

How do gendered labour market trends and the pay gap translate into the projected GPG? A comparative analysis of five countries with low, middle and high GPGs

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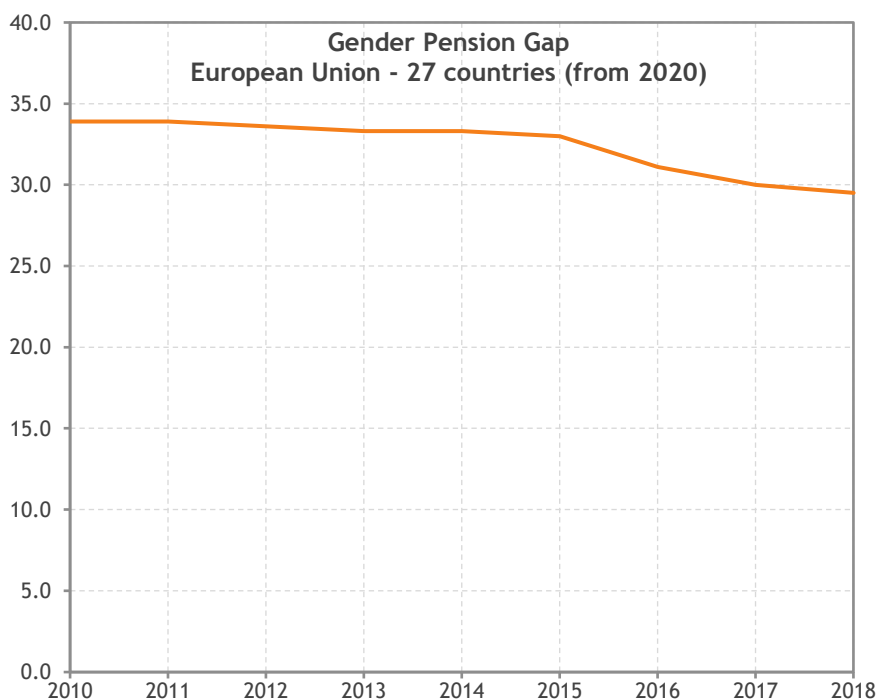
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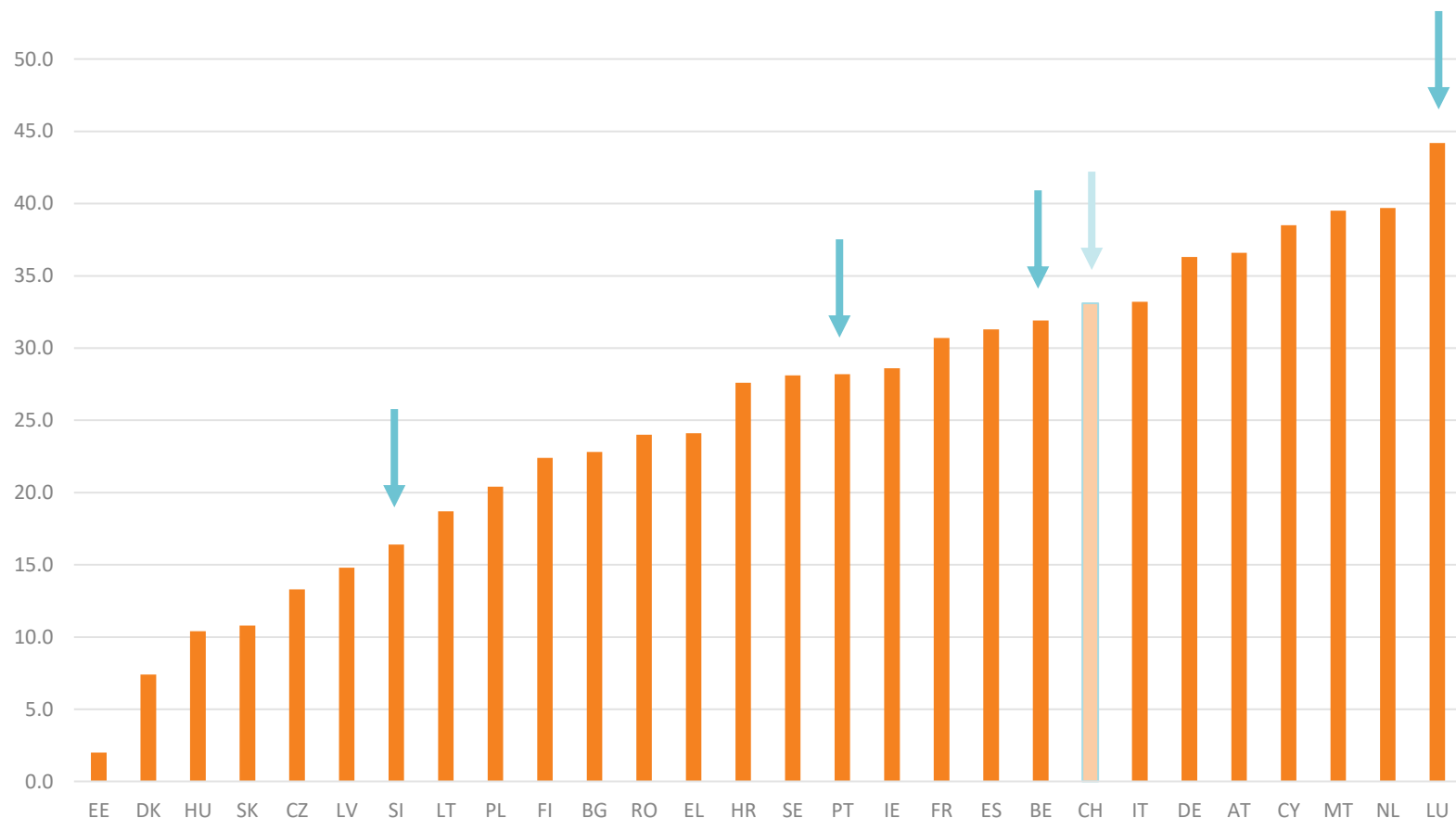


