Chapter 5

Pension Reform and Gender Inequality

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This chapter examines an effect of pension reform that was largely unanticipated, or at least seldom explicitly considered, when many pension reforms were being adopted throughout Latin America: the effects of privatization on women's welfare.[1] Though this issue was largely absent in early reform debates, academic researchers and international organizations—including the United Nations (UN) Economic Commission on Latin America and the Caribbean (ECLAC), the International Labour Organisation (ILO), and even the World Bank—began to consider it in the early 2000s.[2] Although the literature is increasingly recognizing that pension policy design produces different distributional outcomes according to gender, it often disagrees in its evaluation on whether these outcomes are generally negative, positive, or neutral for the welfare of women. These disagreements have come about because some analysts view publicly mandated pension systems as serving an insurance function, though often not explicitly, while others view them as serving a redistributive function. From these different perspectives derive different criteria to evaluate gendered outcomes of pension privatization, which explains why assessments of the gender effects of pension privatization differ.

This chapter has three objectives regarding the gendered outcomes of structural pension reform in Latin America. First, it provides a brief overview of the sources of gender inequalities and discusses elements of pension policy affecting gendered welfare. Second, it explains and critiques the insurance-based criteria for evaluating the gender effects of pension reform. These criteria, often employed by economists, emphasize lifetime benefits, actuarial fairness, or consumption outcomes. Third, it offers an alternative set of criteria for evaluating gender outcomes based on three dimensions: women's ability to claim social citizenship rights, gender stratification, and the distribution of welfare responsibility among the market, state, and family. These criteria are consistent with a sociological understanding of public pension systems as welfare or redistributive state policy.

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Finally, it compares interpretations of the gendered effects of pension reform in Latin America based on insurance and distributive assumptions to illustrate why disagreements in the literature persist.

Labor Market and Pension Policy as Sources of Gender Inequalities

Labor market differences and pension policies often *both* contribute to gender differences in access to and generosity of pension benefits (Bertranou 2006; Mesa-Lago 2006; James, Cox Edwards, and Wong 2007). In Latin America, women's participation in the labor market often differs from that of men in four ways that have important effects on their ability to earn pension rights and benefits comparable to those of men.

Au: Is it Cox Edwards or Edwards? In Chapter 4, surname of the same author is Edwards, Please check which one is correct.

1. Despite increasing rates of women's employment throughout the region, women still tend to have lower economic activity rates than do men (see Table 5-1). This difference can be attributed to women's reproductive and caring responsibilities and has an important impact on the accumulation of contributions required to receive either a statutory minimum pension or pension benefits comparable to those of men.
2. When women do enter the labor force, they often experience higher levels of unemployment than men (Giménez 2005: 61–2; see also Table 5-1). Higher unemployment levels also lead to lower contribution rates to publicly mandated pension systems.
3. Labor markets in Latin America tend to be segmented by gender, and women are more likely to be concentrated in low-productivity, or informal and low-quality, jobs (see Table 5-1). Consequently, they are much less likely to have social insurance coverage or to make regular contributions to voluntary public social insurance schemes. Women's segmentation in the labor force also contributes to lower average wages for women compared to men.
4. Women's wages at all ages and levels of education are lower than men's, a situation reflecting both the segmentation of women's employment and wage discrimination (see Table 5-1 and Sinha and de los Angeles Yañez 2007).

Together, these differences in women's labor market participation patterns lead to lower contribution densities and benefits in any kind of pension system, including publicly mandated pension systems for women as compared to men.

Given these differences in the labor market for men and women, pension policies can either translate or mitigate these labor market inequalities into

TABLE 5-1 Gender Inequalities in the Labor Market (1989–2004)

	Economically Active Population (EAP) Participation Rates in Urban Areas			*Open Unemployment Rates in Urban Areas*			*Urban Population Employed in Low Productivity Sectors (%)*			*Year*	*Earned Income Ratio*[a]	*Wage Ratio*[b]
	Year	*Men*	*Women*	*Year*	*Men*	*Women*		*Men*	*Women*		*Female/Male*	*Female/Male*
Argentina (Buenos Aires)	1990	76	38	1990	5.7	6.4	1990	42.2	48.0	1990	65	76
	2004	78	52	2004	11.9	15.8	2004	39.4	41.1	2004	61	68
Bolivia	1989	73	47	1990	9.5	9.1	1989	48.8	71.5	1989	59	60
	2002	77	57	2003	5.2	7.9	2002	58.5	76.6	2002	61	77
Brazil	1990	82	45	1990	4.8	3.9	1990	44.7	56.8	1990	56	65
	2003	79	55	2003	9.0	13.8	2003	40.7	51.1	2003	66	87
Chile	1990	72	35	1990	8.1	9.7	1990	33.8	47.5	1990	61	66
	2003	73	45	2003	8.5	12.4	2003	27.8	38.0	2003	64	83
Colombia	1991	81	48	1990	6.7	13.0	1991	—	—	1991	68	77
	2002	79	57	2003	14.8	20.0	2002	—	—	2002	77	99
Costa Rica	1990	78	39	1990	4.9	6.2	1990	35.1	40.1	1990	72	74
	2004	78	45	2004	5.7	8.1	2004	36.7	42.4	2002	75	85
Dominican Republic	1992	86	53	1990	11.3	31.5	1997	47.5	46.0	1997	75	90
	2004	79	56	2004	12.6	30.5	2004	49.6	45.9	2002	68	89
El Salvador	1990	80	51	1990	10.0	9.7	1990	45.9	67.9	1995	63	79
	2004	74	51	2004	8.8	3.8	2004	47.8	62.5	2001	73	100

Mexico	1989	77	33	1990	3.4	3.1	1996	41.7	47.6	1989	55	73
	2004	80	47	2004	4.7	3.1	2004	42.2	50.7	2004	63	78
Peru	1997	83	62	1997	8.1	13.8	1997	53.7	69.3	1997	60	73
	2003	74	54	2003	7.3	6.2	2003	58.1	72.5	2003	61	78
Uruguay	1990	75	44	1990	7.3	11.1	1990	34.8	46.1	1990	45	64
	2004	71	49	2004	10.2	16.6	2004	41.6	50.3	2002	82	71

Source: ECLAC (2006*b*: Tables 17, 21.1, 21.2, 22, 27).

[a] Income differential among the entire employed population, calculated as the quotient of average female income and average male income, multiplied by 100.

[b] Income differential among wage or salary earners, calculated as the quotient of average female income and average male income, multiplied by 100.

differences in pension welfare. Four aspects of public pension policy play important roles in determining women's access to and quality of pensions (Bertranou 2006; Mesa-Lago 2006).

