

## 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: Gender and health impacts of policies extending working lives in western countries

**STSM start and end date: 01/09/2018 to 28/02/2019**

**Grantee name: Ulrike Spangenberg**

**PURPOSE OF THE STSM: Research and exchange on a life course perspective on the role of taxation on gender equality in the context of old age security, including a stay at NUI Galway**

Research concerning women's old age security from a life course perspective focuses mostly on the consequences of women's employment patterns, income inequalities, the recognition of unpaid care work in the pension system, and most recently the impact of extended working life policies. The role of taxation, on the other hand, is rarely discussed. However, only recently the European Parliament adopted a recommendation on gender equality and taxation in the EU, that draws a attention to the role of taxation for gender equality in general and the relevance for old age security in particular.

The STSM ties in with the previous research about the role of taxation in extended working life policies. It was intended to expand the research to the role of taxation for old age security during different phases of the life course, exchange ideas about a proposal for funding, draft a grant proposal, and expand and intensify the collaboration between interdisciplinary researchers (lawyers, accountants, economists) to establish a successful research partnership across the European Member States.

### **DESCRIPTION OF WORK CARRIED OUT DURING THE STSMS**

The period of the STSM was spent on research concerning gender aspects of pension systems with a particular focus on personal and occupational pensions, that receive favourable tax treatment in many countries. The concentration on supplementary old age provisions is a result of the increasing relevance of the second and third pillar during the life course and the specific role of taxes as incentives or subsidies for contributions to

supplementary pension plans.

The research was presented during my visit to the Institut for Lifecourse and Society at NUI Galway from the 19<sup>th</sup> to the 29<sup>th</sup> of September 2018. The visit to the NUI was originally planned for November 2018. However, the annual Conference of the European Network for Research on Supplementary Pensions (ENRSP) on the 20./21. of September provided a good opportunity to present the research to an interdisciplinary audience of international scholars familiar with pensions. The change of plans was approved by both, the host and the grant manager.

In my presentation at the ENRSP I focused on the legitimacy of tax subsidies and tax incentives for private pension plans in the light of constitutional, international and European requirements to prohibit indirect gender discrimination. The feedback at the conference has been used to advance the work on the research proposal, discuss collaborations with different interdisciplinary partners (Emer Mulligan, Galway; Micheal Collins, Dublin; Peter Haan, DIW Berlin; Annette Fasang, WZB Berlin, Gisela Färber, University Speyer) and options for funding (European Commission, Network for old age security).

I was also able to participate in a workshop at NUI Galway, held by Emer Mulligan and Dinali Wijeratne on pension systems in the various Member States and current reform options. During the visit at NUI Galway, I had allocated office space in the department and was able to exchange ideas and experiences on research and funding options.

## **DESCRIPTION OF THE MAIN RESULTS OBTAINED**

Most countries across the European Union show a striking gender gap in pensions, in some countries as high as 46%. The shift from statutory to private and employer-provided pension schemes increases the risk that the gap may even further rise. This development is a result of differences in access to private or occupational pensions schemes, caused by gendered income differences and labour market structures, but also insufficient consideration of care work and a lack of corrective mechanisms in general. Numerous countries use tax expenditures to create incentives or supplement old age provisions. The use of tax expenditures is also advocated by the European Union. However, the gender impact of tax expenditures has rarely been analysed to date, although existing research suggests, that tax expenditures benefit men and women differently, as a result of gender gaps in income and wealth, career and working patterns, labour market structures and the division of care work during the life course.

The research, conducted during the STSM, serves as the foundation for an interdisciplinary research project, that analyses the gender impact of tax expenditures for private individual and occupational pension plans in selected EU Member States and examines the compatibility with legal prohibitions of discrimination. The project has basically three parts: Part one will provide the background for the use of tax expenditures for private pension plans and give an overview of the use and design of tax expenditures across the European Union. Part two will analyse the distributional impact, based on the model of Whelan & Hally, that includes the different tax treatment components over the life course. Part three will then examine the compatibility with national and European legal norms, that prohibit in particular discrimination based on sex. Although tax expenditures regularly apply to men and women equally, discrimination may occur in the form of indirect discrimination.

The countries selected for an in-depth comparison include Ireland, due the extensive use of tax expenditure, but also the specific age-related differentiations; Germany, because is currently expanding the use of tax expenditures and complements tax deductions with state contributions, targeted at low-income groups and families; Austria, because it relies on the statutory pay as you go system (it is basically phasing existing tax incentives out) and uses very few tax incentives with distinct social features and one of the Baltic states, that apply a flat tax system.

The original idea of financing the project with an European Research Council Starting Grant is not possible for formal reasons. For funding opportunities under the framework for consolidator grant, additional publications and smaller research projects are needed, which I am currently working on. This includes e.g. a research proposal, submitted to the German Hans Böckler Foundation and the ongoing work on a proposal to be submitted to the Network for old-age security (FNA).

### **FUTURE COLLABORATIONS (if applicable)**

The STSM helped to make useful international contacts, within the ENRSP, at NUI and the University College Dublin. I have been invited to participate in a book on pensions in the EU, that will be launched next year. The papers will be presented at the next ENRSP-Meeting in Antwerpen in September 2019.

I still collaborate with Emer Mulligan and Michelle Maher on a publication concerning gender and pensions in the EU. We also exchange ideas on future funding and collaborations on a regular base.

Furthermore, I will use my residency as a visiting professor at the University of Speyer, starting in May 2019, to discuss an interdisciplinary collaboration research concerning the gender impact of tax incentives and tax subsidies for supplementary pensions during the lifecourse.

I would like to extend my gratitude to COSTAction IS1409 for awarding me this grant in order to support the visit to Galway and very much needed time for research and to Dr. Emer Mulligan for offering to host, support and work with me.

Berlin, 29.3.2019