How do gendered labour market trends and the pay gap translates into the projected GPG?

How much are women's pensions lagging behind those of men?

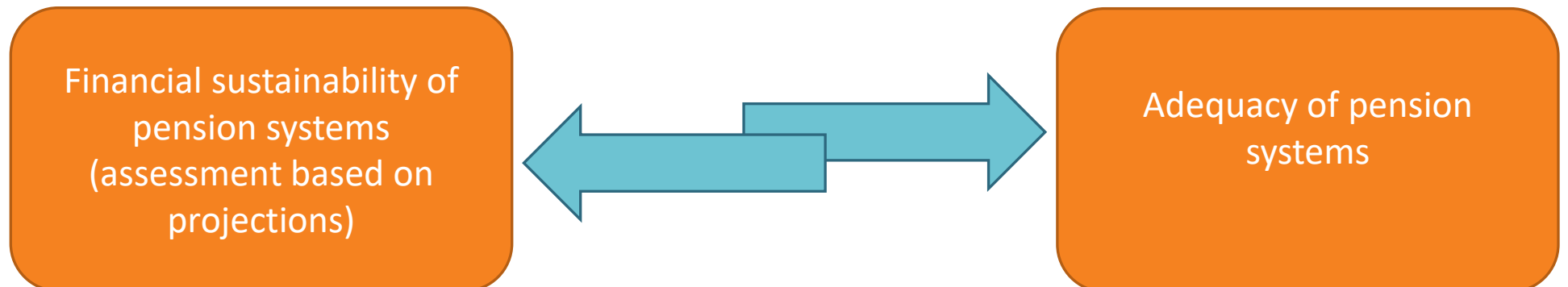


$$GPG = 1 - \frac{\overline{gp_f}}{\overline{gp_m}}$$



Problem

- What would prospective GPGs look like, given current and prospective labour market trends?
- Use dynamic microsimulation techniques to simulate the impact of various factors on projected GPGs for the population as a whole.
 - Use AWG hypothesis and assumptions (2021 Ageing Report)



Which models?

