



## **COUNTRY FRAMING REPORT**

# **CHILE**

**Authored by:**

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## I. Statistics on labour force participation of older people

Data from the National Socioeconomic Characterization Survey (or *CASEN*, for its name in Spanish *Encuesta de Caracterización Socioeconómica Nacional*) indicate that labour force participation in Chile clearly decreases once individuals reach the legal retirement age (i.e. 60 for women and 65 for men). As shown in Table 1, in 2013 whereas 78.1% of men aged between 60 and 64 were employed, only 29.4% of those aged 65+ remain active in the labour force. Women report the same trends, but with significantly lower percentages among both age groups.

However, Table 1 also shows us that from 2006 onwards an increasing proportion of older individuals are in the labour force. 72.6% of men in the 60-64 age range were working in 2006, while in 2015 80.6% of them were in the labour market. Women have confronted a similar trend, although the proportions in labour force participation are, again, smaller.

**Table 1.** Labour force participation (%) by gender and age group

	Age group	2006	2009	2011	2013	2015
Men	60-64	72.6	73.7	74.7	78.1	80.6
	65+	29.4	25.2	26.0	29.4	36.1
Women	60-64	29.3	27.5	29.1	34.6	37.6
	65+	9.4	7.4	7.9	9.5	13.3

Source: *CASEN*, 2015.

As seen in Table 2, compared to the rest of OECD countries, labour force participation in Chile among individuals aged 65+ is clearly higher (OECD, 2015a, 2017).

**Table 2.** Labour force participation (%) of individuals aged 65+

	1996	2000	2004	2008	2012	2016
Chile	18.7	17.3	17.0	19.8	23.0	24.3
OECD Countries	9.7	9.0	11.0	12.2	13.2	14.4

Source: *OECD*, 2017.

One plausible explanation behind the high labour force participation among older people in this country is the financial needs faced by many workers without adequate pension savings for later life, which forces them to work beyond the statutory retirement age. Tables 3 and 4 summarize the main reasons for Chilean older workers to remain in and out of the labour force after the age of retirement. *Financial needs* (64.5%) is the most important motive for extending working lives, *health problems* (66.5%) and *having other duties* (18.1%) are the main reasons for staying out of the labour market.

**Table 3.** Main reasons to remain active in the labour force after the retirement age

	%
Job satisfaction	17.1
Financial needs	64.5
To remain active	14.7
Avoid staying at home	2.6

Source: *Centro UC Políticas Públicas*, 2017.

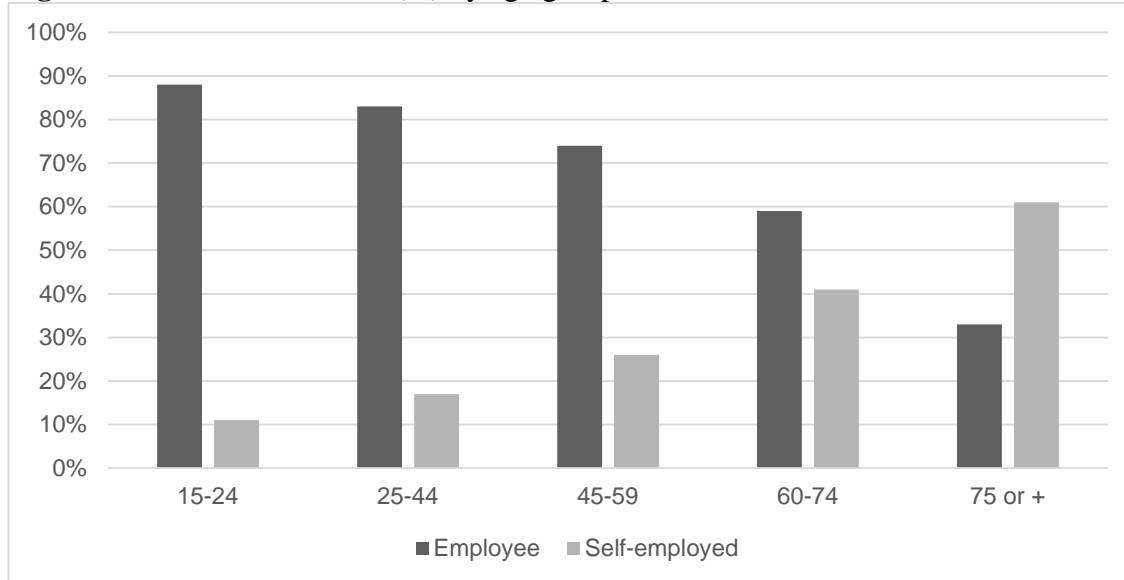
**Table 4.** Main reasons to remain out of the labour force after the retirement age

	%
Did not find a job	5.0
Have other duties	18.1
Health problems	66.5
Other reasons	10.4

Source: *Ministerio del Trabajo y Previsión Social*, 2015.

