illustrate the shift in Greece towards unsupported individualisation in women's pension protection.

The 1982 reform that provided female farmers with an individual pension was arguably a breakthrough in terms of designing and implementing gendered social policy in Greece. A woman's contribution to farming activities and by extension to the household income was not recognised by the state until 1982, and therefore not rewarded in the form of an *individual* pension in retirement. As an MP put it when this law was discussed in Parliament, until 1982 the female farmer was regarded as 'nothing more and nothing less than the farmer's wife, whether she worked or not' (Law 1287/82 Minutes 1982: KE' Meeting). This reform illustrated a clear shift in female workers being perceived as workers and a step towards greater financial independence in old age. The financial value of the pension was not high, yet its symbolic value in awarding women individual pensions was unprecedented. Whether greater gender equality or the rise of living standards in rural Greece was a more prevalent part of the policy intent behind this reform is difficult to establish, however it did contribute to the Socialists' image of pro-equality between men and women. A similar question is raised with regard to the 1988 reform that allowed for the recognition by the social security system of unpaid work within family businesses. Under-declared or undeclared work in family businesses had always been a feature of the Greek economy, as mentioned earlier in the paper. But although it is difficult to isolate the political drive behind the introduction of this measure at this particular point in time, it nevertheless placed a large segment of the unpaid working population, most of whom were women, on the map of Greek social security (Kravaritou 1991).

The policy intent behind the 1990-2 pension reforms, particularly in relation to gender and the pension regime for women, is a greater puzzle compared to earlier reforms. This is because these reforms maintained inequalities between men and women, but also *among* men and women in different occupational sectors (Vlachantoni 2007). For example, women retiring from the public sector by 1997 were entitled to a full pension at the age of 53 having completed 15 years of contributions, whereas married, widowed, divorced or unmarried women with dependent/disabled children could retire, by 1997, on a full pension at the age of 42 having contributed for the same number of years. The inequalities between the public and private sector also remained. For women working in the private sector, the eligibility requirements became stricter and also became stricter *earlier* than for women working in the public sector or in public utilities companies, such as telecommunications and electricity providers. Beyond the host of examples of inequalities remaining in the system, the 1990-2 pension reforms included a further step away from women being viewed as dependants, even when they were employed. The reforms abolished a so-called 'protective' measure first introduced in 1935 allowing women in the public sector to retire on a full pension with 15 years of contributions. By abolishing this measure, the law aimed at achieving gender equality by 'levelling down', in other words by abolishing women's preferential treatment in order to equalise their status with that of men, a much more frequent occurrence in legal history than equality by 'levelling up' (Fredman 1997).

The extent to which the so-called '15-year rule' was in women's interests had always been debatable (Petroglou and Karamesini 2001). It had allowed earlier retirement for women in recognition of motherhood and their services within the household, but it discriminated against women who wished to stay in work longer than 15 years (Karamesini 2002). Although they were guaranteed the basic state pension, women with 15 years of contributions risked inadequate earnings and savings across their lifetime, and an inadequate income in old age if they found themselves without a spouse to support them. The abolition of this protective clause also fulfilled a legal requirement for Greece to comply with the equalisation of retirement ages across the Continent (European

Commission 2006).The reactions of women's organisations to this measure were mixed, however it certainly amounted to a reduction of women's privileges in the system and a concomitant 'push' for women to spend a longer time in the (paid) labour market before they are entitled to a full pension (Dedouli 1993). Finally, in addition to early retirement being perceived as a reward, it was also perceived in the public domain as having pronatalist dimensions by encouraging women to have more children in the knowledge that they could return to their family duties in later life (Greek Daily 'To Vima' 1992).

A similar 'push' of women into the paid labour market, regardless of their previous employment experience or lack of it, was implied by the 1999 reform, which established gender equality in terms of entitlement to the survivor's pension, but disadvantaged women in doing so. The law ruled that a man or woman could receive the survivor pension for three consecutive years after the death of their spouse, if they were below 40 years of age (45 previously). After the end of the three-year period the pension receipt was interrupted until the claimant reached 65 years of age. If the widow/ widower was over the age of 40 and working, or receiving any other type of pension, they could receive only 50 per cent of the pension for those three years, while if they were not working or receiving another income they received a full pension for three years, after which the pension was reduced to 50 per cent (this had been 30 per cent in the government's initial proposal). Full pension receipt (at 100 per cent) could then resume at the age of 65, as for every other insured person that fulfilled the relevant conditions. Finally, if a widow/widower continued to work after the age of 65, or received an additional pension, they were entitled only to 70 per cent of the survivor pension (this had been 50 per cent in the initial proposal). With this measure Greek policy-makers made a clear assumption of the survivor's financial independence in the case of their spouse's death and until they had reached the retirement age. However, this measure arguably disadvantaged women, because women were more likely than men not only to become widows, but also to be unemployed and without an income after the end of the three years' receipt of the survivor's pension (OKE 1998).