1. Because women on average earn less than men do in the labor market, they more often earn the minimum pensions guaranteed by the public pension system. Where reforms have increased the number of years of contributions to be eligible for the minimum pension, such reforms are more likely to affect women, who less often meet the minimum contributions necessary to qualify for the minimum pension.
2. The way in which the pension benefit is calculated can have important effects on women's versus men's pensions. If benefits are calculated over lifetime contributions, as they are in DC systems, the system is likely to compound the labor market inequalities experienced by women. In contrast, women's benefits are more likely to be more comparable, though still probably less, to those of men under DB plans that use either average wages or wages during a particular period to calculate the pension benefit. Likewise, a more generous minimum pension can also mitigate gender inequalities.
3. The use of gender-specific actuarial, or life tables accentuates gender inequalities in pension benefits because women tend to live longer than men. When gender-specific life tables are used, a man and woman with similar contribution densities, wages, and retirement ages will receive different pension benefits because it is assumed that the woman's benefits will be distributed over a longer period due to her higher life expectancy.
4. Earlier permissible retirement ages also tend to result in smaller pensions for women in DC pension systems.

Though the design of pension policy can mitigate the gender inequalities created by the labor market, analysts disagree on whether pension policy is the appropriate tool for addressing labor market inequalities. Those that emphasize the insurance functions of public pension policy tend to be skeptical of using policy to promote gender equality, while those that view pensions as having a redistributive social function emphasize the necessity of designing policy to mitigate market inequalities. Because each of these perspectives includes different assumptions about the role of pension policy, it is no surprise that disagreements persist regarding whether pension privatization in Latin America has improved or worsened women's old-age welfare. The next section explains the insurance approach to pensions and argues that though the insurance approach is often couched in language of 'fairness', such claims are based on a misplaced emphasis on efficiency and are actually unfair to women.

Pensions as Insurance: The Use of Lifetime Benefits, Actuarial Fairness, and Consumption Criteria

Some of the recent literature on structural pension reform and gender (including James, Cox Edwards, and Wong 2007) has been written by economists who approach the question of the effects of pension privatization on women's welfare in Latin America using economic or insurance criteria that are presented as value-neutral but that actually prioritize efficiency over equity. The two most common criteria from an insurance approach used to evaluate the gender effects of structural reform emphasize either lifetime benefits and actuarial fairness or comparable consumption during old age for men and women due to intrafamily transfers.

Lifetime Benefits and Actuarial Fairness

Some economists, particularly those working with the World Bank, use lifetime benefits as their preferred metric to evaluate the actuarial fairness of pensions. Lifetime benefits are the average accumulated benefits of a retiree between retirement and death, and pensions are actuarially fair to the extent that contributions are closely linked to risks and therefore to the cost of benefits. Actuarial fairness is used to evaluate pensions because pension designs that do not use all available information to estimate risks and closely link contributions to benefits can result in keeping those with shorter longevity from participating in pension programs, leaving only the 'bad risks' (those with greater longevity) insured. When pensions are not actuarially fair, resources are inefficiently allocated because when some individuals contribute more than they receive in benefits, they cannot use those resources for other productive purposes. This emphasis on the insurance function and efficiency of public pension systems and the importance of comparing lifetime benefits is apparent in the World Bank's *Averting the Old Age Crisis* (1994). For instance, the book argues that a system that privileges insurance and saving over redistribution has advantages, such as reducing evasion, promoting employment, and promoting efficiency (1994: 76). It also argues that many DB pension systems, though progressive in the structure of their monthly replacement rates, are actually regressive because the rich tend to outlive the poor (WB 1994: 10).[3] Redistribution, according to the *Averting the Old Age Crisis* model, should only be administered through minimum safety net pensions for the elderly poor.

Regarding gender, economists regularly use lifetime benefits to measure the actuarial fairness of pensions between men and women. Because women tend to live longer than men, if monthly benefits for men and women are equal, then women will have larger lifetime benefits. Some argue, therefore, that when contributions and benefits are not closely linked, women will take advantage of the disparity and contribute as little as possible, and men will cease to participate because the system is *actuarially* unfair (Schwarz 2006).[4] If women, on average, live longer than men, then to be fair their contributions to the pension system beyond those for the minimum pension should be comparable to the cost of their greater longevity (Schokkaert and Van Parijs 2003*a*: 257–8).

Recent studies also use comparisons of women's and men's lifetime benefits to assess the gender impacts of pension privatization in Latin America (James, Cox Edwards, and Wong 2003, 2007). For instance, James, Cox Edwards, and Wong (2007) find that though female-to-male lifetime benefits fall for single women and men, female-to-male lifetime benefit ratios improve when the redistributive pillar or provisions, such as flat-rate or minimum-guaranteed pensions, are included (in Argentina and Mexico) and when survivor's pensions are included (in Argentina, Mexico, and Chile). Under certain circumstances, women may receive lifetime benefits that exceed those of men, according to the authors' simulations. That is, the generosity of women's lifetime benefits is partly because of their average longevity, not because they enjoy a comparable level of welfare to men. In this way, the study authors can present a more positive interpretation of the gender effects of pension reform in Latin America compared to comparisons based on the gender disparities in monthly benefits.

Though the use of lifetime benefits and actuarial fairness is often invoked in the use of technical, presumably value-neutral criteria for evaluating pensions, the use of these criteria to evaluate pension reforms prioritizes efficiency over equity. Perhaps, more problematic is that using lifetime benefits, and thus implicitly actuarial fairness, to evaluate the gender effects of pension reform can be used to hide discriminatory practices. Indeed, the use of gender-specific actuarial tables for the calculation of pension benefits is not allowed in the USA precisely because the Supreme Court ruled that they violated the Civil Rights Act 1964 and the Equal Employment Opportunity Act 1972 in *Los Angeles Department of Water and Power* v. *Manhart* in 1978. The basis of this decision was an argument that it was unfair to discriminate against an individual of a group based on the characteristic of the group (Simon 1988). That is, although women generally live longer than men, it would be unfair to discriminate against those women who do not.[5] This theme is a recurring one in the literature criticizing the use of lifetime benefits or actuarial fairness to evaluate gender and pension reform (Fultz and Steinhibler 2003; Ginn 2004: 7). By using lifetime benefits to compare the pensions of women and men, some analysts distort the distributional effects of pension reform in a way that minimizes the harm done to women's welfare and equal rights.

Others argue that though women may have greater longevity, sex is hardly the only, or even best, predictor of risk. It is unfair for women to be punished for an immutable group characteristic like their greater longevity when other predictors of risk are routinely ignored (Simon 1988; Fultz and Steinhibler 2003; Myles 2003: 267; Ginn 2004: 7). For instance, race may be a useful predictor of longevity but to use it to calculate pension benefits would be considered discriminatory. Further, many of the best predictors of risk are class-related or behavioral, rather than immutable, and continue to be ignored, including income, occupation, education, smoking, weight, regular exercise, and so on. Fultz and Steinhibler (2003) most clearly make this point when they argue that even in privatized systems, publicly mandated pension systems serve the public function of risk pooling and therefore pooling should occur across *all* risks, including those associated with gender.