One of the main strategies used by older adults in Chile to remain active during old age is self-employment (see Figure 1). However, as previous literature indicates, most self-employment among older adults takes place in the informal sector (Huenchuan et al., 2007; Vives et al., 2016), which often entails precarious working conditions (Centro UC Políticas Públicas, 2017).

**Figure 1.** Labour force status (%) by age group



Source: *Centro UC Políticas Públicas*, 2017.

## II. Working conditions of older workers

One indicator to evaluate the working conditions of older workers is average income. Studies show that the average income of older workers in Chile (65+) is equal to 67% of the average income of the rest of the population, while in OECD countries this statistic rises to 86.2% (*Comisión Asesora Presidencial sobre el Sistema de Pensiones*, 2015; OECD, 2013). Concretely, average income for elderly people (aged 65+) is about 337,551 Chilean Pesos (CLP), about €458, and there is an important gap among men (399,617 CLP, about €541) and women (215,757 CLP, about €291).

Access to professional/technical training is another indicator of good working conditions. In a recent study, 20.8% of older workers say they would like to continue learning new work-related competences (*Programa Adulto Mayor UC*, 2013). However, as seen in Table 5, only 4% of workers aged 60-74 have been in an 8-(or more)-hours job training session during the last year (*Centro UC Políticas Públicas*, 2017).

**Table 5.** Have you been in an 8-(or more)-hours job training session during the last year?

Age group	% Positive answers
15 to 24	6.9
25 to 44	15.5
45 to 59	11.0
60 to 74	4.0
75 or more	0.4

Source: *Centro UC Políticas Públicas*, 2017.

Another way of measuring working conditions of older individuals is through the evaluation of health risks in the workplace. Vives and her colleagues (2016) made an important contribution to this issue by assessing the exposure to labour risks in four different domains: hygiene, ergonomics, security and psychosocial wellbeing. Among other results, they found that 20% of individuals aged 70+ are employed in jobs that force them to be exposed to high temperatures and solar radiation (for men this figure rises to 37%). The most common ergonomic risks for older workers are awkward positions, monotonous tasks and to work while standing. Regarding psychosocial risks at work, 20% of older individuals believe that the time allocated to work is insufficient for performing their tasks adequately, 50% believe that their jobs involve excessive concentration efforts, and 45% state that their jobs are highly exhausting. The authors therefore suggest that work policies should consider the wellbeing of older workers, as they should have stable and healthy careers in the last period of their working lives (Vives et al., 2016; *Centro UC Políticas Públicas*, 2017).

### **III. Pension reforms in the past 40 years**

#### **III.I. Pension Reform in 1981**

In 1981, during the dictatorship of Augusto Pinochet, Chile was the first country to entirely replace a public defined-benefit pay-as-you-go pension scheme (or PAYG scheme) for a private mandatory defined-contribution individual-retirement-account pension scheme (or mandatory IRA scheme). Since 1981, every employee must contribute 10% of their monthly salaries to their pension savings.

The savings are administered by private institutions called AFPs (*Administradoras de Fondos de Pensiones* in Spanish, or Pension Funds Administrators) which are for-profit companies that invest pension savings of workers in different economic and financial activities. On average, AFPs charge contributors with administration fees of about 2.6% of worker salaries. Once the retirement age is reached, individuals can ask for their funds in four different ways: (i) *Scheduled withdrawal*, in which AFPs directly pay every retiree a monthly amount of money that depends, first, on the total accumulated pension savings, and secondly, on gendered life expectancies; (ii) *Lifelong monthly transactions*, in which the funds are no longer saved in an AFP but transferred to an insurance company which guarantees equivalent monthly payments until death; (iii) *Scheduled withdrawal along with lifelong monthly transactions* and (iv) *Temporary income along with lifelong monthly transactions*, which are options that mix the first two alternatives.