- Slovenian model DYPENSI
- Belgian model MIDAS
- Luxembourg model MIDAS_LU
- Portuguese model DynaPor
 - Some first results for MIDAS_CH will not be presented (see presentation during session 5)
 - All dynamic, cross-sectional ageing models, using AWG projections and hypotheses as the starting point for alignment



Literature

Halvorsen, E., & West Pedersen, A. (2019). Closing the gender gap in pensions. A microsimulation analysis of the Norwegian NDC pension system. *Journal of European Social Policy*, Vol. 29(1) 130–143

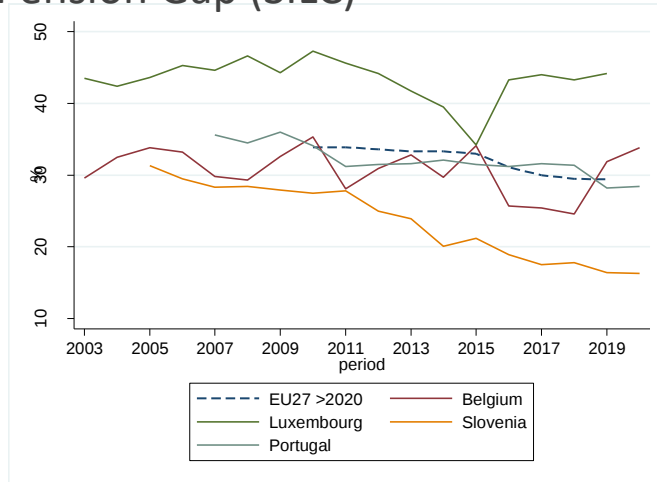
Bonnet, C., Buffeteau, S., & Godefroy, P. (2006). Effects of Pension Reforms on Gender Inequality in France. *Population*, Vol. 61, No. 1/2 (January - April, 2006), pp. 51-80

Chłoń-Domińczak, A. (2017). *Gender Gap in Pensions: looking ahead*. European Union: Directorate-General for Internal Policies. Policy Department C – citizen's rights and constitutional affairs.