In addition to gender-based discrimination through the use of lifetime benefit or actuarial fairness criteria, several authors provide compelling reasons why women *should* be entitled to higher lifetime benefits than men. For instance, in heterosexual couples, women who outlive their partners may not only have to care for their ailing partners but also then lack such care themselves at the ends of their own lives or have to get it from the state or market. In such cases, it is unclear that quantity of life is an advantage if the quality of the longer life is poor (Ginn 2004). In such circumstances, men are not just subsidizing the income of women but compensating them for either caring responsibilities or the burden of living longer.

The most compelling argument against using lifetime benefits and actuarial fairness to evaluate the gender effects of pension reform rests on the logic that such practices reinforce discrimination against a group (women) unable to change the characteristic on which the discrimination is based. This was the logic of the *Manhart* decision in the USA and recent directives in the European Union that reject the use of gender-specific actuarial tables as gender discrimination. If policy in advanced industrialized democracies rejects the use of actuarial tools as being discriminatory against women, lifetime benefits and actuarial fairness—similarly biased criteria that accept discriminatory practices on technical grounds—should not be used to evaluate the gender fairness of pension reform. As Simon explains, 'The point is that practices, such as the one in *Manhart* that treat the gender difference as unproblematic, make it more difficult for the uprooting of the habituated gender assumptions to unfold. This, and not hidden prejudice, makes the actuarial use of gender for insurance purposes unacceptable' (1988: 796). In other words, using lifetime benefits to evaluate gender outcomes only serves to perpetuate and legitimize discriminatory practices in public pension policy.

Survivor's Benefits, IntraFamily Transfers, and Consumption

Averting the Old Age Crisis does a fair job of highlighting the special needs of elderly women, including widows, who are most likely to be poor and dependent on family members for support in old age. Despite a balanced discussion of the poor treatment of widows in rural India and the risks of relying on informal support networks for women's old-age welfare, the report emphasizes formalizing intrafamily transfers by splitting contribution credits and providing survivor's pensions rather than promoting policies to ensure women's entitlement to their own benefits. The book's principal recommendations for protecting women's old-age welfare include a universal minimum pension without regard to employment, splitting of contributions of married couples, mandatory survivor benefits, and additional benefits for the very old (WB 1994: 252–3). The first of these recommendations would do the most to reduce gender inequalities. Unfortunately, some of these recommendations were not uniformly or consistently implemented in many Latin-American pension reforms.

Despite apparent concern for the gender effects of structural pension reform in *Averting the Old Age Crisis*, recent evaluations of the gender effects of Latin-American pension reform sponsored by the Bank downplay the negative effects by focusing on informal and formal intrafamily transfers. For example, Parker and Wong (2001) find that elderly men and women in Mexico tend to have similar levels of consumption, despite the fact that fewer women have access to their own pensions. Because elderly women received income support from their family relationships, they conclude that the reformed system does not necessarily fail them. Others emphasize formal intrafamily transfers through the requirement that husbands purchase joint annuities with survivor's benefits (James, Cox Edwards, and Wong 2003, 2007). According to such defenders of structural pension reforms, intrafamily transfers and transfers due to public benefit pillars support the claims that women have gained more from the reforms than men have (James, Cox Edwards, and Wong 2007). In fact, access to own pensions for women has declined and the inequality of monthly benefits and family dependence has increased.

Unfortunately, reliance on intrafamily transfers for women's old-age welfare also entails certain costs if considered from the point of view of gender-egalitarian values. Such transfers reinforce male breadwinner norms, especially when restrictions are placed on the ability of women to provide comparable survivor benefits to their husbands, as in some Latin-American countries. Further, such benefits 'reproduce personal relationships of power and dependence among family members', a situation that helps maintain the traditional division of labor (Leitner 2001: 103). When women derive their rights to pension benefits primarily from their roles as mothers or wives, their dependency diminishes their worth and equality (Sen 1984; Marco 2002; Ginn 2004). In addition, by reinforcing male breadwinner norms, widow's pensions provide little reward to married women who enter the formal labor market.

Perhaps more problematic is that an emphasis on widow's pensions ignores the reality of changing family structures in Latin America. Over the past few decades, marriage rates in many Latin-American countries have declined, especially among lower-income families (see Table 5-2). In the context of serial monogamy or unmarried partnerships, survivor's pensions are outdated tools for ensuring women's welfare in old age (Schokkaert and Van Parijs 2003*b*: 278; Ginn 2004: 5). Though some reformed pension systems in Latin America allow unmarried heterosexual partners to claim survivor's benefits, these women must often provide proof of cohabitation and the mutual parentage of their children. For example, in most reformed systems, women can claim survivor's benefits if they can prove they had a child with the pensioner. When there are no children, women may have to prove economic dependence on or cohabitation with the pensioner for a minimum number of years, ranging from two years, as in Colombia and Costa Rica, to five years, as in Argentina and Mexico (Giménez 2004: 127–30). For low-income women, for whom cohabitation has historically been and continues to be more common, such requirements are likely to limit their ability to receive survivor's benefits. Divorce and single-female-headed households have also become more common throughout Latin America (see Table 5-2). Divorced women who have expected widow's pension benefits may be denied such benefits if their former partners remarry. For these reasons, *Averting the Old Age Crisis* (1994) recommends splitting pension contributions and credits between husband and wife at divorce, though few reformed pension systems in Latin America adequately protect women's share of pension rights. Consequently, many of the reformed systems, by relying on survivor's pensions to provide for women's welfare, are likely to leave growing numbers of women unprotected and dependent on social assistance in old age.

Insuring Individuals or Families?

Insurance approaches to evaluating pension reform tend to emphasize either individual lifetime benefits and actuarial fairness or intrafamily transfers to ensure against risks. These two positions are inconsistent in their assumptions about the appropriate unit of analysis or comparison—individuals or the family. On the one hand, actuarial fairness requires that individual benefits and incentives be efficient and closely link contributions to benefits. On the other hand, intrafamily transfers through survivor's

TABLE 5-2 Family Structure and Marriage and Divorce Rates in Latin America (1990–2004)