Finally, the introduction of care credits for childcare in 2002 was the first real application of substantive gender equality in the Greek pension system (Karamesini 2002). For the first time, Greek policy-makers designed a policy measure that was sensitive to the differences between typical male and female life courses without assuming the dependence of one gender on the other. This policy was not perfect: it was only targeted to mothers, thereby excluding male carers, and it was only targeted to childcare, thereby excluding care provided to older or disabled people. Nevertheless, the Greek welfare state recognised for the first time that carers' should be valued during their life course and through their pension insurance, rather than through more lenient retirement conditions that may not result in an adequate income in old age. Therefore, the measure represented both a departure from preferential treatment in so far as special retirement conditions were gradually abolished <u>and</u> an encouragement for (child) carers to top-up their individual pension rights, affecting primarily the female population.

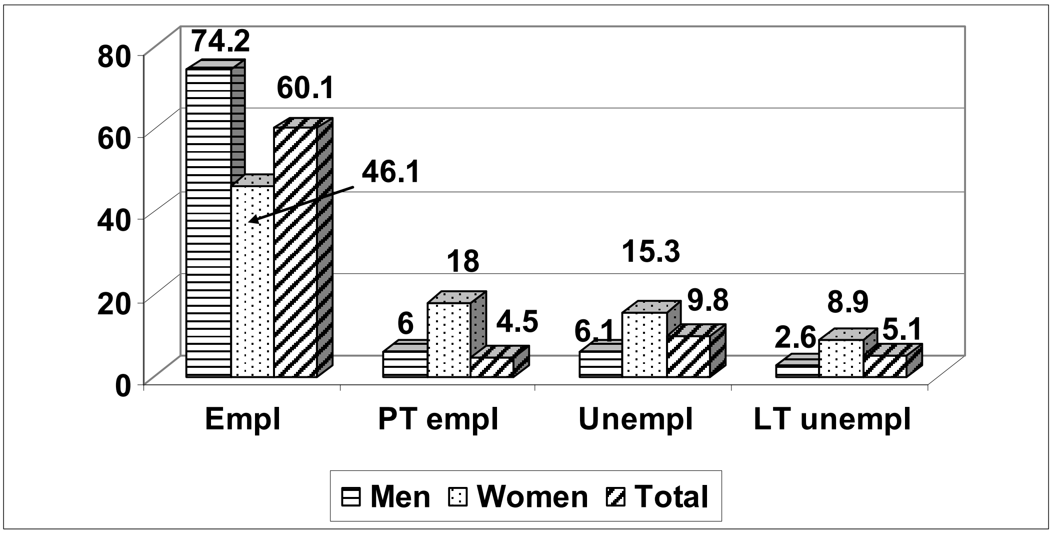
Gender and pension individualisation: implications for Greece and beyond

Over two decades or so, the Greek pension system has been characterised by its resistance to change and the resulting exacerbation of its fundamental problems of fragmentation, internal inequality and high cost. Since its inception, the system has displayed certain assumptions about men's and women's roles in the private sphere and the labour market, which have perpetuated women's reliance on derived pension rights. Through a number of incremental reforms since the early 1980s, the system has reduced women's privileges in terms of their retirement entitlement, assuming that women's typical life courses are gradually approximating those of men to produce adequate individual pensions. What the sequence of these reforms shows most lucidly is that paid employment in the formal labour market represents the most secure 'avenue' of pension accumulation for women in Greece. This is a significant change from past assumptions of women's dependence on their spouses and the state, and one that could potentially secure individual pension incomes for both women and men, assuming that both women and men are also supported in their caring roles. Therefore, although these pension reforms amount to a shift towards greater pension individualisation for women, the lack of concomitant reforms in family and employment policy does not create opportunities for both men and women undertaking care to benefit from greater individualisation. Although this policy shift can in theory contribute to greater gender equality in pension protection, in practice it is taking place under particular conditions that cannot guarantee pension adequacy for women.

