

Women and Retirement in Italy: Work, Pension Reforms and Family Patterns.

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Abstract

The relationship between gender and retirement in Italy is ambiguous. Although the older female employment rate is increasing, (even counting big differences between education level and with a persistent strong North/South divide), retired women spent a small numbers of years in the labour market, earned less over their lifetimes, and worked in different jobs than men of the same age. The aim of this paper is to present an overview of the older Italian female labor market and pension situation

Introduction

Women's participation in the labor market has been one of the most important trends of the 20th century and has become a topic of increasing interest: it has emerged as a major economic and social issue and has been present in the policy agenda of the EU countries from 1990s. The European employment strategy in 1997, the Lisbon strategy in 2000, and Europe 2020 strategy have increased the awareness that women are important players in the configuration of the European labor market. As a result, issues related to families, working older women and retirement behavior have assumed special significance. Not surprisingly, researchers have begun to recognize the need to investigate the determinants of women's retirement. In Italy, many experts have studied the factors drawing women into the labor market but less attention has been paid to the process by which women withdraw from the labor force at older ages. Retirement studies often ignore gender aspects. Most of these studies focus on individual and labor characteristics of men, without taking into consideration women's retirement. Daily (1998) notices, "the history of work and retirement is really the story of men's work and retirement." The Italian case is interesting because it is a very peculiar one. Italy shows one of the lowest rates of female employment in the age group 50-69 in Europe (especially in the southern regions of the country). Moreover, the Italian female labor force is self-selected; this means that for the most part, less educated women are inactive and do not participate in the workforce, unlike in many other European countries. For this reason, in Italy, women who have a job are generally highly qualified and are very attached to the labor market. It seems therefore

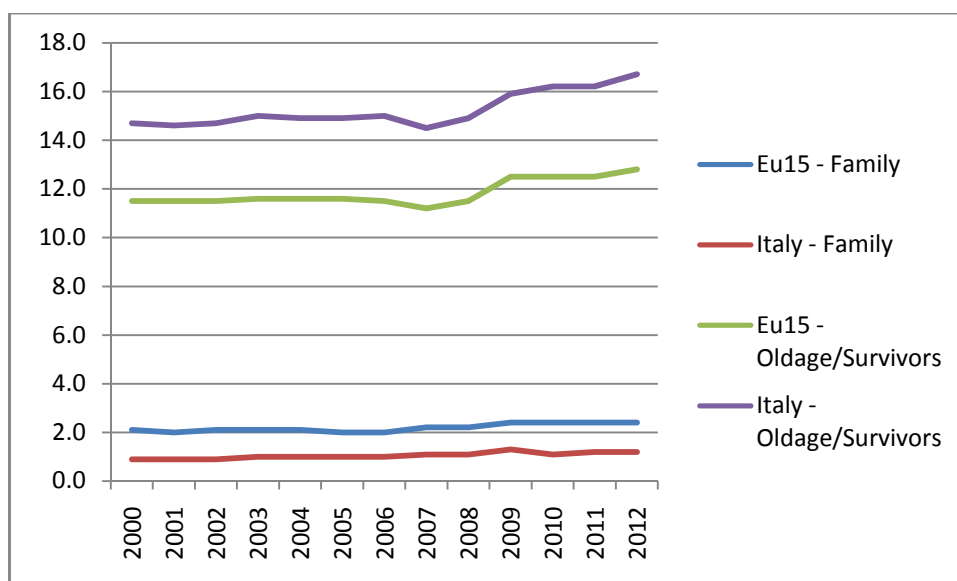
interesting to study retirement decisions of these highly qualified women, comparing them to those of men and of women who are in the workforce and have lower levels of education (of whom there are not many in Italy). Secondly, it seems interesting to analyze retirement decisions of women considering the influence of the partner in retirement behavior. Relationships within the family are very important for retirement decisions, and it is important to connect this aspect to the Italian familiarity welfare regime, where families and therefore women are overwhelmed with care activities, especially of the elderly and grandchildren. The goal of this paper is to contribute to the development of the analysis of women and retirement in Italy.

The role of the welfare state on female labor market participation

The Italian welfare state was designed to protect standard needs and risks of male breadwinner workers and depends primarily on their contribution to the system. The analysis of the social welfare expenditure of the Italian state shows that the outflow for the protection of old age pensioners is high if compared to family expenditure [Graziano and Madama, 2009] because the state policies are characterized by a familistic bias that privileges a male breadwinner/female care model and does not encourage female participation in the labor market. Policies promoting work-life balance have remained peripheral and inadequate*.

* Italy has one of the lowest total birth rates in Europe (1.39 in 2014). This is attributed to the economic and employment insecurity that affected women's decisions to postpone motherhood until securing a stable job, and hence a decline in fertility rates [Matysiak and Vignoli 2010].