For those with low or no pension contributions in their private accounts, the state originally provided two types of pension subsidies (which existed between 1981 and 2008). The first was called Subsidiary Pension (PASIS, or *Pensiones Asistenciales* in Spanish) which represented a third of the minimum wage and was available for retirees regardless of their contribution trajectory. The second was called Minimum Guaranteed Pension (PMG, or *Pensión Mínima Garantizada* in Spanish) which was approximately twice the PASIS, and was intended to complement low pensions for individuals with at least 20 years of pension contributions.

In 2002, a modification was introduced which allowed contributors to choose among five different financial portfolios in which to store their savings and have them invested by AFPs. These portfolios are differentiated by their financial risk and rate of return.

### **III.II. Pension reform in 2008**

During the 2000s the Chilean pension system was target of multiple criticisms. The main critiques were (i) the absence of a strong welfare net for people with low pension savings, (ii) the unjustified administration fees for AFPs, and (iii) the gender inequalities both in replacement rates and pension income. For instance, under the conditions of the 1981 reform, 50% of workers should have had access to the Minimum Guaranteed Pension for a decent living standard after retirement, but

unfortunately did not qualify due to their few years of pension contributions (Arenas de Mesa et al., 2006).

To overcome some of these issues, in 2008 the Chilean government, led by president Michelle Bachelet, implemented an important pension system reform. The main aim of this reform was to strengthen the non-contributory dimension of pensions as a way to reduce old-age poverty and to address gender gaps in pensions (Cumsille, 2015; Todd & Joubert, 2011). One important measure was the replacement of the PASIS, which at that time covered only 20% of the most vulnerable old-age population, by a new Solidarity Basic Pension (PBS, *Pensión Básica Solidaria*, in Spanish) which instead covers 60% of the most vulnerable old-age population (measure still in place until today). Additionally, the Minimum Guaranteed Pension was replaced by the so-called Solidarity Pension Supplement (APS, *Aporte Previsional Solidario*, in Spanish), also in place until today, intended to increase the pension income of individuals who contributed in pensions for more than 20 years. These two measures assured minimum levels of pension income for the most vulnerable population, while also significantly increasing the coverage of the target population (*Comisión Asesora Presidencial sobre el Sistema de Pensiones*, 2015). On other hand, aiming at assuring a real and free competition among AFPs, and therefore reducing administration fees, policymakers established that every two years new contributors to the pension system would be allocated to the AFP offering the lowest administration fee.

Regarding gender inequalities, with the objective of compensating women's interruptions in pension contributions—mainly caused by pregnancy and child caring periods—the 2008 reform introduced a new pension subsidy. The subsidy consists of an economic bonification in which, for each child—born or adopted—women receive a deposit equal to 10% of 18 times the minimum legal wage (i.e., about €663) into their private pension accounts. Additionally, another measurement aimed at reducing gender disparities, introduced in the 2008 pension reform, stated that in the case of a couple's divorce, a judge is allowed to take up to 50% of the individual pension savings of any member of the couple and reallocate them in the personal account of the other member.

Several studies have analysed the performance of the 2008 pension reform. Among various results, these investigations indicate, first, that the pension subsidies provided by the state led to an average

increase of pension incomes by 15% (Attanasio et al., 2011); second, that the Solidarity Basic Pension generated a 2.4% average increase in the household annual income of targeted pensioners (Behrman et al., 2011); and third, that old-age poverty was largely reduced, especially among women (Todd & Joubert, 2011).

### **III.III. Towards a new pension reform**

Despite the changes introduced in 2008, by 2014 the Chilean pension system still presented several shortcomings (Mesa-Lago, 2015; Barr & Diamond, 2016). The government at the time, led by re-elected president Michelle Bachelet, commissioned an Advisory Committee to identify existing weaknesses of the pension system and suggest policy measures to overcome them. The analyses of the Advisory Committee indicated three main limitations of the pension system: (i) low pension incomes, (ii) low replacement rates, and (iii) gender inequalities.