The Greek case offers an important lesson with regard to the greater individualisation of pension protection and its implications for women, which is relevant to any pension system modifying the balance between the importance of derived and individual pension rights for women's pension protection. This is that if greater pension individualisation is to succeed in providing women with an adequate income in old age, its success rests on the creation of opportunities for women to build adequate pension contributions through labour market participation and through the recognition of caring periods. In Southern European country contexts, where women's unpaid work in the informal labour market is still a considerable part of the economy the goal of increasing women's labour market participation must be preceded by increasing the transparency of their contribution for the purpose of pension contributions. Beyond Southern Europe, this condition for the effectiveness of pension individualisation refers to statutory support for workers with caring obligations that allows the combination of work and care without relying only on private family networks. The recognition of care towards the carer's pension contributions is a measure that is already part of most national strategies in Europe, albeit with variable levels of generosity (Vlachantoni forthcoming). However, the impact of this measure on individuals' pension contributions would have a greater impact if it were expanded to cover periods caring for dependants other than children. On one hand there are strong arguments relating to social justice for the valorisation of eldercare in the same manner as childcare or care for infirm adults (Bubeck 1995). On the other hand, the expansion of care credits is also crucial considering the pressure that ageing populations place on the demand for eldercare across the Continent, and even more crucial in Southern European countries if they are to witness weakening family ties in the future.

The absence of these two key conditions during the gradual individualisation of pension entitlement -or what this paper has described as ‘unsupported individualisation’, can have adverse effects for persons with atypical employment records that include periods of caring, most of whom tend to be women. An assumption that women (and men) will rely on their individual pension contributions to secure a pension income must be accompanied with coordinated policies beyond the pension protection realm that ensure women and men have the opportunities to do so. An alternative scenario would risk placing women in a more disadvantageous position financially and could further open the gender gap in current rates of poverty in old age.

Figure 1: Employment, part-time employment, unemployment and long-term unemployment in Greece, by gender (2005)



(PT empl = Part-time employment, LT unempl = Long-term unemployment)

Notes: Data for employment, unemployment and long-term unemployment are for 2005 (Eurostat 2005). Data for total part-time employment are for 2005 (Greek Statistical Service 2006), while data for men's and women's part-time employment are for 2000 (Soumeli 2002).

Source: (Soumeli 2002; Eurostat 2005; Greek Statistical Service 2006)

Table 1: The division of labour in couples aged 20-49 where at least one partner has a job (% of couples)

	Man and woman both full-time	Only man working	Man full-time/ woman part-time	Man and woman both part-time OR woman full-time/ man part-time	Only woman working
Greece	47	44	5	2	2
Italy	38	45	13	2	2
Spain	44	43	9	1	3
Portugal	67	21	7	1	4

Source: (Moreno and Crespo 2005: Figure 5 - Data from 2003 EU LFS)

Table 2: Employment rates and part-time work of women aged 20-49 by number of children (under 12 years old)

	No children	1 or 2 children	3 or more children	Part-time with 2 children	Part-time without children
Greece	57	54	40	16	9
Italy	60	50	35	35	20
Spain	62	52	41	20	14
Portugal	77	77	60	10	10

Source: (Moreno and Crespo 2005: Figure 3 - Data from 2003 EU LFS)

Table 3: Summary indicators of formal child care coverage and maternity leave

	Proportion of young children using formal childcare arrangements		Maternity/ childcare leave indicators, 1999-2001		
	Aged under 3 years	Aged 3 years to mandatory school age	Duration of maternity leave (weeks)	Maternity benefits (% of average wages)	Total duration of maternity/ child care leave (weeks)
Greece	3	46	16	50	42
Italy	6	95	21.5	80	64.5
Spain	5	84	16	100	164
Portugal	12	75	24.3	100	128.3

Notes: The data include both public and private provision; Data are from 1998 (Italy), 1999 (Portugal) and 2000 (Greece and Spain).

Source: (OECD 2001: Table 4.7)

Table 4: Selected pension reforms in Greece, 1982-2002

Law 1287/82	Restructure of the social security for farmers insured with the Organisation of Insurance for Farmers (OGA)
Law 1759/88	Social security for uninsured groups, update of socio-economic protection and other articles
Law 1902/90	Regulation of retirement and other related issues
Law 2084/92	Restructure of social insurance and other articles
Law 2676/99	Organisation and operational restructure of social insurance funds and other articles
Law 3029/02	Reform of the system of social insurance

Source: Greek Parliamentary Library

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