Fig 1: Percentage of Gross Domestic Product (GDP) for Family and Old age/Survivors Expenditure - Source Eurostat



Several steps have been made by the Italian state during the '90s to increase participation and employment security for women, but in a context of an ageing population and a lack of formalized care for children, the elderly and sick, the weight of the care is often an obstacle to the participation of middle-aged women in the labor market. The Italian model is characterized by a double and polarized scheme of labor protection crossed by sectorial and territorial divisions, as well as a massive black economy. In parallel, family networks have covered the role of social safety networks and have been able to cope with the population's risks and needs; especially for the most vulnerable from the point of view of employment. Esping Andersen [2000] refers to the decommodification process (based on this concept the author has classified three different welfare models) as the effect of transformations in the social structure, in the institutional context and in work relationships. This has paved the way for the so called individualization process of social relationships.

Taking this work as a theoretical starting point, many theories have been developed in order to explain how the decommodification process has occurred through the incorporation of women into the labor market and how this process has influenced gender roles and solidarity within the family. Feminist researchers [Daly 1994; O'Connor 1993] criticized Esping Andersen's typology because the author paid attention only to the relationship between market and state overlooking the family and the gender division of

work, ignoring the division of women's roles in the family and neglecting the relationship between the welfare state and the non-paid work arena, in which, especially in Italy, many care and social services are provided by women for the assistance of families and the community. For these reasons, in his last writings, Esping Andersen has reconsidered the relationships between the state and the family introducing the concepts of familiarization and defamiliarization[†] to distinguish the role of the family between countries in which traditional family dependencies predominate and those in which the role of the family is reduced.

The presence of Italian older women in the labor market

In contemporary literature, we can find a lot of studies focusing on female labor force participation; however, there are fewer studies on older women's participation in the labor market. This field of research reveals a very important dimension for the analysis of the labor market and retirement behavior of women, even though studies that illustrate the labor force participation of older women are limited because in the last 20 years sociologists have focused their investigations on the employment behavior of mothers with young children or on the fertility rate [Del Boca, 2002, Saraceno, Naldini 2011]. The European population size is affected by demographic changes, low fertility rates, increase in life expectancy and the imminent retirement of baby-boom cohorts. Along with other European countries, Italy needs to increase the labor participation of older women. Ageing populations will raise significant economic and social issues and elderly women may significantly contribute to undertaking the challenges of population ageing by postponing the exit from the labor market and remaining active and independent after retirement [Botti, Corsi, D'ippoliti 2010]. The historical growth in educational levels and the development of health conditions make older women a potential for social and economic improvement and so increasing women's employment in old age is helpful in preserving economic prosperity and sustainability for the Italian social model. The higher risk of social exclusion women face in old age should be comprehended as a consequence of their entire life course.

The lack of adequate policies for work-life balance leads to inactivity during working life and re-entry in the labor market could be particularly problematic [Botti,

[†] According to Gøsta Esping-Andersen, defamiliarization indicates the degree of the availability of social care and support for a family when at least one family member is no longer self-reliant and needs help (Esping-Andersen, 1999). This concept emphasizes the significance of social care with the aim of maintaining the dignity of each family member even in the event of dependence upon others (Takahashi, 2008).

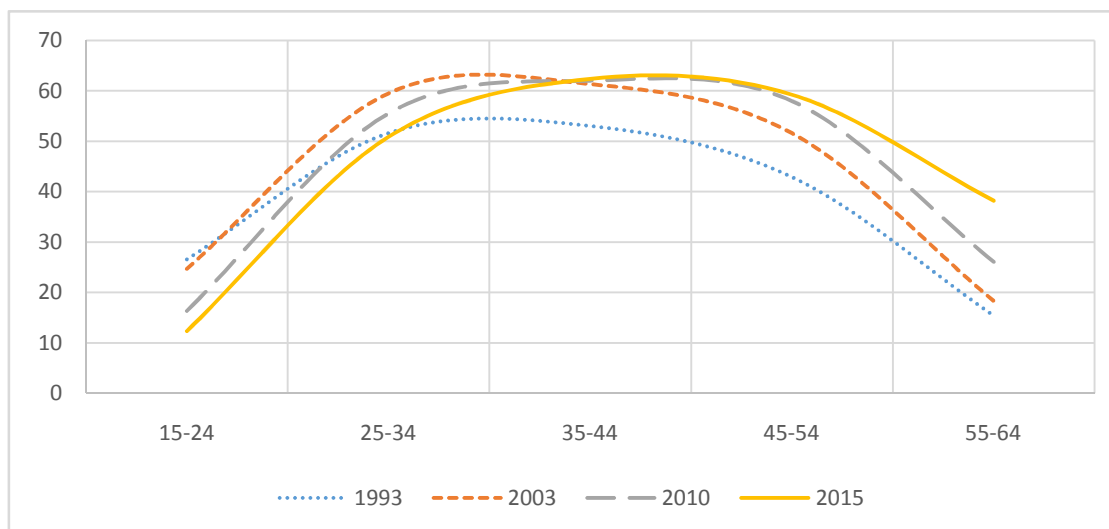
Corsi, D'ippoliti 2010]. A vast range of policies have been adopted to face this challenge: tax cuts for employment, wage subsidies, reintegration and training subsidies, implementation of anti-age discrimination legislations and initiatives facilitating reintegration of women aged 50 or over [D'addio, 2014]. The factors that have contributed to the transformations in the Italian older women's labor market participation are changes in propensity towards work, demographic factors, changes in the characteristics of the female population (e.g. fertility decisions both in terms of number of children and age at which to have the first child), educational choices (but also the reforms of the welfare state), and the changes in labor market policies directed at groups with a low affection to the labor market [Cipollone, Petacchini, Vallanti, 2013].