Official statistics show that in Chile between 2007 and 2014 the median of the monthly pensions was 82,650 CLP (about €12); a value that comprises the Solidarity Pension Supplement provided by the state. The same analysis conducted separately for women and men yielded median values of 42,561 CLP (about €7) for females and 112,333 CLP (about €52) for males. These results are highly relevant given the accelerated aging process occurring in Chile. Between 1990 and 2015 the population aged 60+ increased from 9% to 15%, and by 2050 it is expected to be close to 30%. This demographic scenario will certainly have a strong impact on the adequacy of pensions, as accumulated savings will have to finance longer life periods after retirement.

In response to these challenges, the commission elaborated several recommendations. Among other measures, they proposed (i) to strengthen and expand public subsidies for pension incomes, both in terms of coverage (from 60% to a 80%) and amount of income (by 20%); (ii) that not only workers but also employers contribute to pension savings of individuals (about the 5% of worker's salary); (iii) to promote self-employed individuals to contribute to their pensions (only mandatory from 2018 on) by removing any financial disincentive; (iv) to promote solidarity among pensioners by allocating a portion of the new employers' contributions to a shared fund which benefits those with lower pension incomes; and (v) to reduce gender gaps by matching men's and women's retirement age, as



well as eliminating the use of gendered mortality rates as a tool to calculate individual monthly pension.

#### **IV. Socioeconomic inequalities in current pension incomes**

A recent study estimated the proportion of retirees receiving less than the minimum pension income among different educational levels (UNDP, 2017). The minimum pension income is defined as the 70% of the minimum legal wage, that is, currently about €256. As seen in Table 6, from 1990 onwards there is an increase in the proportion of people receiving said pension income. Specifically, in 2015 this proportion is equal to 72.5% of retirees if we do not consider the Solidarity Pension Supplement provided by the state (47% if we do consider it). Furthermore, we observe that individuals from lower educational levels are the largest group receiving less than the minimum pension income.

This study also indicated the relative weight of pension incomes within household incomes across different socioeconomic (SES) groups. The classification of these groups ranges from 1 to 5, 1 being the poorest group and 5 the richest. Table 7 shows that the relative weight of pensions on household incomes decreases in higher SES groups. In 2015 pension incomes represented 60.3% of household incomes in group 1, while in group 5 they were only 17.1%. Therefore, the absence of additional sources of income in poorer environments makes households highly dependent of pension income.

**Table 6.** Proportion of retirees (%) receiving less than the minimum pension income by educational levels

	All pensioners	Low educational level (People ranked in the lowest 50% of the distribution of educational levels)	Middle educational level (People ranked in the 50%-70% of the distribution of educational levels)	Middle-High educational level (People ranked in the 70%-90% of the distribution of educational levels)	High educational level (People ranked in the top 10% of the distribution of educational levels)
1990	37.1	48.4	31.5	21.0	7.6
2000	53.3	68.9	60.1	29.3	7.3
2009	52.4	66.8	60.4	36.0	18.9
2015 (a)	72.5	89.6	73.1	62.4	33.0
2015 (b)	47.0	57.2	49.2	41.0	21.3

Source: UNDP, 2017. Note: Calculations in 2015(a) do not consider the Solidarity Pension Supplement provided by the state, while calculations in 2015(b) do. The minimum pension income is defined as the 70% of the minimum legal wage, that is, currently about €256.

**Table 7.** Relative weight (%) of pension incomes within household incomes by SES groups

	All pensioners	SES Group 1 (poorest)	SES Group 2	SES Group 3	SES Group 4	SES Group 5 (richest)
1990	34.2	49.1	47.0	33.9	26.3	20.3
2000	36.7	48.6	48.3	37.4	30.1	25.2
2009	34.9	60.6	39.9	28.9	21.3	15.0
2015	34.9	60.3	40.9	27.2	22.4	17.1

Source: UNDP, 2017. Note: Only households with members aged 65+ were considered for these analyses.

This research also pointed out that differences across SES groups are visible when evaluating the perception of prospective retirees (i.e. people aged 25-54) about whether their pension income will be adequate to afford basic living costs in old age. Table 8 shows that, in SES groups 1 and 2, less than

50% of people believe that their pension will be adequate to manage life costs in old age.

**Table 8.** Population aged 25-54 (%) that believes their pension income will be adequate to manage life costs in old age by SES groups

	All pensioners	SES Group 1 (poorest)	SES Group 2	SES Group 3	SES Group 4	SES Group 5 (richest)
Men	61.0	42.7	51.5	59.3	65.1	71.7
Women	55.0	27.9	47.8	57.8	63.3	85.0
Total	58.0	32.9	49.2	64.3	78.5	78.4

Source: UNDP, 2017.

