



Latin American Women in Pension Plans: Advance their rights; shatter discriminations

*by María Nieves Rico**

Access to pension and retirement plans in old age, and the quality of such plans, are a powerful reflection of the gender inequality faced by women in Latin America. The exclusion of a significant number of women in these schemes is but the pinnacle of their trajectories that are marked by obstacles in access to the labour market, the wage gap, and the lack of recognition of their contribution to the viability of societies through the domestic work and care they undertake inside the home. This also consequently leads to a larger workload, both paid and unpaid, which is disproportionately taken on by women. This double burden is one of the main barriers to the full insertion of women in the workplace. In the majority of cases, this condemns women to an old age that is precarious, unprotected, and with a limited exercise of their rights.

This situation can be explained by two closely related factors. On the one hand, there is the lesser possibility of women regularly contributing to social security and of them contributing as much as men. This is in line with their incorporation into low-paid jobs, horizontally and vertically segmented, which are often informal and not covered by social protection. On the other hand, this reality worsens when faced with a pension system that, since its conception, has historically lacked a gender-equality perspective. Furthermore, it is possible to verify the presence of openly discriminatory formulae for the calculation of pensions, as is the case of mortality tables, differentiated according to sex, which still exist in countries such as Chile and El Salvador, that determine from the outset pensions of unequal amounts for men and women. This is even the case with regard to conditions where both sexes contribute equally, but where women are punished for the demographic factor of having a longer life expectancy.

The regional data is telling. According to recent estimations by the Division for Gender Affairs of the Economic Commission for Latin America and the Caribbean, by analysing the situation of women and men aged 65 years and over who receive a pension or have a retirement plan, a common trend can be observed throughout the region, independent of the current type of individual welfare system of each country (distribution, individual capitalisation, or a combination of the two). On average, women receive pensions that are one fifth smaller than those received by men. Contributory social protection schemes are accessible to just over a third of these women, eight percentage points lower than the



men who are on an equal footing with them. In nine countries in the region, 75% of women aged 65 and over do not have access to contributory pension systems.

This panorama bears a relevant warning, considering the dynamic of an increasingly aging population in which women will constitute the majority. According to the predictions made by The Latin American and Caribbean Demographic Centre (CELADE-ECLAC), by 2050, an estimated 197 million people aged 60 and over will live in Latin America, of which 108 million will be women, triple their current population. These countries will therefore face the challenges of a population that is in its majority female, elderly, lacking an adequate income, and with greater needs for personal care and healthcare. This will predictably be a critical situation from a demographic, economic and social perspective.

Against this backdrop, various responses have been tested out, with mixed results. Countries that have incorporated reforms aimed at increasing solidarity and equity in these systems, such as Argentina, Brazil, Chile, and Uruguay, have managed to improve women's access to pension and retirement plans, with differing reductions in the gaps between the amounts. Likewise, various countries have incorporated methods to recognise unpaid care work through the reduction of the contributory requisites for accessing pension or retirement plans, or through direct transfers that can be added onto savings in individual accounts. Finally, at least fourteen countries in the region currently offer non-contributory retirement pensions, which tend to focus primarily on women of low means. Nevertheless, these pensions are composed of very small amounts, and are far from sufficient. The challenges are numerous and the responses persuasive, including through the new structural reforms, which will be necessary to completely guarantee economic security of women in their old age and their right to social security.

Gender gaps in pension schemes are also present in European Union (EU) countries. According to estimations for 27 countries in 2013, the difference between the average amounts paid into pensions and retirement funds to men and women hovered around 39%. However, European countries have prepared a series of measures to reverse these inequalities, and the progressive attention paid to the necessary mainstreaming of a gender equality perspective in these systems is visible. The Community of Latin American and Caribbean States (CELAC), for its part, has increased its focus on the gaps in accessing social security and on informal employment in the region, as well as emphasising the necessary societal effects of gender equality and the economic autonomy of women.



Various areas of cooperation between the EU and the CELAC can be identified regarding pension system reforms. These include the interregional exchange of knowledge derived from the implementation of measures that seek to reverse the gender inequalities in these systems, as well as the effects of parametric and structural reforms implemented in recent years. For Latin America and the Caribbean, it is of particular importance to know the effects associated with applying a principle of equal treatment of men and women in social security policies employed by EU member states. A rich dialogue could also be stimulated around information sources and indicators, which would allow for a better characterisation of gender inequalities in the field of social security. This debate is becoming even more applicable in the context of financial and economic crises and instability, as a part of the challenges posed by the 2030 Agenda for Sustainable Development, as well as when faced with the increasing demands of a citizenry empowered with the knowledge of their rights and conscious of the fact that the time for equality has arrived.

The XIII Regional Conference on Women in Latin America and the Caribbean, which will take place from 25 to 28 October in Montevideo will analyse this alongside other problems, under the conviction that sustainable development, without gender equality, can be considered neither sustainable nor a true kind of development.

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https://eulacfoundation.org/es/system/files/Gender_NievesRico_SPA.pdf