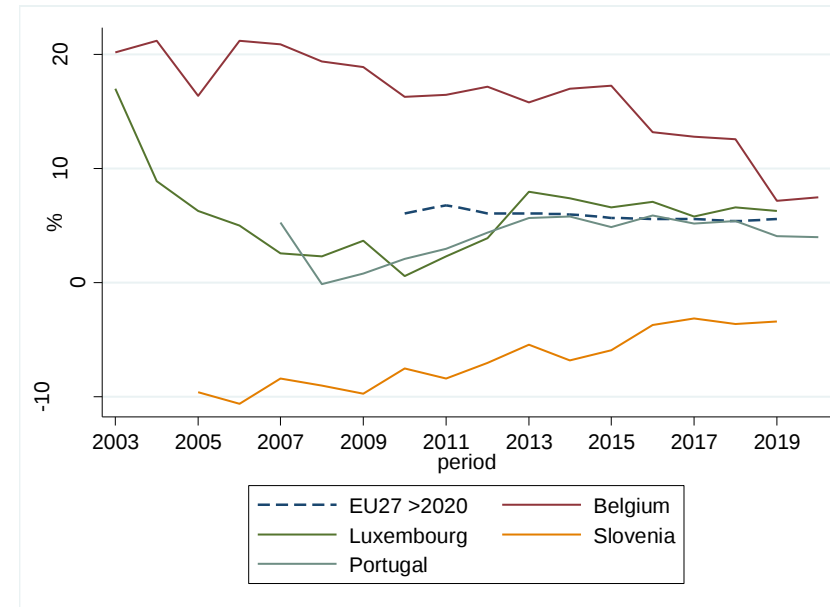


Some relevant data from the SILC

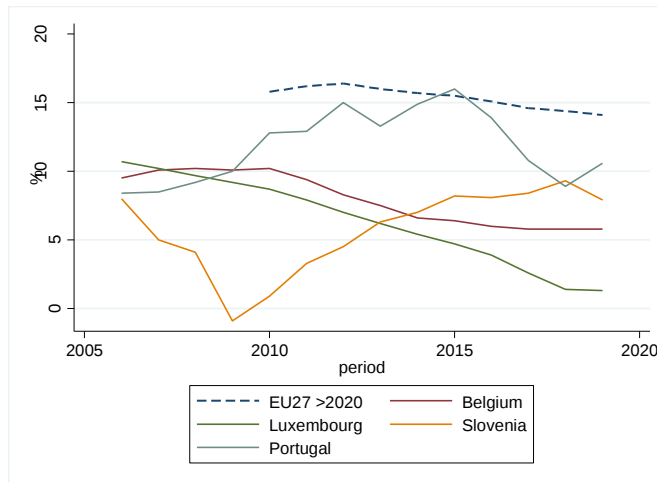
Gender Pension Gap (SILC)



Gender Coverage Gap (SILC)

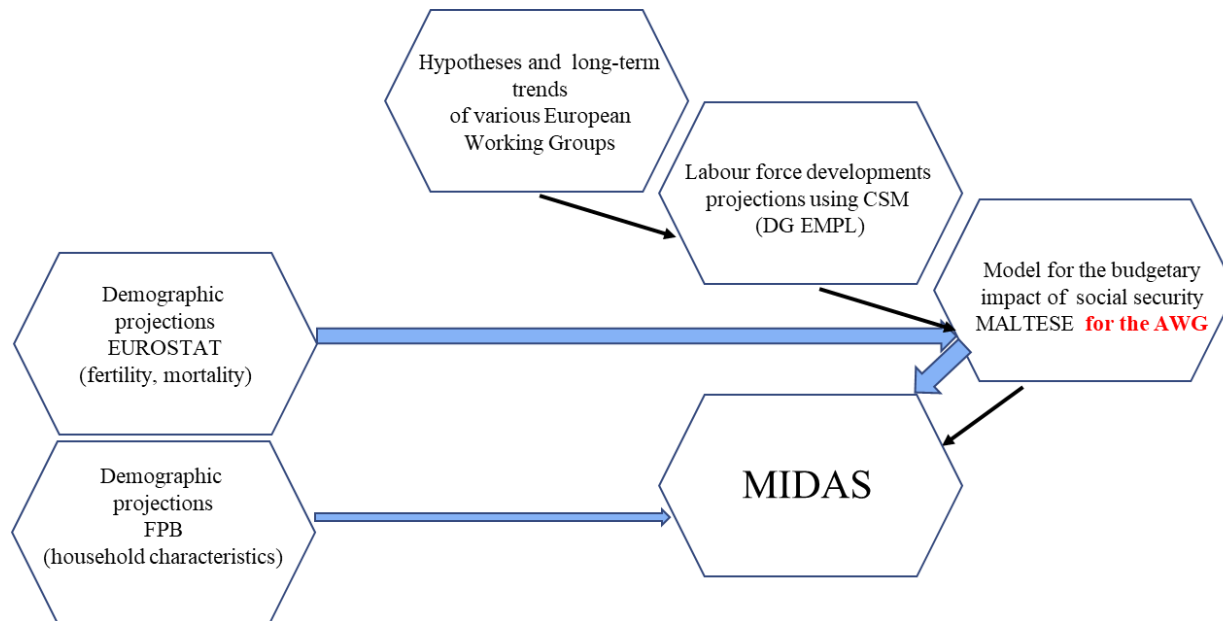


Gender Pay Gap (SILC)