## V. Voluntary contributions to pension funds

The Chilean pension system provides the option for every worker who wants to complement the AFP contributions, to voluntarily contribute towards an additional private pension fund. This fund in Chile is known as APV (*Aporte Previsional Voluntario*, in Spanish) and is administrated exclusively by private bureaus. To make an APV financially attractive, the state offers economic incentives to individuals who contribute to it, notably the reduction of some tax charges.

Moreover, the pension reform in 2008 introduced an additional voluntary pension fund that works very similar to the APV, but also requires the employer to contribute to the employee's fund, known as APVC (or Collective APV). If employers contribute to this fund, their contributions are excluded from corporate taxes, as the state considers them company expenditures.

However, in spite of tax exemptions and benefits, the overall coverage of these two plans (APV and APVC) is still very low: in 2014 only 0.2% of contributors had an APV and an even smaller fraction had an APVC (*Comisión Asesora Presidencial sobre el Sistema de Pensiones*, 2015). Therefore, one of the proposals of the Advisory Committee in charge of the 2015 pension reform was to increase the number of employers contributing to the APVC.

Voluntariness can also be analysed in the regular contributions to the AFP. This is because monthly pension contributions into private accounts are only mandatory for employees, but not for self-

employed individuals. Chile is one of the few countries in the OECD (along with Australia, Denmark, Mexico and Switzerland) in which self-employed workers are excluded from pension coverage (OECD, 2015b). In Chile, only 6% of self-employed workers contribute to their pension funds. However, contributions for the self-employed will be mandatory from 2018 onwards.

## **VI. Early retirement**

In Chile it is possible to retire early under two specific conditions. First, workers' pension savings should allow them to have a pension income equal to (at least) 80% of the maximum Solidarity Pension Supplement (that is, to have a pension income of at least €19). Secondly, accumulated pension savings in private accounts must provide a pension income equal to or greater than the individual's average salary during the last 10 working years before retiring (Todd & Joubert, 2011).

Considering existing measures to discourage early retirement in Chile, the Advisory Committee in charge of the pension reform in 2015 suggested that economic incentives should be offered for prospective beneficiaries of the Solidarity Basic Pension who extend their working lives beyond the retirement age. One of the recommended incentives consisted in establishing a subsidy to encourage employers to hire older people that would benefit from said pension. The subsidy would be equal to 30% of the salary of the hired older worker, which would be distributed two thirds to the worker and one third to the employer. Another recommended incentive to postpone retirement is to pay older workers, in cash, a fraction of their accumulated savings during each year of retirement delay beyond the statutory retirement age.

## **VII. Attitudes and opinions on retirement and the pension system**

Another task performed by the Advisory Committee in charge of the pension reform in 2015 was the development of a survey that examined attitudes and opinions of individuals towards the pension system and retirement. One of the survey questions (a multiple choice question) referred to the way in which respondents planned to finance their lives after retirement. Most of them answered "through private pension accounts in AFPs" (55%), followed by "through personal savings" (35%), and "through state subsidies" (22%), while 15% of respondents answered "they have not thought about it

yet". Another question asked pensioners whether they would be willing to work five more years beyond the retirement age to increase their pension savings. Only 29% of individuals were in favour, while 48% were against. Finally, 71% of retirees declared that their pension income is not sufficient to cover their everyday needs.

Another study highlights that most older adults (i.e. older workers and retirees) have a negative evaluation about the performance of the current pension system in Chile (Browne & Valdes, 2017). However, older workers have a slightly more critical view of the pension institution than retirees. For instance, whereas 55% of retirees point out that their economic status has decreased after retirement and 13% state that it increased after retirement, 58% of older workers believe that after retirement their economic status will decrease, and only 8% of them expect it to increase after retiring.

