

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

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Key messages

- Citizens should have the right to contribute as an informal carer of a family member to the Social Security system
- Economic and psychological well-being of carers has to be explicitly addressed to realise active ageing
- Employment policies to help carers combine paid work and unpaid care should be provided
- European directive on common standards for 'care' pension credits
- Elder care leave should be systematically counted towards pension
- New Directive on Work-life Balance for Parents and Carers to be formally adopted by the European Parliament and implemented by Member States

Context

Policies to extend working lives for women and men are seen by governments as necessary to manage the impacts of a growing share of the older population across the globe. Governments and other advocates for active ageing see extending working life as an opportunity for older women and men to be actively engaged in social life. But is the decision to continue to work beyond current retirement age an actual choice for everyone or is it sometimes 'forced' because of financial constraints?

It is particularly important to understand the implications of extended working life policies for women. It is undeniable that women, regardless of age, are structurally disadvantaged due to gender norms that still regard the labour market as a predominantly male domain (Duvvury, et. al. 2017, Radl 2012). Virtually everywhere, women are primarily responsible for household and care work, and this burden has significant implications for women's working lives. Many older women today have had interrupted working lives as they took breaks to raise children. Moreover, the gender gap in wages intensifies over the life course so that older women have significantly lower wages than their male counterparts and even compared to younger women. Furthermore, older women are more often employed on temporary and part-time contracts so that they can continue to fulfil informal care obligations to parents, grandchildren, partners or other relatives. As a consequence, many older women do not manage to accumulate adequate pension benefits (Duvvury, et. al 2018).

For extended working life policies to enhance women's choices, it is essential that the structural disadvantage women face in the labour market due to caring obligations is addressed at a systemic level as well as from a life course perspective. For younger mothers in particular, but also for a growing group of fathers, important policies include family friendly policies at the workplace (such as creches, after school programs, and supportive leave policies). This recognises the importance of families to society, and acts to meet, directly or indirectly, the needs of children, parents, disabled family members, and older relatives of workers. These measures provide flexibility to fulfil caring obligations without giving up employment or losing the human capital needed for climbing the occupational ladder. Mid- and late-career workers are more likely to be involved in the care of older people but often encounter difficulties in reconciling this activity with gainful employment. For carers, pension credits should be provided for fulfilling care obligations so they can continue to build their pensions if they need to take temporary breaks. The latter can also be enhanced by introducing employment protection policies that improve the economic security of part-time workers who also have care obligations through employment protection.

Though there have been some advances in childcare policies, in many European countries, public policy has probably even more ground to make up with respect to the informal care by older workers of an ever increasing amount of dependent (mainly older) adults. This is partly because caregiving is still too often seen as “women’s work” (Bauer and Sousa-Poza 2015). Yet, women’s labour force participation has increased steadily among successive generations of European women since the 1960s, even during the recent economic crisis. While having more economically active women has contributed towards making society more gender-equal, it has also challenged the traditional and feminised system of care. In one Spanish study, 20% of women stated that the demands of care work prevented them from working outside the home (Oliva, Vilaplana, and Osuna 2011). Legal obligations to provide care for parents further strengthen this gender inequality in intergenerational support due to the greater involvement of daughters in intensive assistance (Schmid, Brandt, and Haberkern 2012). This is particularly the case in explicitly familialistic care regimes, such as Austria, Germany, Belgium and France where legal obligations to (co-) finance professional care for parents are imposed, although cash-for-care schemes are available to support family care. In implicitly familialistic welfare regimes (Southern European countries and Poland), legal obligations are similar but with no or minimal state support. Central and northern European countries, on the other hand, have expanded social services that aid in relieving the care burden of daughters and consequently, contribute to reducing the gender gap (ibid.). However, female family carers tend to be substituted by domestic workers or professional carers who are also primarily women. Although this professionalization of care does not alter the gender imbalance at the societal level, it is a significant step forward that care is provided in formal rather than informal settings, especially considering the implications for the gender gap in pensions. There are also demographic reasons why women are extra burdened: their higher survival rates and being several years younger at marriage. Women thus tend to grow old alone, while men are more likely to do so in companionship with their spouses, who are also their primary caregivers in case of dependency (Delbès, Gaymu, and Springer 2006).

