

Policy Document 6: Extended Working Lives, Employment and Care Policies

Key Messages

- Informal carers of relatives should have the right to contribute to the Social Security system.
- The economic and psychological well-being of carers has to be explicitly addressed.
- Employment policies needed to facilitate a combination of caring and paid employment.
- European directive on common standards for 'care' pension credits is needed.
- Elder care leave should be systematically counted towards pensions.
- These policies would maximise opportunities for gender equality in extending working lives.
- European Parliament and the European Council to formally adopt Directive on Work Life Balance for Parents and Carers and Member States to implement this.

Statement of Issue

Policies to extend working lives for women and men are seen as necessary to manage the impacts of a growing share of the older population globally. However, this has profound implications for older women workers who provide the majority of unpaid care. It raises policy issues related to the combination of paid employment with care. Virtually everywhere, women are primarily responsible for household and care work, and this has significant implications for their working lives. Family or care responsibilities keep 15% of women aged 55-64 (in comparison with 3% of men of the same age) out of the labour market in the EU28.

Many older women today have had interrupted working lives as they took breaks to raise children. The gender gap in wages intensifies over the life course; older women have significantly lower wages than either men or younger women. Older women are more often employed on temporary and part-time contracts or are not employed at all so they can continue to fulfil informal care obligations to parents, grandchildren, partners or other relatives. So, many older women do not manage to accumulate adequate pension benefits. There is a gender gap in pensions in 2016 of 36% across the European Union.

Current Situation

There are at present a limited number of state policies to support carers. There remains a need for the formalisation of informal care through payments and associated social security (pension and health insurance), training/certification of skills schemes and legislation (recognition of status and rights as a carer). Priority areas for policy are giving social support to carers to

promote their economic and psychological well-being and assisting them in making regular social security contributions (pension credits during caregiving, and access to pensions and health insurance). Such policies are critical to shield informal carers from financial difficulty over the life course following caregiving periods.

) Pension Credits for Carers – UK example

The UK government introduced 'Carer's Credit' in 2010 which allowed those who are caring for someone for at least 20 hours a week to claim National Insurance credits which count towards the state pension. A further scheme introduced in 2011, 'Specified Adult Childcare Credits', allows grandparents and other family members (not including parents, who are covered elsewhere) to similarly claim National Insurance contributions. Both schemes are vastly underclaimed.

A review of current policies by commissioned by the European Commission found a huge variation in design, regulation, implementation and outcomes. The more regulated schemes (those in the UK, the Netherlands, France and Sweden) were found to offer some protection for informal carers.

Recommendations

- Ensure in all EU Member States that informal carers may contribute to the Social Security system. This benefits the (mainly female) carers and reduces the pension penalty they face.
- Guarantee income replacement during caregiving and social security (especially pension) contributions, which are key to reducing caregiver poverty over the life course.
- Conduct targeted media campaigns designed and implemented to maximize outreach to carers who are potential beneficiaries
- Implement rigorous monitoring of uptake of policies and programs to ensure good outcomes for older carers in terms of economic security and physical and mental well-being.
- Ensure that increased paternity leave is made available to facilitate men to engage in caring and is given to men on an equal basis by employers and by Member States. Promote a culture of male caregiving to reduce the risk of older women bearing a disproportionate share of care work for family members.
- Develop measures to improve job quality for both women and men carers.
- European Parliament and European Council to formally adopt Directive on Work Life Balance. Member States to implement this.

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For Full Policy Brief with references please see:

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