### **VIII. Dependency and caring in old age**

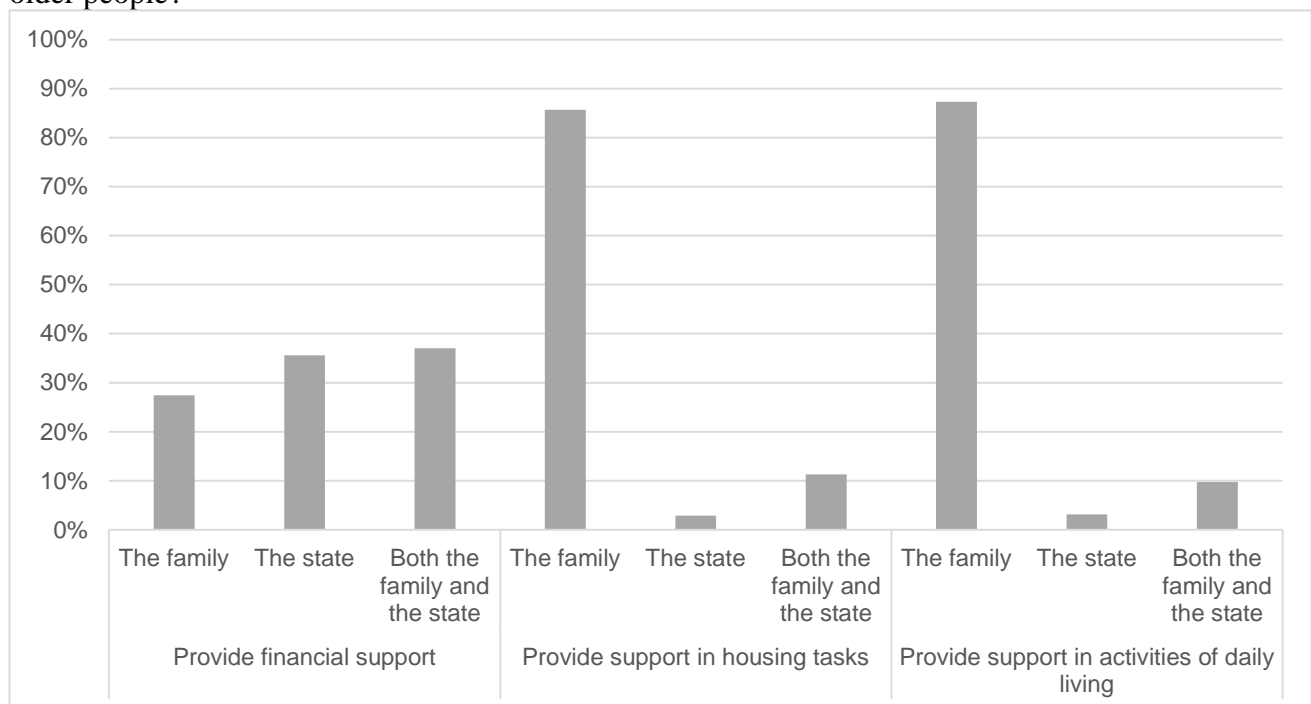
A recent study analysed the risk factors of dependency in Chilean older adults (Cheix et al., 2015). By using data from a survey called National Survey of Dependency in Older People, the authors identified that besides the well-documented negative effect of ageing, there are some psychosocial factors, such as educational level, the quality of family relationships, and activities such as reading or exercise, that delay the onset of dependency in old age. This research also focused on the caring of dependent older workers, which is often informally provided by female family members (e.g. daughters and wives). The authors mention that caring and supporting dependent older adults can have negative effects on the subjective wellbeing of female caregivers (possibly causing stress, depression and physical fatigue) and their financial wellbeing (no work income and interruptions in pension contributions). The research concludes by calling for a more active role of the state in the provision of universal caregiving for dependent elderlies.

Regarding existing public policies on ageing and dependency in Chile, there are three programmes developed in recent years: (i) the programme "Functional assessment of elderlies" (1995), which was created to identify older population at risk of dependency by evaluating functional and cognitive performance; (ii) the programme "More independent senior citizens" (2015), which aims to keep individuals who have been classified in a risky status by the first programme, functionally active; and

(iii) the programme “Chile, take care of me” (2013), which aims to psychologically support family caregivers (Thumala et al., 2017).