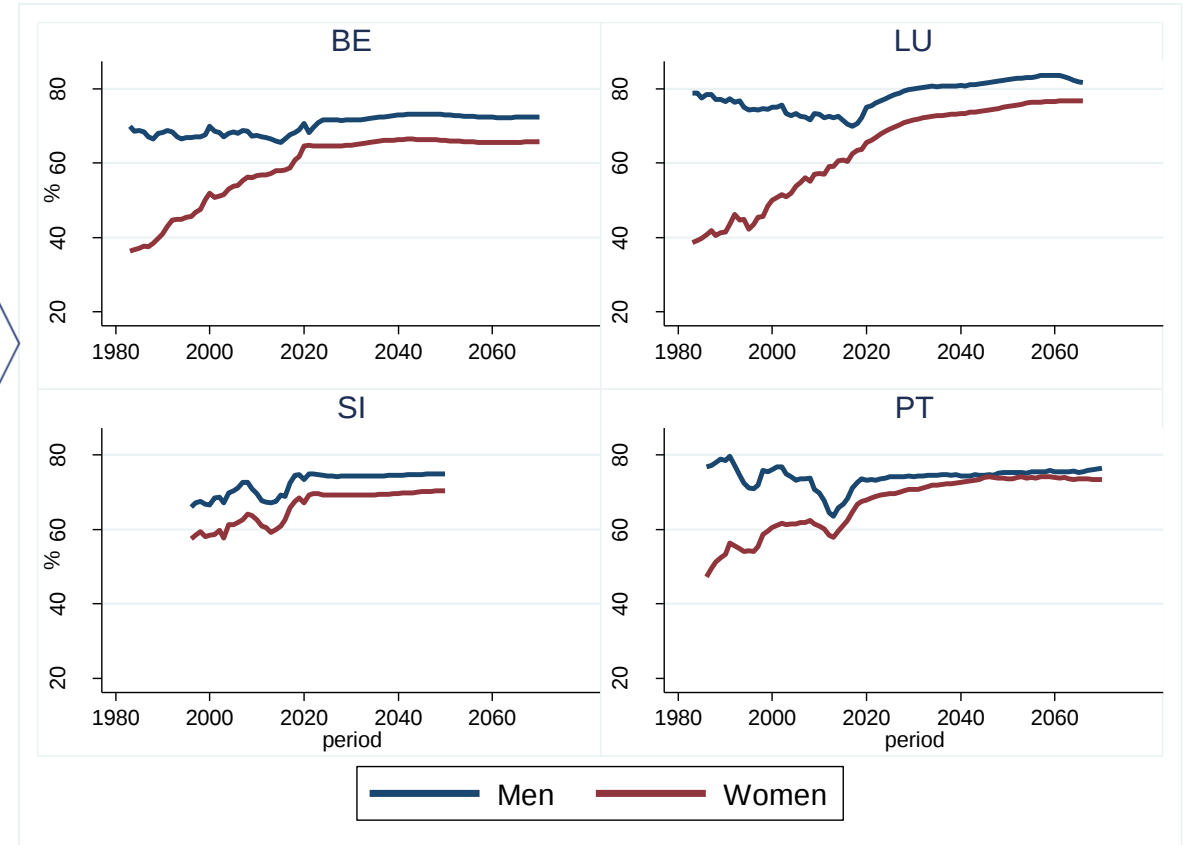


Alignment

AN EXAMPLE FROM MIDAS BE