Many studies maintain that the overall increase in women's labor force participation may be attributed to the structural changes in the economy that influence the demand for, and the supply of women workers. The cultural norms on gender roles and welfare state improvement are answerable for the general increase in women's labor force participation. Furthermore, the increase in female labour participation rates has been due mostly to the higher propensity of younger cohorts to remain in the work force, even after motherhood. These labor market developments can be explained by the growth in part-time contracts and temporary occupations. Women are more likely than men to be employed in clerical, sales, and service positions, particularly in the public sector [Reyneri, 2008]. Moreover, within given career paths, the "glass ceiling" prevents women from being promoted to leading positions. Simultaneously, empirical data demonstrates that women receive lower remuneration for equal work, this event is known as gender pay gap.

Women's lives are characterized by multiple transitions in and out of the labor force with employment in more than one job which is usually non-standard, and are often segregated in the feminized sector of the economy where wages are lower. These irregular work patterns do not match the structure of the current Italian pension system which was developed for the needs of the breadwinner male worker with the mission to maintain the family. Figure 1 shows that female labor market participation pattern has changed throughout the last two decades, and how important the contribution of older workers to the growth of the female employment rate in the Italian labor market has been. The activity rates of older women in Italy vary between 15.3% in 1993 to 38.1 % in 2015, while the employment rate was 15.4% in 1993 and grew to 37.9% in 2015. In Southern Italy, the situation is decisively worse: in 2015 the female activity rate amounted to 42.6% in northern regions as compared to 31% in the southern regions. Similarly, employment rates

evidence a north-south gap of 11.6 percentage points [ISTAT, 2015].

Fig 2 – Female activity rate in Italy. Source Indagine Forze Lavoro – ISTAT 2015

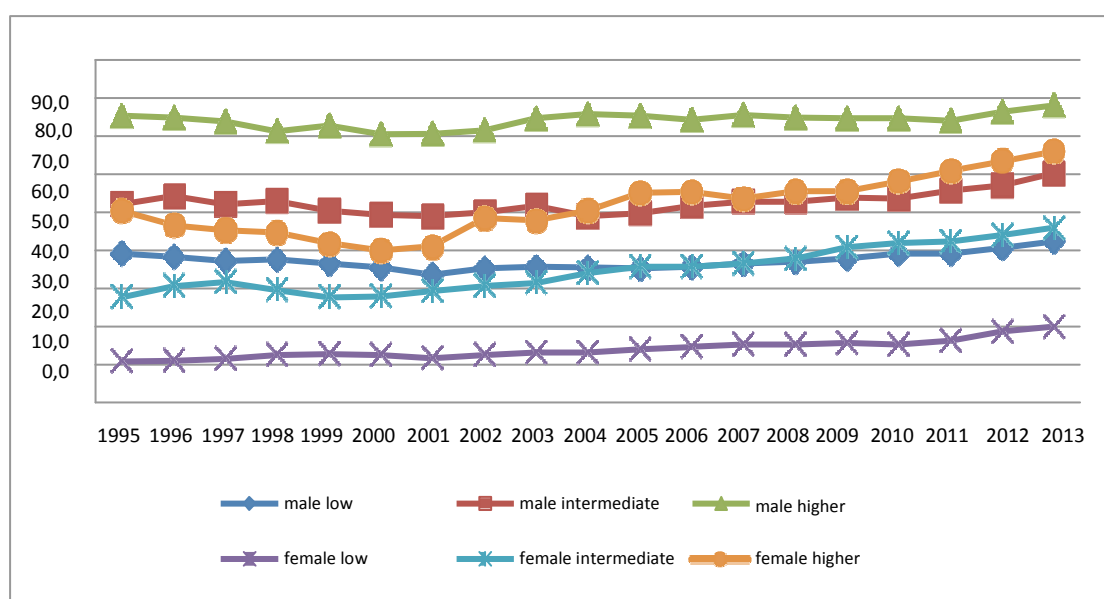


This growth in the activity and employment rates was determined not only by pension policies, but also by an increase in the level of education. The higher the educational level attained, the higher the employment rates of older woman are. Some simple factors explain this relationship. First of all, more highly educated woman usually join the labor market later than intermediate or poorly educated ones, and are less likely than less educated woman to experience early or forced retirement. Lastly, it is reasonable to think that more educated woman also have a higher social status and higher wages; these elements can reduce the probability of early retirement.