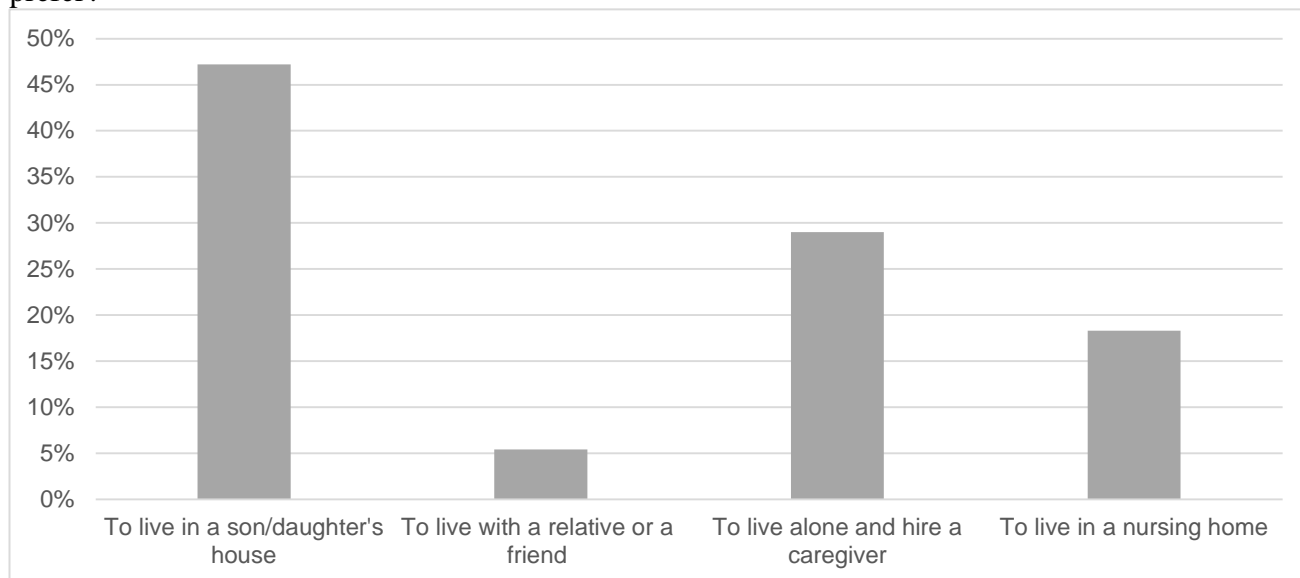
Also, the National Service for Older Adults (SENAMA, or *Servicio Nacional del Adulto Mayor*, in Spanish) regularly conducts a survey to quantify and classify elderly dependency in Chile. One study based on this survey found that 24.1% of older adults are characterized as dependent, and that the prevalence of it is greater in urban areas than in rural ones (González et al., 2009; González et al., 2012). Another difference in dependency in old age is between individuals affiliated to the public health system and the private health system. Among the former, the prevalence of dependency almost doubles the latter. Additionally, this study draws attention to the precarious work conditions of the caregivers of dependent older people: two thirds of them have not had vacation days in the last five years, and they often take care of their relatives for more than twelve hours per day, which has a direct impact on their mental stress. However, despite the many issues which informal caregiving entails, people still prefer family caregivers than other options (see Figures 2 and 3).

**Figure 2.** Who should be in charge (the family or the state) of the following three issues of vulnerable older people?



Source: *Programa Adulto Mayor UC*, 2017.

**Figure 3.** In case you find yourself single in old age but cannot live independently, what would you prefer?



Source: *Programa Adulto Mayor UC*, 2017.

Further studies interested on health issues in old age indicate that dependency is much more prevalent among low socioeconomic groups (i.e. poorest and less educated people) (Fuentes-García et al., 2013) and that dementia (confronted by 7% of individuals aged 60+ in Chile) stands out as a major determinant of dependency (Thumala et al., 2017). This last study also underlines that despite the impact of dementia on elderly people's lives, this condition is not classified as one of the key diseases which are financially supported by the state, and is therefore not prioritized in health services.

Another recent study evaluated the economic costs of dementia in Chile (Hojman et al., 2017). Using primary data (a survey conducted on 330 older individuals with dementia and cared by informal caregivers) researchers identified three main dimensions of total economic costs associated with dementia: (i) direct medical costs, (ii) direct social costs, and (iii) indirect costs (i.e. those costs related to informal caregiving). Contrary to what occurs in developed countries, indirect costs in Chile represent 75% of total costs, and it is inversely related with socioeconomic status: in poorer households in which low incomes do not allow people to afford formal care, family members have no choice but caring by themselves. And, once again, women have the biggest burden of informal caregiving. The authors emphasize, therefore, that socioeconomic status and gender are key factors

related to the cost of dementia.