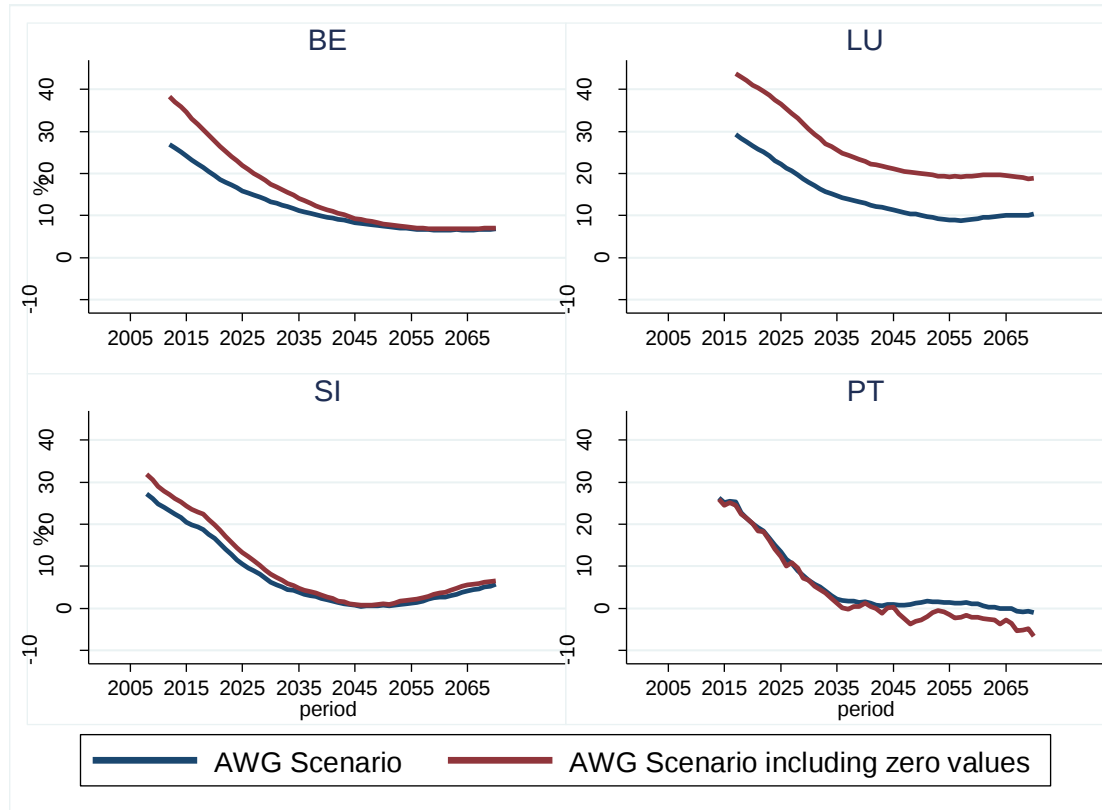


EMPLOYMENT RATES FOR MEN AND WOMEN (LFS, AWG-PROJECTIONS; NATIONAL REPORTS)