Older women have played a part in the growth of the employment rate for Italian women, although they still continue to register a considerably lower rate compared to males. Thanks to socio-economic and cultural changes, women in Italy have shown more active behavior in recent decades, increasing their inclination to look for a job and continue to stay in the labor market [Scherer and Reyneri 2008]. As shown in figure 3, higher and intermediate-educated women are more vulnerable than men to experience inactivity with the same level of education. The employment rates of women with an intermediate level of education were lower than those for men with a lower level of education. Thus, in the same period, well educated females were less likely to work when aged between 55 and 64 years than men with an intermediate level of education. It is only from 2004 that female employment rates begin to surpass those for men with a lower educational level. The low

employment rate of older workers is partly explained by their low level of educational attainment. The second explanation has to be found in the pension provisions and in labor market policies that have a strong inclination towards early retirement. Otherwise, the level of education and the number of children proved to be an important factor in the decision to participate in the labor market.

Figure 3: Employment rates for older workers (55-64) by gender and educational in Italy



Italian working women show a higher presence in low qualified jobs compared to men; moreover, women have a larger probability of being employed in atypical jobs and a lower likelihood to transit into permanent jobs. According to Istat [2013] the crisis has increased gender segregation. Female employment growth in lowly qualified jobs amount to twice the rate registered for males, and three times in the service sector [Directorate general for internal policies, 2014]. Gender segregation, alongside the growth in atypical contracts between women, has increased wage differentials: in 2012 the Italian wage gap was equal to 6.7 percentage points. Despite the gap being lower than in other EU States (the average is 16.4 %), this contributes to the pension gender gap.

Women's transition into retirement

The labor force participation of older women in Italy has increased considerably during the last decades. As a growing number of women approach old age with substantial work histories, the topic of retirement is becoming increasingly important. Women's transition into retirement and their conditions in retirement are a direct result of: (i) the structural changes in

the labor market in relation to the growth of women's employment, and; (ii) changes in gender relations in work and within the family over the life cycle that can affect women's careers. These factors, taken together, make women's retirement uncertain and irregular.

The rise in public and private spending for social security systems such as pensions, health and elderly care is putting stress on the financial sustainability of the Italian welfare state. At the same time, economic growth is at risk due to a reduction in the working age population. Increased labor market participation rates may reduce the impacts of demographic changes by increasing the contribution base of PAYG pension systems [European Commission, 2002]. As noted above, the participation of older women has doubled during the last twenty years, so to highlight these statistics, it is predictable that the number of retired women will increase in future decades.

In line with this trend, a considerable literature on retirement transitions has been developed since the early 1990s, even if most existing retirement studies analyse only the behavior of men. The literature on retirement has focused, until now, on institutional factors (e.g. pensions and labor policies) and on personal characteristics (e.g. gender, age, level of education, economic situation) which influence the individual retirement decisions of men. Despite recurrent hypotheses in research, retirement cannot be considered totally an individual choice as the rational choice theory does. Rather, the decision to retire can be understood as a consequence of the interaction between the individual, the social system, the labor market and the family.

The life cycle theory believes that early life experiences affect transitions in later life and that the lives of people are interdependent [Denaeghel, Mortelmans, Borghgraef 2012, Smith & Moen, 1998]. Life course perspective places emphasis on the interdependence of the spheres of work and family, and this mutual dependence suggests that retirement decisions are influenced by the family situation [Szinovacz *et al.*, 2001]. According to Denaeghe *et al.* (2012), in traditional families, men's retirement choices have a strong influence on the retirement decisions made by women, while in dual-earner families, men and women are expected to have equal positions in the decision-making processes. There are a lot of studies that reveal the retirement decisions of married women as related to their husband's retirement transitions [Campione, 1987; McBride, 1988; Szinovacz and Harpster 1993; Feuerbach and Erdwins, 1994, Schellenberg, 1994; Arber and Ginn 1996; Smith and Moen 2004; Szinovacz and Davey 2005; Radl 2014]. Commonly, marriage decreases a women's retirement age by several years, while for men it is less than a year [McDonald, 1996]. Hurd (1990) examines joint retirement and found that the husband's retirement age has a significant effect on the

wife's retirement age. Research also shows that work-related effects, such as financial resources, mandatory retirement policies, and lack of work can affect retirement timing.

Gender plays a central part during the retirement decision-making processes [Szinovacz & Davey, 2005] and a deep understanding of women's retirement behavior is crucial to design policies that may affect labor force participation. Other studies have also found that gender is crucial in determining the ways in which men and women experience the transition to retirement [Kim 2009]. The decision to retire is influenced by a wide range of factors at personal, household, organizational and national levels such as legislation, pension availability, company policies, employment opportunities, health and care for family members. Many women retiring in recent years have balanced both work and family demands over much of their adult lives, so retirement decisions can be influenced by their generation's conventional care giving and family roles [Talaga & Beehr 1995]. As retirement and pensions are dependent on the length of a person's career, women are undoubtedly disadvantaged because they are seen as the principal caretakers for children and these responsibilities might result in women entering working life later and having discontinuous work careers. For these reasons, one needs to consider certain variables, such as whether they have children or their occupational levels, as well as their financial and employment status when studying women's retirement decisions [Talaga & Beehr 1995; Beehr, 2007].