	Year	*One-Person Household* [a]	*Single-Parent Nuclear W/ Male Head* [a]	*Single-Parent Nuclear W/ Female Head* [a]	*% of One-Person Households*			*% of One-Parent Nuclear, Headed by*		*Marriage Rates (per 1000 of Population)*		*Divorce Rates (per 1000 of Population)*	
					Year	*Men*	*Women*	*Men*	*Women*	*Year*	*Rate*	*Year*	*Rate*
Argentina	1990	12.5	1.2	6.4	1990	31.4	68.6	15.9	84.1	1996	4.2		
(Buenos Aires)	2002	15.3	2.4	8.5	2004	36.4	63.6	16.3	93.7	2002	3.2		
Bolivia	2002	8.7	1.8	10.5	2002	52.6	47.4	14.8	85.2				
Brazil	1990	7.9	1.2	8.4	1990	44.1	55.9	12.4	87.6	1996	4.6	1996	0.6
	2002	9.8	1.3	10.2	2003	46.6	53.4	10.8	89.2	2002		2002	
Chile	1990	6.5	1.2	7.7	1990	42.9	57.1	13.2	86.8	1996	5.8	1996	0.43
	2000	7.9	1.3	7.3	2003	44.8	55.2	12.1	87.9	2003	3.6	1998	0.42
Colombia	1991	4.8	1	9.6									
	2002	8.3	1.5	10.7	2004	55.4	44.6	12.3	87.7				
Costa Rica	1990	5	1	9.5	1990	44.6	55.4	9.8	90.2	1996	6.9	1997	1.26
	2002	6.8	1.1	11.7	2004	53.7	46.3	6.8	93.2	2003	6	1998	2.04
Dominican					1992	54.5	45.5	16.5	83.5	1998	3.5	1996	0.29
Republic	2002	9.4	1.5	11.3	2004	58.3	41.7	16.7	83.3	2001	2.8	2001	0.96
El Salvador	1995	6.1	1.2	10.2	1990	56.4	43.6	15.1	84.9	1996	4.7	1996	0.46
	2001	7.8	1.4	11.6	2004	56.5	43.5	9.9	90.1	2003	3.8	2003	0.64
Mexico	1989	4.6	1.2	6.4	1989	49.4	50.6	16.1	83.9	1996	7.2	1996	0.42
	2002	6.5	1.5	9.4	2004	46.4	53.6	12.4	87.6	2003	5.6	2003	0.62
Peru					1997	64.0	36.0	18.3	81.7	1997	3.2		
	2001	7.6	2.1	8	2003	60.1	39.9	15.2	84.8				
Uruguay	1990	13.9	1.3	7.2	1990	29.4	70.6	15.0	85.0	1996	5.4	1996	2.03
	2002	17.7	1.6	8.6	2004	35.3	64.7	15.5	84.5	2003	4.3	2003	4.24

Sources: ECLAC (2005, Table IV.1), ECLAC (2006*c*, Table 1.1.14), and UN (2000, 2003, Tables 23 and 25).
[a] % of total households.

pensions provide little incentive for women to contribute to their own pensions. The position is problematic because individual fairness is used to justify policies that hurt women's rights, and then the negative effects of these policies are assumed to be ameliorated by policies that expect women to receive benefits from family members rather than from individual entitlements.

Pensions as Redistributive Welfare Policy: Alternative Criteria for Assessing Gender Impacts

Though economists tend to emphasize the insurance function of public pension policy, sociologists and political scientists evaluate policy outcomes from a different perspective, one that prioritizes the distributional consequences of different public policies instead of economic efficiency. Recent research from this perspective suggests that most welfare policies can be usefully compared along three dimensions: social citizenship, stratification, and the role of family, market, and state in the provision of welfare (Esping-Anderson 1990). Further, the gender impacts of welfare policy can be evaluated using gendered, or gender-sensitive, versions of these dimensions (Orloff 1993; O'Connor, Orloff, and Shaver 1999). This section focuses on how these gendered dimensions can be adapted to evaluate the gender impact of pension reform in Latin America, arguing that these criteria provide a superior metric for such evaluations.[6]

Social Citizenship

Marshall (1950) explains the extension of citizenship rights in modern society as a process concurrent with industrialization that led to the granting of first civil, then political, and, finally, social rights to citizens of the modern nation-state. The replacement of poor relief with modern social safety nets, including pensions, reflects the development of individual social citizenship rights. In practice, social citizenship rights in a pension system can be measured according to the extent that they provide benefits to enable retired persons to live independently and maintain a socially acceptable standard of living, and that the right to a pension is based on citizenship rather than employment.[7] Most of the pension reforms and privatizations in Latin America have followed the World Bank model to varying degrees by shifting the bulk of pension provision from DB to DC models, and critiques of these pension reforms often focus on the tightening of the relationship between contributions and benefits, which they say erodes social citizenship rights (Giménez 2005: 45–6).

The gender effects of policy can be evaluated according to the extent to which reforms disproportionately affect women's abilities to claim pension benefits as a right of social citizenship. Policies that promote women's social citizenship 'guarantee women access to paid employment and services that enable them to balance home and work responsibilities' (Orloff 1993: 317). Preschool or daycare, home-help for elderly family members, and gender-neutral parental leave are examples of such policies (Orloff 1993; O'Connor 1996; Esping-Andersen 1999). For pensions to be gender-neutral with regard to social citizenship, the minimum contributions to receive benefits or a minimum pension should not disproportionately disadvantage women, and women should not be concentrated among the recipients of poor relief or assistance pensions, a situation that implies a weaker claim to citizenship rights (Leitner 2001: 104–5; Marco 2002). Women should be able to claim pensions as a matter of right rather than on the basis of their roles as wives and mothers (Orloff 1993: 315; Giménez 2005: 46). The effect of many of the Latin-American pension reforms since the 1990s has been to erode women's social citizenship rights by increasing barriers to pensions.

Many reforms in Latin America increased the minimum contributions necessary to receive minimum guaranteed pensions, which is likely to deny disproportionately women their social citizenship rights. For example, Mexico increased contribution requirements from 10 to 25 years; the Dominican Republic went from 15 to 25 or 30 years; Chile and Argentina went from 10 years to 20 and 30, respectively (see Table 5-3). Given women's lower workforce participation rates and concentration in informal and low-productivity sectors without social insurance coverage, these increases in the contribution requirements disproportionately prevent them from claiming pension rights. According to simulated women's workforce participation in Argentina, Chile, and Mexico, women's lifetime contributions are likely to range from 17 to 36 years across the three countries (James, Cox Edwards, and Wong n.d.). In all three countries, only ten years of contributions were needed under the old system to receive pension benefits, and the simulated contributions would have been sufficient for women to enjoy pension benefits of their own. In Chile, nearly all women are expected to have lifetime contributions that guarantee a minimum pension because the contribution requirement was raised only to twenty years. In Mexico, however, the contribution requirement was raised to 25 years, which puts it just out of range for most women, who tend to work 19–24 years. Only the most educated Mexican women are expected to work long enough to receive the guaranteed minimum pension.[8] In Argentina, the new requirement of thirty years of contributions to receive the flat pension benefit effectively excludes all but highly educated women, according to simulated contribution estimates. In contrast, simulated men in all three countries were likely to contribute at least thirty-five years, and often longer, across all educational groups (James, Cox Edwards, and Wong n.d.).