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Important to note are the clear socioeconomic differences in care burden (and the subsequent reduction in old-age pension benefits). This is because having sufficient economic resources facilitates the acquisition of formal care when there is a lack of alternative options. Key resources include wealth and private long-term care (LTC) insurance (Jiménez-Martín, Labeaga-Azcona, and Vilaplana-Prieto 2016). But there are also cultural factors involved in the choice of care arrangements: the preference for formal care has been shown to be greater among the higher socioeconomic classes, and it significantly increases the likelihood that care for older people is outsourced (García-Gómez et al. 2015, Sole-Auro and Crimmins 2014). Indeed, in Spain, higher educated or economically active women aged 45–54, i.e. the age group where relatively many take on the role of caregivers, are the least likely to agree that the family should be responsible for the care of older people (Zueras, Spijker, and Blanes 2018).

Current policies

Over the last couple of decades, state social policy has played an important role in facilitating the reorganization of family care in European countries (Da Roit and Le Bihan 2010). This was needed, not only given the growing number of older adults with health care needs, but also because of fewer potential offspring available to care because of lower fertility and increased female employment.

The first level of policies have focused on ensuring the rights of those needing personal care through legislation on personal autonomy. For example Spain passed in 2006 the Act on Promotion of Personal Autonomy and Attention to People in situation of Dependence. Commonly known as the “Dependency Act”, the law entered into force on 1-1-2007 to promote personal autonomy and attention of people who are dependent on others as a result of physical and/or mental limitations, recognizing the universal nature of benefits and the entitlement to access them under equal conditions for all older or dependent people who need help carrying out basic daily living activities.

On the other hand, policies have been identified as essential to ensure rights of carers as equally important. A study carried out using evidence from seven European countries found the need for 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 to being assessed as a carer) (Zigante, Valentina. “Informal Care in Europe: Exploring Formalisation, Availability and Quality.” Brussels: LSE Consulting for the European Commission, 2018.) In particular, it is recognized that specific policies that ensure social support to carers promoting their economic and psychological wellbeing, and that assist carers to make regular social security contributions (such as providing pension credits during caregiving, and providing access to pensions and health insurance), are critical to shield informal carers from financial difficulty over the life course following a shorter, or even more so, a longer stint of caregiving.

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.

However, the Department for Work and Pensions estimate that fewer than 10% of those eligible for Carer’s Credit claim it, indicating a significant knowledge gap. Similarly for the second less that 1% of the eligible 100,000 older carers have so far claimed the credits.

In terms of these policies, a review by the European Commission found a huge variation in design, regulation, implementation and outcomes. The more regulated schemes such as those in the UK, the Netherlands, France and Sweden were found to be offering some protection for informal carers (Zigante, 2018).

Recommendations

- Ensure in all EU Member States (MSs) that informal carers of family members have the right to contribute to the social security system. This would benefit the employment careers of mainly female carers who decide to formalise their services (Zueras, Spijker, and Blanes 2018) and ameliorate the pension penalty that carers face (Evandrou and Glaser 2003).
- Guarantee assurance of income replacement during caregiving and social security contributions, in particular pension contributions, as they are interrelated facets, which are key to avoiding caregiver poverty over the life course (Zigante, 2018).
- Conduct targeted media campaigns that are designed and implemented to maximize outreach to carers who are potential beneficiaries.
- Introduce leave and flexible working for carers in Member States in line with new Directive on Work-life Balance for Parents and Carers.
- Implement rigorous monitoring and evaluation of uptake of policies and programs so that good intentions translate to concrete outcomes for older carers in terms of economic security and physical and mental well-being.
- Make available in all MSs increased paternity leave is made available to men to facilitate them to engage in caring and be given to men on an equal basis by employers and by the MSs. (Ní Léime & Street, 2018). Promoting a culture of male caregiving would contribute to reduced risk of older women bearing disproportionate share of care work of older family members.
- Develop measures to improve job quality are for both women and men carers, with men particular attention paid to the risks of low-quality job (European working conditions survey, 2013) This is necessary to ensure that carers are able to engage in jobs that minimize deleterious impacts on them.

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