The Italian case

The number of retired women in Italy has increased significantly in the last decades but it is still not clear whether women are more likely to be pulled toward retirement by their expectations about life after retirement than they are to be pushed out of the labor market [Kubicek, Korunka, Hoonakker, & Raymo, 2010]. Retirement decisions may not always be the result of one's own deliberate choice. Older woman may have to cope with labor market difficulties that make it difficult for them to continue their careers. At an individual level, push factors are considered negative, such as poor health, care tasks or dislike of one's job, that induce older women to retire, while pull factors are considered positive, such as the desire to pursue leisure interests or stay with the family, that attract towards retirement. The fact that labor market participation and retirement rates among older women vary amongst Italy and other European countries suggests that not only individual factors, but also macro push and pull factors influence retirement decisions [Van Oorschot & Jensen, 2009] so the institutional framework has to be taken into account [Ebbinghaus, 2006].

The institutional context can produce pull factors which enclose generous social

security measures and financial incentives that make retirement attractive but may create push factors such as rigid labor market opportunities that encourage older workers to leave the labor market. Restricted labor market opportunities tend to push older women out of the work force. Besides, strict employment protection legislation pushes older workers out of the workforce, since the impact of a firing tax is greater for older workers than for younger ones. In addition, employment protection legislation reduces employment opportunities for older unemployed women, and the generous social security measures tend to pull older workers into retirement because it provides them the opportunity to retire under economically adequate conditions [OECD, 2006]. A high expenditure in passive labor market policies makes retirement more attractive and may indicate societal support for an early exit culture. Even the unequal job situation between men and women has to be taken into consideration while studying women's retirement behavior. Many researchers assert that the pension of the generation of women that has been in paid employment for most of their lives will not be equal to men's pension incomes because the pension system reproduces inequality in the labor market, and as long as women have interrupted careers due to family responsibilities, their ability to stockpile pension benefits will be penalized.

A brief description of the Italian pension system

The Italian pension system [Jessoula, 2013], from the initial stages until the end extension phase (1980s), was a single pillar system, consisting of a public insurance scheme, run on a pay-as-you-go basis, with payments linked to wages. During the 90's, the pension system experienced a series of reforms which radically changed the structure of the pension scheme. Up to that period, the Italian pension system essentially consisted of two types of pension: the old-age pension and length of service. Old age pension eligibility was reached at the age of 55 years for women and of 60 years for men, while the length of service pension was obtained, independently of age, after 35 years of contributions. This system was ultimately unsuitable for Italian society and public finances and the pension reforms of the last twenty years have designed a new structure of Italian pension system. The system now is characterized by three main pillars which should guarantee a pension income for the retired population. The first pillar is a public and unfunded pay-as-you-go scheme, where public and mandatory pension guarantees a minimum pension benefit. The second and the third pillars are a privately funded system including individual and collective pension schemes.

The current state of the Italian pension system has been determined by: (i) reforms of the first pillar; (ii) reforms of the eligibility requirements for public pension, and; (iii) reforms

of the replacement rates. The main reforms of the first pillar that have been passed in the last twenty years were: the Amato Reform 503/92, the Dini Reform 335/95, the Prodi Reform 449/1997, Law 243/04, Law 247/07, Law 102/09 and the Fornero Reform 214/2011. These reforms were necessary in order to guarantee the sustainability of the system, made vulnerable by demographic developments. The last pension reform has reduced both access to retirement by increasing the age for the old-age pension and flexibility in access to retirement for early pension claimants.