Because many of the reformed systems are too young to provide firm evidence for evaluating the gender effects of reform, research must rely on labor market data often collected prior to the reforms and simulations based on such data. This is particularly problematic since pension reforms were expected to provide incentives for formal sector employment and contributions that cannot yet be evaluated.

On the one hand, reform advocates argue that the higher contribution requirements for minimum pensions are likely to provide incentives for women to work and contribute longer, enabling them to earn their own pensions in greater numbers. They also say that reforms often eliminated the rules that provided disincentives for married women to seek formal (as opposed to informal) sector employment, such as the provision in Mexico that now allows women to provide social insurance benefits for an unemployed husband. Therefore, even though women are unlikely to earn their own minimum pension benefits if their work patterns remain unchanged, according to reform advocates, the pension reforms may create sufficient incentives for women to change their work habits to bring them in line with the requirements for a minimum or flat pension.

On the other hand, trends in women's labor market participation and preliminary evidence from Chile, which has the oldest reformed system in the region, suggest that estimates of women's pensions on the basis of simulated work experiences are overly optimistic. For instance, James, Cox Edwards, and Wong (2007, n.d.) do not have actual contribution densities for men and women who work. For their simulations, they assume that when women are working, they are also contributing to social security, though women's employment patterns in the region suggest that a good proportion of women, especially at lower levels of education, are likely to be concentrated in the informal sector without social security coverage. This means that the authors have probably overestimated the accumulation of contributions for women, especially those with less education.[9] Furthermore, evidence from Chile demonstrates that women are less likely to be affiliated to the pension system, continue to have lower contribution density rates than men, and are more likely in surveys to overestimate their contributions than men. Women continue to represent over 70 percent of the population not affiliated to the social security system in Chile (Bravo et al. 2006).[10] According to estimates based on self-reported and actual contributions by men and women to the privatized pension system in Chile, women's self-reported mean months of contributions is only 73 percent that of men, and women's actual mean number of months of contributions is 70 percent that of men (based on the table 'Contribution Patterns to the Chilean Retirement System by Sex, Age, and Education', in Arenas de

Table 5-3 Requirements for Contributory and Noncontributory Minimum Pension Benefits

	Chile	*Peru*	*Colombia*	*Argentina*	*Uruguay*	*Mexico*	*Bolivia*	*El Salvador*	*Costa Rica*	*Dominican Republic*	*Brazil*
Contributory public pension system											
Year of reform (implemented)	1981	1992–93	1994	1994	1996	1995 (1997)	1997	1998	1995–2000	2001 (2003)	1998, 2003
Type of reform	Substitutive	Parallel	Parallel	Mixed	Mixed	Substitutive	Substitutive	Substitutive	Mixed	Substitutive	Parametric
Requirements for minimum or basic contributory pension											
Age—men	65	65	60	65	60	65	n/a	65	62/65	60/65	65/none
Age—women	60	65	55	60	60	65	n/a	60	60/65	60/65	60/none
Years of contributions	20	20	20	30	35	25	n/a	25 years	39/20 years	30/25	12/35 for men 12/30 for women
Noncontributory pensions											
Social assistance pensions	Yes	No	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes
Year of reform	1981			1993	1995		1993		1995	—	1974
Age for eligibility	70			70	70		65		65	—	70
Means tested or universal	Means tested			Means tested	Means tested		Universal		Means tested	—	Means tested

Sources: Author's elaboration based on Holzmann and Hinz (2005), Tables 7.2 and 7.3, and AIOS (2003).

Notes: Peru: minimum pensions only for those born before 1945.

Colombia: age and contribution requirements gradually increase to 62 years for men, 57 years for women, and 26 years of contribution by 2015.

Argentina: reduced old-age benefit for those aged 70 years and older with 10 years of contributions at 70% of flat universal benefit.

Uruguay: reduced old-age benefit for those aged 70 and 15 years of contributions.

Mexico: a noncontributory old-age benefit has been implemented in the federal district only.

Bolivia: no minimum age if funds purchase annuity with 70% replacement rate. At age 65 years, can retire if funds sufficient to buy 70% replacement rate of national minimum wage.

Mesa et al. 2007). This is consistent with recent estimates that indicate that the average man's contribution density in Chile is 60 percent, compared to only 43 percent for women (Bravo et al. 2006). By age 40, working women will have contributed less than half as many years as working men (Arenas de Mesa et al. 2007).

This evidence suggests that pension reform alone does not provide enough incentive for women to seek formal sector employment to receive pension benefits. Further, women's self-reported contribution rates tend to exceed their actual contributions more than men's self-reported rates (Arenas de Mesa et al. 2007). This means that it is likely that simulations based on household surveys (e.g. those by James, Cox Edwards, and Wong 2007) overestimate the contributions that women are making to their pension funds and therefore provide overly optimistic characterizations of women's access to pension benefits in the reformed systems. Though reformed pension rules may create incentives for women to change their labor market participation to secure their access to benefits, evidence from Chile suggests that women's labor force participation combined with reformed pension rules will continue to prevent many women from earning their own guaranteed minimum or flat-rate pensions in many reformed systems in Latin America. Despite the incentives created by the pension system, women may still face structural barriers to formal labor market participation. To the extent that women are less able than men are to claim their own pension benefits due to the new contribution requirements, women's social citizenship rights are jeopardized.

Pension reform supporters also claim that women's welfare is protected by public pillars or noncontributory social assistance and survivor's pensions (James, Cox Edwards, and Wong 2007). Several countries with reformed pension systems have implemented noncontributory social assistance pensions or reduced benefit contributory pensions for the very old (see Table 5-3). In terms of social citizenship, universal, noncontributory pensions would provide the most complete social citizenship rights and gender equality. In the Southern Cone, reduced benefits at age 70 were adopted for workers who either have contributed fewer years than the regular retirement benefit or meet a means test. Given their work histories and longevity, women are likely to be concentrated among the beneficiaries of these social assistance pensions (Bertranou 2003). However, when the benefit levels of noncontributory or social assistance pensions do not meet basic needs or are significantly less than the minimum pensions of workers, noncontributory pensions are more consistent with poor relief and do not reflect full social citizenship rights. That is, if the benefits of such pensions are significantly lower than other minimum guaranteed pensions for workers, the higher concentration of women among recipients of social assistance pensions implies that women are not entitled to full citizenship rights and equates women, due to labor market segmentation and discrimination or their caring responsibilities, with needy groups otherwise unable to provide for their own welfare.

Supporters of structural pension reform also emphasize that married women will benefit from new requirements for joint annuities and survivor's pensions that were adopted with many reforms (James, Cox Edwards, and Wong 2007). From a social citizenship rights perspective, conditioning women's pension benefits on their dependency or family roles erodes their citizenship rights to a pension as autonomous citizens (Leitner 2001; Giménez 2005). Though women may be entitled to social assistance or survivor's pensions in reformed pension systems, the benefits of those pensions may be insufficient to ensure that women are able to maintain a decent standard of living or a standard of living consistent with full social citizenship. In many reformed systems, social assistance pensions are less than the minimum pension of wage earners or may not be sufficient to maintain a household above the poverty line.

