

SHORT TERM SCIENTIFIC MISSION (STSM) SCIENTIFIC REPORT

This report is submitted for approval by the STSM applicant to the STSM coordinator

Action number: IS1409

STSM title: Comparing systemic pension reforms in France and Albania

STSM start and end date: 15/04/2019 to 19/04/2019

Grantee name: Merita Xhumari

PURPOSE OF THE STSM:

The purpose of the STSM is to identify the recent reforms undertaken to the pension system in France and Albania in order to better understand how two different European countries are implementing measures to extend the working life. The Short Term Scientific Mission at the Ageing Research Unit, Caisse nationale d'assurance vieillesse, Paris, fully meets the scientific objectives of the COST Action IS1409 - Gender and health impacts of policies extending working life in western countries. The proposed STSM offers an insight into the research and indicators used for analyzing the French pension system as well as forming the basis for a scientific paper comparing the two countries.

DESCRIPTION OF WORK CARRIED OUT DURING THE STSMS

The work carried out during the five days of STSM in CNAV, Paris, 15-19 April, 2019 is scheduled in order to meet our objectives.

- On the first day, April 15, 2019 there was a meeting at the Research Unit with Mr. Jim OGG and discussion on what documents, statistical data and surveys are available for a desk review about the pension reforms in France. Together we met the research staff of the Agency and discussed their activities.
- On the second day, there was the opportunity to discuss with the staff of researchers and professionals from the Research Unit in order to get to know their focus of research on pensions and extended working life beyond the retirement age. Dr. Ogg organised one session where I presented some information about the pension system reforms in Albania as well as in other Western Balkan countries, since 1990 until today, to the colleagues at the CNAV as well as discussing with them the French system. This took place between 10.30-12.00 on 16th April.
- On the third day I reviewed the documents offered from the Research Department and the instruments this unit is using for the evaluation of the effectiveness of pension reforms for extending working life and the gender approach.
- On the fourth day on 18th April, between 14.30-16.00, for colleagues that were unable to attend the first session of presentation was done another presentation of the pension reforms for extending working life and their gender and health impacts. Some publications that explain the pension system in Albania were presented as well as the website of the Social Insurance Institute of Albania. A power point presentation was circulated to all of them. It was interesting in the discussion to learn

about the platform of reforms the President of France Macron has introduced on pension system in France in nowadays.

- On the fifth day, Dr. Jim Ogg and me have been working together to prepare a frame for a comparative analysis on the effects of pension reforms in France and Albania on extending working life and gender equality.

DESCRIPTION OF THE MAIN RESULTS OBTAINED

The main result of the STSM is realizing that increasing the retirement ages for both males and females has been one of the main trends in reforming pension systems which have an impact on extending working life in both countries.

Introducing incentives for encouraging people to stay longer in the labour market was another trend in both countries where the amount of pension benefits will be increased if they stay as contributors to the pension system beyond the official retirement ages. Restrictions on early retirement was another measure for both countries.

More data available will assist researchers to do deeper analysis on the gender and health implications of the pension reforms. France is undertaking regular surveys asking people on their desire or expectations on the age of retirement to be used as an evidence base for policy interventions. In Albania research is missing in this area, but it can be an opportunity to include such indicators on the Labour Force Survey done regularly by Institute of Statistics which can collaborate with the Social Insurance Institute of Albania.

In both countries the main factor for reforming pension systems was providing financial sustainability of the statutory pension schemes. However the impact of the parametric reform for extending the working life was noticeable for both countries. It is also related to the tendencies of reduced replacement rates from the compulsory basic pension scheme.

The personal prevention account for people working in hard conditions will be administered by the occupational accident and disease branch of social security in France, which might be considered in the future reforms in Albania, too.

Although in France 13.6% of population lived under the poverty line in 2016, pensioners as a category were least affected by poverty. The same trend can be observed in Albania which in 2015 introduced the social pension (means tested) to anybody above 70 years old.

Especially women in both countries have lower pensions compared to men. In France 78% of the minimum pensions are paid to women, and the same situation exists in Albania, which means that increasing employment opportunities for women and contributions to social security.

The duration of retirement is higher for women than men in both countries, as the result of higher life expectancies of women compared to men.

A minimum old age pension is guaranteed for elderly people, over 65 years in France and over 70 in Albania. This is based on a solidarity allowance for old people, at 800 Euros /person in a month in France and 70 Euros in Albania, mostly allocated to women.

In both countries for liberal professions and self-employed workers the statutory basic scheme provides a basic minimum pension related to the minimum contributions that are paid.

A move from salary indexation to price indexation creates a tendency for reducing the replacement rates for future generations.

FUTURE COLLABORATIONS (if applicable)

It is envisaged to write an article for the French journal *Retraite et société* that will outline in a comparative perspective the similarities and differences between pensions systems in the two countries and the

consequences for extended working life. Future collaboration on research in this area between the Ageing Research Unit at the Cnav and the Faculty of Social Sciences, University of Tirana is also a possibility that has arisen as a result of the short-term scientific mission.