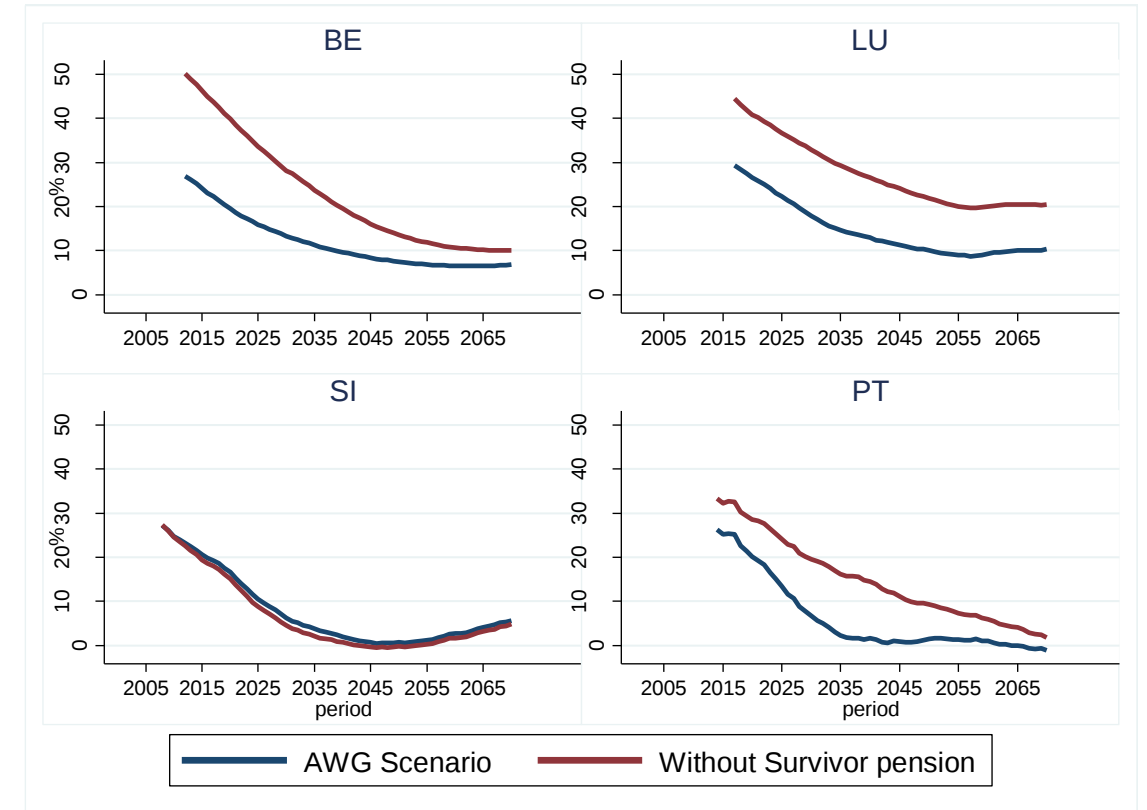


Base scenario results

WITH AND WITHOUT COVERAGE GAP

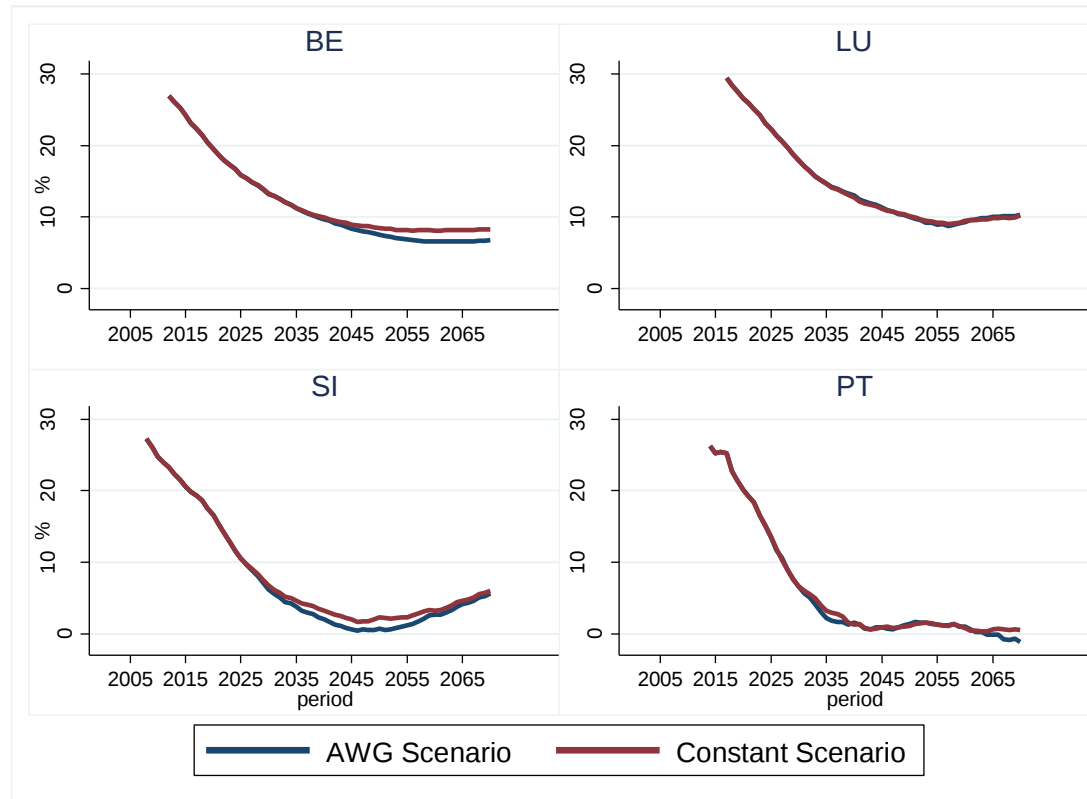


WITH AND WITHOUT SURVIVORS' BENEFITS

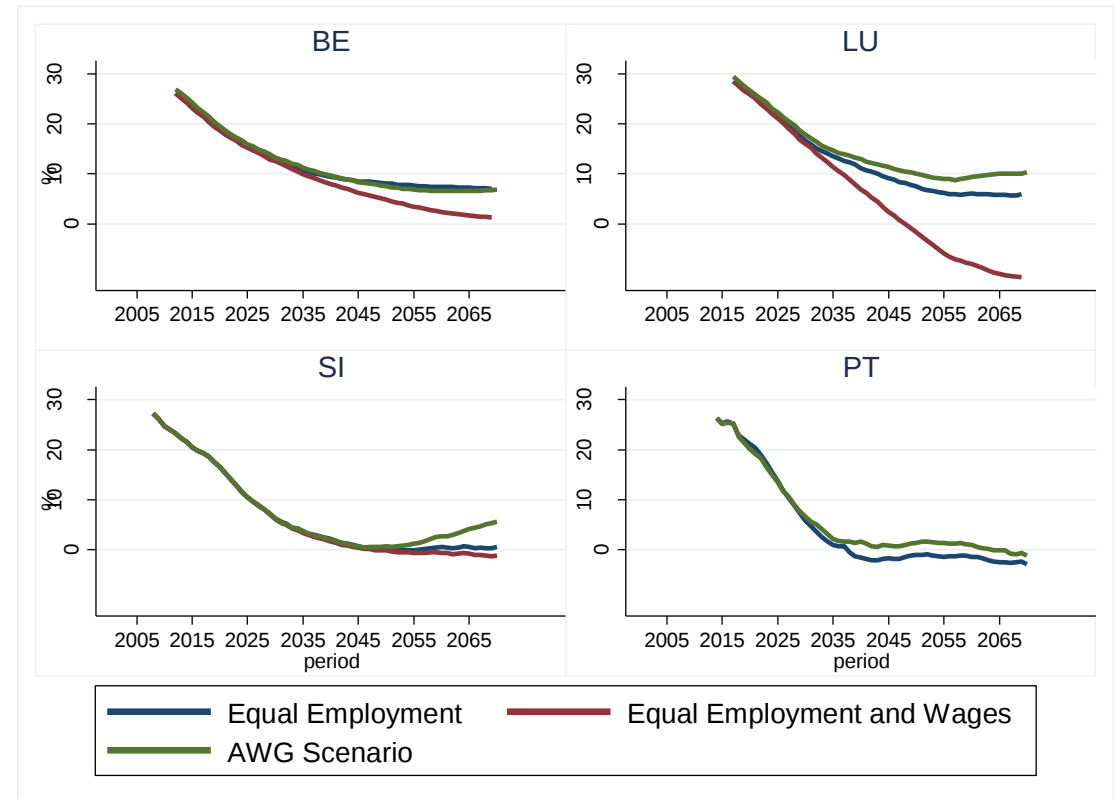


Variant scenario results

'CONSTANT' SCENARIO



SCENARIO WITH CONVERGENCE IN EMPLOYMENT AND PAY



Conclusions

- We find that the GPG will fall significantly in all five countries over the next two decades.
 - Even when employment gaps and pay gaps remain at their current level.
 - But it would be eliminated entirely only in PT and SI (with an increase in SI at the simulation horizon).
- The GPG would currently be larger without survivors' benefits in BE, LU and PT. In BE and LU, this impact would decline.
- The GPG would currently be larger in BE and LU if the coverage gap was taken into account. This impact would decline in BE.
- The continuing part-time work gap and the remaining pay gap will prevent the GPG from being reduced to 0 in BE and LU.