Policies to promote women's full social citizenship with regard to pensions can address the differences in labor market participation between women and men or compensate women for their caring responsibilities. Labor market policies could include those that support women's employment (such as daycare services) or counteract wage discrimination and labor market segmentation faced by women. Such policies are likely to require long-term investments and be of limited immediate effect. Pension policies likely to have more immediate effect on women's social citizenship include adjusting contribution requirements for minimum pensions to be within reach of the majority of women, protecting women's access to partner's pensions through pension contribution splitting, and providing women with credits and contributions for their caring responsibilities. Women's access to the minimum-guaranteed or flat-rate pensions is very sensitive to the number of years of contributions required, which is illustrated by the contrast of Chile's twenty-year, Argentina's thirty-year, and Mexico's twenty-five-year requirements (James, Cox Edwards, and Wong n.d.) . Working women will be much more likely to meet Chile's minimum requirement of twenty years than those in either Argentina or Mexico. For the financial soundness of the pension systems, contribution requirements must be increased, but the increases can be done such that they are less likely to disproportionately hurt women by taking into account existing patterns of women's workforce participation.

Women's rights can also be protected by ensuring that women who have not worked outside the home receive credit for their partner's contributions should the union dissolve (Schokkaert and Van Parijs 2003*b*). For example, recent reforms to marriage law in Chile have not provided protection for divorced women, who may lose their survivor's benefits should their former spouse remarry. Finally, women's caring responsibilities can be acknowledged by providing contributions (or at least credits toward minimum contribution requirements) to women's individual accounts. Examples of such credits are common in Latin America. In Uruguay, a 1920s law guaranteed a mother's right to a pension after working in the labor market only ten years. In Brazil, women automatically receive five years of credit toward requirements to receive a pension. Such credits are not uncommon in European social security systems and would help ensure that women are able to claim their own minimum guaranteed pensions (Leitner 2001; Ginn 2004).

Gender Inequality and Stratification

Stratification refers to the extent that welfare regimes eliminate, perpetuate, or create inequalities in society. Though social policies may redistribute income, they can also potentially stratify social groups in terms of status and rights (Esping-Andersen 1990: 56–8). For instance, regimes with several occupationally distinct public pension or health insurance systems reinforce the existing hierarchy among different occupational groups. In Latin America, social insurance systems are highly stratified, especially due to the existence of separate and more generous social insurance systems for public sector employees and the military. Pension privatization exacerbates existing stratification when public sector employee, military, or police schemes are exempted from reform, as in most Latin-American countries. Since most of the pension reforms in the 1990s shifted DB to DC funding, the new pension systems perpetuate stratification or inequalities in the labor market. Though postreform pension systems often have some mechanism for redistribution to support low-income pensioners, the amount of redistribution is often limited.

Social insurance rules can also affect gender stratification, with the potential to either mitigate or exaggerate existing gender inequalities in the labor market (O'Connor, Orloff, and Shaver 1999: 31–2). As explained above, women's labor market participation differs from that of men in Latin America because women participate at lower rates, are more likely to be unemployed or segmented in low-productivity or informal sectors, and face wage discrimination (see Table 5-1). To evaluate gender-based stratification after pension reform, the differences between women and men's old-age welfare should be compared following the reform. Gender-stratifying pension policy will compound the inequalities between men and women produced by the labor market. In this case, monthly rather than lifetime benefits are the appropriate comparison because the value of monthly benefits determines differences in consumption, standard of living, and economic independence.

Based on various estimates of the ratio of women's to men's monthly benefits, structural pension reforms implementing DC pillars are likely to increase gender stratification in old age. For example, according to simulations by James, Cox Edwards, and Wong (n.d., Table 7.1), ratios of women's to men's monthly own-pension benefits including minimum guaranteed pensions or flat-rate benefits are 0.21–0.54 in Argentina, Mexico, and Chile. The most equitable own-monthly pension benefits are in most cases concentrated among the most highly educated women. According to simulations by Rofman and Grushka (2003: 44), the difference between the replacement rates of monthly benefits of single women and men grew substantially after Argentina's reform. At the same time, married men who are required to buy a joint annuity benefited very little from the reform, are not much better off than single women, and are much worse off than single men. Alternative simulations for Chile provide slightly more optimistic estimates of the ratio of single women's monthly benefits to those of men, especially if women are assumed to prolong their work (Arenas de Mesa and Gana Cornejo 2003). Depending on the assumptions of the simulations for replacement rates under the reformed DC systems, gender ratios for monthly benefits can vary greatly. In almost all simulations, however, women's own-monthly pension benefits are less than those of men with comparable education and contribution histories.[11] Further, these gender differences are often greater than those that occurred under the unreformed systems.

The disparity between men's and women's monthly benefits is not only due to labor market inequalities but is also compounded by particular aspects of reformed pension policies. In general, the largest source of benefit difference derives from the calculation of benefits over the entire contribution life of the worker (one of the key features of DC reforms), which does little to ameliorate labor market inequalities. This explains why differences in labor market participation, rather than actuarial tables and retirement ages, is the largest source of the difference in women's and men's monthly pension benefits (Wong and Parker 2001). An alternative to the gender stratification common with reforms using DC individual accounts is the contrasting case of Brazil, which tightened the link between contributions and benefits in its 1998 reform (see Matijascic and Kay 2007). Despite this tighter link, Brazil's new system is likely to yield less gender stratification than DC-reformed systems. Brazil gives women credit for five years of contributions toward time of service pension requirements, and their pension benefits are 94–103 percent of those of men at comparable levels of income, age, and work history, according to simulations (Rocha da Silva and Schwarzer 2003: 127). Though the tightening of the contributions and benefits link tends to increase gender inequality regardless of whether DC individual accounts or notional defined accounts are used, the simulated results for Brazil suggest that reforms implementing notional defined accounts may be less gender-stratifying than DC reforms.[12] Though Brazil's pension system still faces many challenges (Matijascic and Kay 2007), its reform provides an example of an alternative model that may prove less gender-stratifying than DC reforms.[13]

Apart from the shift to defined contributions, many pension reforms in Latin America allow either earlier retirement ages for women or the use of gender-specific actuarial tables in the pricing of annuities, both of which contribute to the lower monthly pension benefits of women. In all the countries that enacted structural pension reforms—except for Peru, the Dominican Republic, Mexico, and Uruguay—women have the right to retire up to five years earlier than men. When women do retire earlier, they lose up to five years of additional contributions, which would entitle them to higher pension benefits (assuming they have enough contributions to qualify for at least the minimum-guaranteed or flat-rate benefits). The effect of earlier retirement for women will result in greater gender stratification if women regularly retire early. For example, the ratios of monthly benefits of women with average work histories to average men in Chile are estimated to increase by 15–20 percentage points if women retire at age 65 years rather than 60 years, and ratios of women's to men's monthly benefits improve 9–16 percentage points if women in Argentina delay retirement to age 65 years (James, Cox Edwards, and Wong 2007).