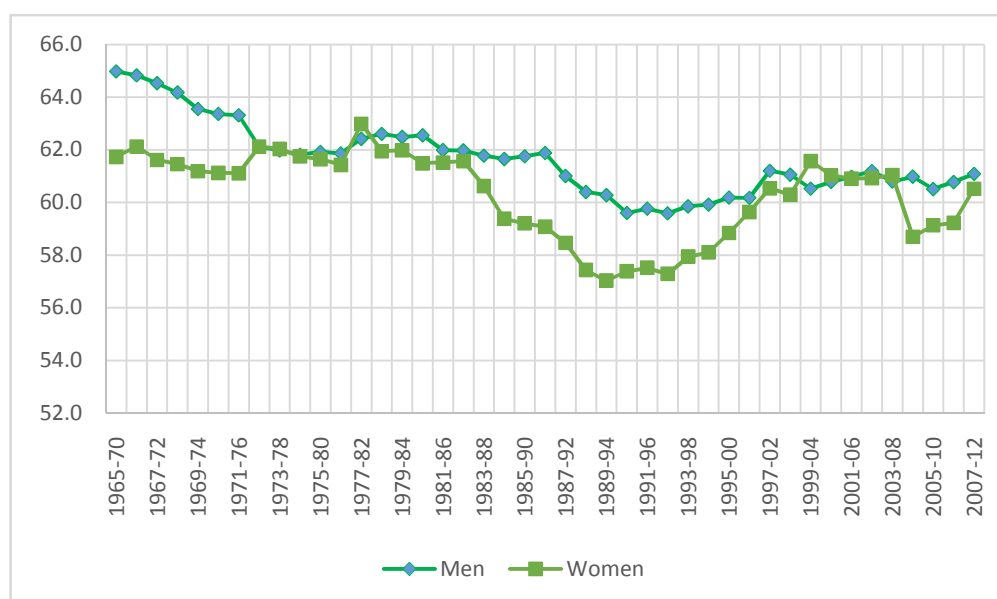
The minimum retirement age for men (private sector employees, civil servants and self-employed workers) and for female civil servants is 66 years and 3 months. As regards women employed in the private sector, it has been fixed at 62 years and 3 months (63 years and 9 months for female self-employed workers), but it will be gradually increased until reaching 66 in 2018. Access to retirement, irrespective of age, will still apply through the early pension provided that a minimum insurance history of 42 years and 5 months for men and 41 years and 5 months for women has been accrued. Besides this, a reduction in the pension amount shall be applied serving as a penalty clause should the early pension be claimed at an age earlier than 62 (European Commission, 2013).

As outlined in the OECD 2013 report, population ageing has been the main driving force behind pension policies and reforms. With public pension spending representing 15.4% of GDP (compared to an OECD average of 7.8%), Italy has the most expensive pension system within the OECD in 2009. This situation is a gift of the past. The normal pension age under the new system will increase gradually both for men and women and with the pension reform adopted in December 2011, Italy has achieved a major step in securing the sustainability of the pension system. Major changes brought in by the reform include the immediate switch to the notionally-defined contribution (NDC) system, which was applied to all workers from January 2012 as well as the increase in retirement age and gender harmonization of the public and private sector pension systems. In 2011, retirement ages were already set at 65 for men and 60 for women and from 2021, no workers will be able to retire before age 67 and retirement age will go well beyond 67 after 2021. These reforms may have labor market and social policy implications which need to be taken into account in order to ensure that individuals can adapt their work and savings decisions to the new reality [OECD, 2013].

Table 1: Overview of the Pension and Retirement Situation for Italian Men and Women – OECD 2015

	ITALY	OECD AVERAGE
Current retirement ages for a person who entered the labor force at age 20, women	62	63,1
Future retirement ages for a person who entered the labor force at age 20, women	67	65,4
Old-age dependency ratio	35,9	27
Effective labor market exit age, men	61,4	64,6
Effective labor market exit age, women	61,1	63,1
Expected years in retirement, men	21,1	17,6
Expected years in retirement, women	25,4	22,3
Income of older people aged over 65, per cent of population incomes - Percentage	95,6	86,8
Average worker earnings, national currency	30462,7	..
Old age income poverty, 65+ - RATIO	9,3	12,6

As Figure 4 shows, discrepancies in the retirement ages of men and women are apparent. Although Italian legislation calls for equal treatment of men and women in social security schemes, Italy still has a lower retirement age for women than for men.

Fig 4: Average age at pension – men and women in Italy – OECD 2015

Institutional factors that affect Italian women's retirement

Given the variety of institutional determinants influencing the retirement decision, it is beneficial to have them grouped into three domains: push, pull, and stay factors [Ebbinghaus and Hofacker, 2013]. Push factors have been defined as negative considerations, like poor health or dislike of one's job, that induce older workers to retire. Pull factors have typically positive considerations, such as the desire to follow leisure interests or volunteer activities, or financial incentives that attract workers to exit from the labor market. Stay factors contrariwise, tend to promote the employability of older workers and to ensure greater participation in the labor market. Once retirement occurs, push, pull and stay factors certainly continue to influence the retirees' lives in either positive or negative ways. Initially it would seem that push and pull factors are easily defined; however, an individual's perception of push and pull occur in specific contexts. Because of context, different workers may rate the same event as either a push or a pull. For example, early retirement incentive programs may be viewed as push or pull factors by different employees. Here follows a brief description of push, pull and stay factors related to the retirement of Italian women.

Push factors: This factor pushes older workers out of the labor market in the case of structural changes (e.g. firms restructuring) or because of age discrimination processes, and the exit is not voluntary. From this perspective, early exit may be taken as an exclusion from the labor market related to the loss of welfare, income, and status [Jensen, 2005]. Age represents an important discriminatory factor in relation to labor participation and generally impacts more on women. However, this discrimination occurs to different degrees depending on the socioeconomic context, like the gradual increases in non-standard forms of employment (part-time employment, fixed-term contract, sub-contracting) that are poorly protected and involve primarily young people and women.