### **IX. Disability in old age**

Disability in older adults is a topic that has been well addressed in Chile. One illustrative example of this is the development of the National Study of Disability, which is conducted by the Ministry of Social Development with two main aims: (i) to provide a detailed diagnosis about the living conditions of disabled population, and (ii) to find the most appropriate way of addressing disability issues through public policies. Results of this study indicate, first, that 20% of the older adult population reports being disabled (11.7% in partial degrees and 8.3% in severe degrees); secondly, that only 42.8% of disabled people remain active in the labour market; thirdly, that disabled individuals who continue working earn an average salary of 288,000 CLP (about €90), while the average salary for non-disabled workers is 434,000 CLP (about €89); and finally, that 40.4% of disabled people report being dependent and 73.9% of them are cared by informal caregivers (again, mainly by unpaid women).

Regarding the relationship between disability and socioeconomic factors, Zitko & Cabieses (2011) performed a cross-sectional analysis based on the National Socioeconomic Characterization Survey. They analysed six different types of disabilities (visual, hearing, speaking, physical, cognitive, and psychiatric disabilities) and found that people who remained active in the labour market, who have higher income and higher educational background, are less likely to confront those disabilities. Furthermore, regarding differences in health access for disabled and non-disabled people, Rotarou & Sakellariou (2017) showed that regardless of an individuals' socioeconomic status, disabled people face more difficulties than non-disabled people in accessing health facilities, scheduling an appointment with a medical doctor, and obtaining necessary medicine. This gap is even greater among users of the public health system (compared to the private health system).

### **X. Disability insurance**

Since its origin, the Chilean Pension System has included a Survival and Disability Insurance (or SIS Insurance, as called in Spanish). After the pension reform in 1981, every worker had to mandatorily contribute not only the 10% of their salary for pension savings but an additional percentage to the SIS



insurance. The pension reform in 2008 introduced three crucial changes to this benefit. First, the SIS insurance contribution had to be paid exclusively by employers. Second, the disabled worker will have a SIS insurance equal to 50% or 70% of his/her average income during the 10 years before becoming disabled (the payment provided by this insurance depends on whether the disability is partial or total, respectively). To be eligible for this insurance, a disabled individual has to prove his/her disability to a Medical Board of the Pension Regulator, and be aged no older than 65. Finally, the 2008 pension reform introduced a Solidarity Disability Insurance aimed at the poorest 60% of the population.

## **XI. Research on active ageing policies**

To confront the financial, social and cultural challenges yielded from the ageing population in Chile, public policies have adopted three main approaches so far: (i) healthy ageing approach, (ii) active ageing approach, and (iii) positive ageing approach. The healthy ageing approach focuses specifically on how to promote health conditions and autonomy among older people as long as possible. The active aging approach considers additional dimensions of life, such as work and community participation, as key dimensions in old age. The positive aging approach integrates the first two approaches, while emphasizing the integration of older individuals in the multiple domains of society, as a way for them to reach levels of subjective well-being similar to those of young people (Calvo & Madero-Cabib, 2016). The current dominant approach in public policies towards older individuals is the active aging approach. Indeed, the main objective of SENAMA (National Service for Older Adults) is to promote programmes for older adults to live autonomously by strengthening their participation in communities and the labour market (Thumala et al., 2017).

## **XII. Discrimination against older people (or ageism)**

According to some studies in Chile, negative stereotypes towards the elderly population (or *ageist prejudices*) are related to the apparent deterioration of their cognitive, biological and social performance (Abusleme & Guajardo, 2013; Thumala et al., 2017). 72.9% of Chileans think that older adults are not able to manage on their own (Thumala et al., 2015), although this kind of ageist prejudice exists mostly among higher educated young people (Arnold et al., 2008). Another study that

examined the stereotypes of elderlies, specifically within work organizations, found that negative expectations of older workers are often associated with the decrease of their cognitive and physical skills, which in turn impact their labour performance (Nazar & Figueroa, 2015). The authors of this research claim that in Chile there are still few measures to prevent ageism, not only within work organizations but in society as a whole. In other words, as it currently occurs with racism, classism and sexism, ageism should also be seriously considered as an expression of discrimination against another vulnerable social group (Butler, 2005; Thumala et al., 2017).

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