In addition to different retirement ages, the use of gender-specific actuarial tables to price annuities is allowed throughout Latin America. The real effect of gender-specific actuarial tables on the equality of monthly benefits is probably smaller than the inequalities created by the labor market or retirement ages. According to simulations for Mexico, using unisex actuarial tables to price annuities reduced gender stratification less than improving women's wages (Wong and Parker 2001). For Argentine men and women with equal funds accumulated in their individual accounts, the annuity of a single woman would be about 86 percent that of a single man, and the annuity of a married woman would be almost 106 percent that of a married man due to the use of gender-specific life tables (Rofman and Grushka 2003: 47; see also James, Cox Edwards, and Wong n.d., Table 4.9). In Chile the use of unisex life tables would tend to increase women's pension replacement rates by about 6 percent and reduce those of men by about 7 percent (Arenas de Mesa and Gana Cornejo 2003: 202; James, Cox Edwards, and Wong n.d., Table 3.9). However, the recent government reform proposal suggests that the issue of unisex life tables requires further study due to its complexity (Consejo 2006). Despite the modest improvement in gender stratification to be expected from the use of unisex life tables for the pricing of annuities, a case for using unisex tables can be made based on the argument that to do otherwise would be gender discrimination (Simon 1988; see above section on actuarial fairness).

State policy can also try to address the sources of labor market inequality or use pension policy to redress gender stratification. Though addressing labor market inequalities would have the greatest effect, change in the labor market is likely to be complicated and slow moving. Instead, governments can implement relatively minor changes to reduce some of the gender stratification currently exacerbated by the reformed pension systems. First, policymakers can increase the likelihood that women will be entitled to their own minimum or flat-rate pension instead of survivor's or social assistance pensions using the recommendations discussed at the end of the section on social citizenship rights. Second, they can require that the pricing of annuities be made using unisex actuarial tables, which is the standard in many advanced industrialized democracies. Finally, they can increase women's retirement age to that of men to encourage women to stay in the workforce longer to earn a minimum pension. However, increasing the retirement age to encourage longer workforce participation has the added risk of further eroding women's social citizenship rights, a tradeoff likely to be addressed differently according to prevalent patterns of women's workforce participation and social security contribution in each country. In some cases, it may be possible to increase women's retirement wage if at the same time minimum contributions are adjusted downward for both men and women (or women are given caring credits) to ensure that more women are likely to meet the minimum requirement.

Welfare Role of the State, Market, and Family

Social insurance policies also distribute the responsibility for risk pooling and welfare among the market, state, and family. Market failures and risks can be covered by private insurance, state insurance, or family networks. Any state policy that shifts the provision of services from families to the state is parallel to the shift of responsibility from the market to the state (Orloff 1993: 313–14). In the case of structural pension reform, the creation of privately administered individual accounts with DC benefits represents a shift from the state to the market. Not only are individual retirement accounts and annuities privately administered, but pension benefits are also determined according to the market performance of the pension funds. In countries where the state guarantees and funds a minimum pension for workers whose retirement savings will not finance the minimum pension, the state is still providing some protection from market failure. Likewise, noncontributory social assistance pensions, where they have been implemented, add an additional layer of state protection.

Overall, most pension reforms have shifted some risk back to workers by requiring them to rely on the market to generate their pension savings while only providing a minimal safety net to protect from market failures. Because a shift back toward the market will leave some individuals exposed to the risk of market failure, it is likely that families will have to also increase their support for elderly family members when both the market and state fail to guarantee sufficient income support. That is, when more workers retire with only the minimum pension or a social assistance pension, they are likely to depend more heavily on their families to make up the gap between their pension support and welfare needs. Because women tend to be the primary caregivers in most families, shifts of the welfare burden onto families is likely to increase their work disproportionately. One consequence of this shift that has been little explored is the effect it is likely to have on the ability of families, especially among the poor, both to provide support for elderly family members and to invest sufficiently in the welfare and human capital of younger family members. It would be a perverse outcome indeed if families encouraged children to leave school to earn enough to support elderly relatives.

In addition, many reformed systems also shift responsibility for welfare from the state to families by increasing the role of family relationships for the provision of women's welfare through survivor's pensions. Many reforms were at least implicitly based on the nuclear family model (Marco 2002). The reliance on survivor's pensions to provide for women's welfare has already been discussed with regard to women's social citizenship and gender stratification. With regard to the distribution of welfare responsibility among the market, state, and family, it is worth questioning again the appropriateness of increasing the role of families at a time when family structures and responsibilities are in flux (see Table 5-2). Given the rise in informal family arrangements, divorce, serial monogamy, and female-headed households, attempts to formalize intrafamily contracts through pension legislation seem misplaced. Pension legislation should not be used to create incentives (or intrafamily dependency) on one particular family model.

Responsibility for old-age welfare in these reformed systems has implicitly or explicitly shifted from the state to the family. The implicit shift occurs because of the emphasis on the market and the likelihood that response to market failures will now be the responsibility of families. The explicit shift is the emphasis on survivor's pensions for women's welfare. As with the other dimensions of gendered welfare outcomes, pension policy cannot address all inequalities created by the market, but it can seek to protect individuals in old age from market and family failures. To this end, pension reforms should ensure that minimum pensions and social assistance pension amounts are sufficient to mitigate the dependence of the elderly on their families. This is important because dependence on families with scarce resources may create shortages for investment in younger family members. Further, pension reforms should not rely on nor try to formalize a traditional breadwinner family model that is becoming less common throughout the region. Instead, benefits, particularly for women, should be individualized and protected regardless of marriage. Finally, in the absence of policies that ensure women's rights to claim individual pension benefits, legal provisions should be adopted and enforced to protect women's claims to pension credits or contributions in the event of divorce or separation. This is an important concept that was included in *Averting the Old Age Crisis* but was seldom implemented in practice. Such legal protections are now being considered as part of the reform debate in Chile (Consejo 2006).

How Do Reformed Pensions Fare Using Distributional Criteria?

Whereas the gender impact of pension reform appears positive when evaluated using insurance and efficiency criteria, a distributional welfare perspective suggests that such assessments are overly optimistic. Through the lens of the distributive outcomes, many pension reforms seem to have a negative gender impact because they decrease social citizenship rights for women, increase gender stratification in benefits, and increase the burden on families. Rather than mitigate gender inequalities in the labor market, many pension reforms seem to reproduce or even amplify inequalities. Though some aspects of reforms were intended to provide incentives for women's labor market participation and independence (such as provisions for providing benefits to husbands), other aspects of reforms are likely to reinforce women's gender roles as wives and mothers and increase women's dependence on such roles for their welfare (such as survivor's pensions). This implies a dual system whereby the basis for men's pensions is social insurance and women's pensions is charity, social assistance, or family dependence (Marco 2002).