Analyses of women in early retirement in Italy are very limited. When we talk about early retirement, we usually refer to male workers, since the measures adopted to encourage early retirement impacted sectors in which the presence of females was very low. For example, all the engineering industry provided the exit age of 60, which already corresponded to the minimum age of retirement for women. It would also be interesting to test the role of the Italian welfare regime as a regulator of the transition into retirement for the female workforce that in various research was excluded from the analysis because of the low presence of women among older cohorts [Barbieri and Scherer, 2011] and due to the lack of relevant data [Zaccaria, 2005].

Pull factors: In 1956, the option for public employees to retire before reaching retirement age was introduced on the basis of the satisfaction of a contributory requirement that was particularly favorable. The time served for the retirement pension in this category of worker could in fact be claimed after only 20 years of contribution: these are the so called “baby pensions”. This 20-year requirement was also reduced to 15 for married women with a child. The time served pensions were subsequently extended (1965) to private sector employees and the self-employed, giving access to these groups of workers to retirement benefits after 35 years of work, regardless of age. The law n.503 in 1992 declared the end of baby pensions in the public sector and the contribution requirement for access into statutory pensions was raised further with the gradual transition from 15 to 20 years and the pensionable age was raised from 55 to 60 for women and 60 to 65 for men. It was definitely wrong that women in the public sector could retire with 14 years, 6 months and 1 day of work but it is also true that this has allowed the State to avoid the problem of services for children and for the elderly: only thanks to these pensions, in fact, many women have been able to serve the community.

The norms in force until 1992 were a legal system used to confirm the role of the woman as wife, mother and daughter in the service of the family and society. After changing the rules that have culturally supported this role, it has become necessary integrate legislation. As men are recognized for military service, so women should be recognized for motherhood. The law n.53/2000 recognized the right to notional contribution for 5 months (equal to the period of compulsory maternity leave) to all women, even if they are not employed. This presents a comprehensive assessment of pension entitlements of women with children. In these instances, early retirement can be seen as a special parental leave arrangement for older mothers. Another thing to note regarding the conditions of access to retirement concerns the introduction of disability pensions, which over the course of time became the most used mechanism for regulating early exits from the labor market.

Additional elements concerning the paths of early exit from the labor market relates to instruments that support income with replacement rates of up to 80% of salary for workers made redundant in certain productive sectors and employees within certain companies. The last pension reform has changed the requirement to retire early, increasing the contribution period to 42 years and 6 months for men and for women 41 years and 1 month in 2012, 41 years and 5 months in 2013, and 41 years 6 months in 2014. Women who have 35 years of contribution and an age equal to 57 years and 3 months until 2015 are eligible for the “Opzione donna” that allows women to retire early. If we analyze the retirement age, we can see a small disparity between men and women. This is due to the fact that male workers have more opportunities for retirement before the legal age. Still, the Italian pension system has a considerable gender pay gap with high differences in replacement rates [Casarico and Profeta 2009; Zanier and Crespi 2015].

Stay factors: Delaying the exit from the labour market may encourage women to participate in the labor market and shape their careers as men do [Botti, Corsi, D’Ippoliti, 2011]. On one hand, this would contribute to the adequacy of women’s social security entitlements in old age; on the other hand, these measures will improve the sustainability of the pension system. The most important factors that try to increase the permanence of the woman in the labor market are: the rising of the retirement age for private sector employees; the elimination of the so called “baby pensions” for public employees, and; the increase in their contribution periods. At the level of active ageing policies, measures adopted to promote the labor participation of older women are: the promotion of working capacities, lifelong learning and the acquisition of new skills; the implementation of healthy working

conditions; age management strategies, and; an employment-friendly tax and benefit system. In summary, the Fornero reform has established new eligibility conditions for the old-age pension, has eliminated the time served pension, and has introduced a new form of early retirement.

Individual and family characteristics that affect Italian women's retirement

Besides institutional factors, retirement decisions may also be influenced by individual characteristics, such as education, health and family structure. The level of education is an important factor that influences women's decisions to retire. Italian women with higher levels of education tend to work longer than women with lower levels of education. This can be explained by the fact that less educated women have fewer chances of reintegration into the labor market, and by the fact that women with higher job profiles have an income growth path associated with age that is higher with respect to the other categories [Minaci 1998].

Health conditions is maybe one of the most important factors associated with an early departure from work. Several studies show that poor health conditions are strongly associated with an early departure from work. Li Ranzi, d'Errico and Costa (2012) notice a younger age of actual retirement compared to the legal pension age for Italy and they wonder if this phenomenon might be attributable to a poorer health status, or rather, to country-specific socioeconomic factors.

The coordination of retirement between spouses also has an important influence on the timing of retirement. A study on data from the Bank of Italy [Miniaci 1998] evaluates two different retirement models between spouses. One of the factors that influences men in their retirement decision is the employment status of the spouse: if the spouse is working at the time of the husband's retirement, this encourages the man to retire; while on the contrary, if the spouse is not working, this has an undesirable effect on the husband's probability of retiring, possibly due to salary reasons.