The use of these gendered dimensions of welfare to evaluate pension reform in Latin America is also a useful means to estimate how pension reforms are changing the models of welfare in the region. The three dimensions of welfare regimes used above to evaluate the gender impacts of pension reform (social citizenship, stratification, and role of the state) can also be used to distinguish among three ideal types of welfare regimes common in advanced industrialized democracies: liberal, conservative, and social democratic (Esping-Anderson 1990, 1999).[14] In Latin America, welfare policy has approximated in its design the conservative ideal type, though with significantly lower levels of coverage in many countries (Filgueira and Filgueira 2002; Barrientos 2005). Characteristics common to conservative regimes are high levels of stratification and inequalities of social citizenship rights, especially according to occupation; an emphasis on providing a minimum safety net consistent with Christian democracy; and reinforcement of traditional family and gender roles. In many cases, Latin-American pension reforms strengthened characteristics of conservative welfare regimes, such as women's dependence (Giménez 2005: 52). Other aspects of the reforms, in particular the role of the market in providing pension benefits, are consistent with liberal welfare regimes, moving the overall regime type toward a conservative–liberal hybrid.

Conclusion

This chapter has explained that the source of disagreements in the literature regarding the gendered effects of pension reform in Latin America stems from the differences in the criteria used and related normative assumptions regarding the function of public pension policy. It argues against the use of insurance-based criteria, such as actuarial fairness and the use of intrafamily transfers, to evaluate the gendered outcomes of pension reform on the basis that these criteria reinforce gender inequality and perpetuate discriminatory practices against women. It also argues that when viewed as redistributive welfare policy, reforms to public pension systems, such as those adopted throughout Latin America in the 1990s, often disenfranchise women from their social citizenship, aggravate gender inequalities, and reinforce traditional family roles for women.

Though addressing labor market and intrafamily inequalities through labor market or family policy would be difficult and uncertain, some straightforward reforms could mitigate the negative effects of both the market and current policies. For instance, the contribution requirements for the minimum guaranteed or flat benefit pensions in privatized systems could be adjusted to be closer to the actual workforce participation patterns of average women at all levels of education. In most cases, the adjusted contribution requirements would still be much higher than in the unreformed systems. Of course, such a reform would have important financial consequences, especially when the majority of pensioners are expected to receive state-subsidized minimum pensions in privatized systems. With proper studies, however, it should be possible to adjust the requirements to be within reach of most working women to provide them with incentives to work a few years longer but without being so far out of their reach as to be a disincentive to participate in the newly reformed public pension system altogether. Reforms could also better compensate women for their caring responsibilities. Contribution or credit splitting within couples would at least give women whose primarily responsibilities are in the home their own independent claim to pension benefits without increasing dependence. Further, contributions to their individual accounts or at least credits toward minimum contribution requirements could be given to women for their caring responsibilities. Finally, eliminating the use of gender-specific life tables and equalizing retirement ages between men and women could also improve women's pensions in the reformed systems.

Since most pension reforms in Latin America were motivated by macroeconomic rather than distributional concerns (Madrid 2003), it is not surprising that the gendered effects of privatization were not explicitly considered. The recent interest in gendered effects is likely to move such considerations onto the agenda as some countries begin to consider re-reform. If the recent report of the Presidential Advisory Board on Social Security (Consejo 2006), commissioned by Chilean President Michelle Bachelet, is indicative of a new trend in the region, not only are future pension reforms of privatized pension systems likely, but also gender will be a new concern during those reform discussions.

Notes

[1] Other assessments regarding the lack of gender considerations during the reform process can be found in Marco (2002), Bertranou (2003), Arenas de Mesa and Gana Cornejo (2003), Bonadona Cossío (2004), Marco (2004*b*), and Dion (2006).

[2] Some early published research on gender consequences of the Chilean reform includes Arenas de Mesa and Montecinos (1999) and the gender effects of privatization in general (Sinha 2000). Since then, the World Bank (Cox Edwards 2001; Parker and Wong 2001; James, Cox Edwards, and Wong 2003, 2007), the ILO (Bertranou 2001; Bertranou and Arenas de Mesa 2003), the UN ECLAC (Marco 2004*a*), and the International Social Security Association (Gilbert 2006) have all published studies of the gender effects of pension privatization.

[3] See also Rune (2003) for a discussion of the normative assumptions of the World Bank's pension reform model in *Averting the Old Age Crisis*.

[4] This argument assumes, however, that for actuarial fairness to be determined, men will have to complete information about not only their contributions and benefits, but also those of women.

[5] In the USA, for example, the longevity of women overlaps with that of men more than 80% of the time; less than 20% of women are likely to live longer than men (Christiansen 1983).

[6] These gendered dimensions are consistent with many prior studies of the effects of pension reform on women's welfare in Latin America. This analysis simply places pensions more explicitly within theoretical debates on gender and welfare.

[7] In the language of Esping-Anderson's model of welfare regimes, this dimension is *de-comodification* (1990, 1999: 43).

[8] Often, pension reform advocates point out that the reforms are better for women because even if they do not earn the minimum or flat guaranteed pension, they can at least withdraw their accumulated contributions. However, this point is irrelevant if we recall that under the previous system nearly all women who worked would contribute enough to meet the minimum contribution requirements for a minimum pension (ECLAC 2006*a*).

[9] According to data on the contribution densities of men and women enrolled in the social security system, women have marginally higher contribution rates or a higher percentage of weeks or months during which regular contributions are made. However, this is because a higher proportion of women work only in the informal sector and never formally enroll in the system. In contrast, men are more likely to move in and out of the formal sector and thus are likelier to be enrolled in the social security system even when they work in the informal sector later. These data should not be construed to imply that women contribute at rates similar to men.

[10] It would be preferable to compare the proportions of the female and male EAP that are affiliated to the social security system, but the summary of Chile's Social Protection Survey (Bravo et al. 2006) does not provide this information.

[11] Arenas de Mesa and Gana Cornejo (2003: 191) summarize the results of several different simulations of replacement rates in the Chilean system. The comparison illustrates the sensitivity of simulated results to model assumptions regarding labor market participation and economic growth and investment return rates.

[12] Simulations by Rocha da Silva and Schwarzer (2003) also suggest that the ratio of women's benefits to those of men have improved at all levels of income, age, and work history.

[13] In this sense, the Brazilian case may serve to test counterfactual hypotheses regarding gender and pension privatization.

[14] Some have argued for the inclusion of additional regime types (e.g. see Huber and Stephens 2001), but those alternatives are not discussed here.

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