The family and partner are other key factors. Women tend to retire early in order to care for relatives and are more likely than men to leave the labor market for reasons related to caregiving due to the lack of public or private services. Informal assistance carried out by family members plays an important and often crucial role, especially in the absence of an adequate services network. Most care services in Italy still rely on women, and in particular on older woman who have to deal with the double commitment of being at one and the same time mothers of daughters and sons. This may cause a lot of tension for older women who see the

transition into retirement as a strategy to cope with the burden of care they have to provide to relatives to the detriment of their desires for self-determination and self-fulfillment [Abburá and Donati, 2008].

As previously outlined, there are a variety of factors that influence women's decisions regarding when to retire: institutional, family and personal reasons dominate the decision about leaving the labor market. The amount of women aged 55–64 not in employment due to family or personal reasons is particularly high and the pension system reforms have not dedicated sufficient attention to the family context. The implications of this shift for the generation of women currently considering retirement need to be explored, beginning with an investigation into the concept of retirement itself. The history of the concept is linked to meanings of work embedded in the male breadwinner model of social organization, with its roots in the gender division of labor [Jefferson, 2005]. Definitions of retirement derived from this model imply an access through which workers pass at the end of their working lives into a life of 'non-work' or leisure time.

Gender differences in retirement are mainly due to low average incomes and high poverty rates. This itself partly results from the different work patterns of men and women (part-time work is more common with women, women are over represented in low paid occupations and are affected from long career breaks due to caring), and is partly a consequence of demographic developments and yet another part is explicable by pension rules. The Italian pension system affects women who live outside the traditional family context (due to separation, divorce, or single status) in a negative way, and those who do not reach the criteria for pension schemes. Public policies provide pensions for widows; so a kind of compensation has been set for unpaid domestic roles [Crespi, 2015], but if women are separated or divorced, they risk falling in poverty during retirement. In Italy, the number of separations and divorces is increasing. According to Istat, this growth has been constant: while there were 158 separations and 80 divorces per thousand marriages in 1995, in 2008 these numbers increased to 3.4 and 7 p.p. respectively.

The Italian system includes a survivor's pension as part of the basic social insurance package. "Survivors benefits are paid to certain members of the deceased's family: a survivors' pension is granted if the deceased pensioner was receiving either a direct pension or an indirect pension: the latter is granted if at the time of his or her death the deceased worker was not yet receiving a direct pension but was fully entitled, with regard to insurance and contributions requirements, to receive an ordinary invalidity allowance or incapacity pension,

or to receive the old-age pension. The family members who are entitled to the pension are: the spouse and any children who, at the time of death, are minors, students or disabled; parents who, at the time of death, are 65 years of age or older, have no pension and are dependent on the deceased” [European Commission, 2013]. Maternity also impacts women’s conditions in retirement. This experience affects the financial security of women during their retirement age and the situation of mothers, in Italy, is very complex [Crespi, Zanier, 2015]. Empirical findings show that if the welfare system offers large benefits for working mothers during the maternity period, their pension and quality of life will be more similar to men’s [Crespi, Zanier, 2015]. To the contrary, limited access to maternity and parental leave forces working mothers to a premature reintegration into the labor market or to leave it [Crespi, Zanier, 2015].

Although there is a lesser involvement caused by demographic trends and prolonged working careers even in Italy [Da Roit 2007], the care needs of dependent elderly parents or of grandchildren fall traditionally on women who are forced to interrupt work, exposing them to the risks of poverty and exclusion. All these aspects highlight the “price” that women have to pay, especially when reaching retirement age, for having been mothers or daughters. Literature shows that retirement is influenced by the presence of children or frail relatives to care for [Szinovacs and DeViney, 2000, Crespi, Zanier, 2015] and as in Italy, in most cases, care is arranged within the families because women have these responsibilities, they could leave the labor market earlier.

Conclusion

Analysis of the situation of Italian women in retirement and the factors that affect this transition are very limited. Comprehending how and if retirement reflects the arrangements that create differences between men and women during their life cycles [Bernard *et al.*, 1995, Zimmerman *et al.*, 2008] is crucial in order to develop more effective policies. Furthermore, we can learn more about how to stop the reproduction of financial inequalities, which are well-established for elderly women. The conditions of older Italian women are worsened by the last pension reforms that do not consider adult life as a process in which job or career and family and care tasks are linked [Crespi, Zanier, 2015]. Maternity, together with other family and job aspects, makes women’s working lives less linear compared to men’s careers and, in the absence of specific social and pension policies, women’s access to retirement is complicated. Maternity has an impact on pension rights that is also influenced by the length of a person’s career. Women are disadvantaged as they have an intermittent presence in the labor market

because they are seen as the primary caregivers. Consequently, a discontinued labor cycle combined with wage discrimination may cause them to remain longer in the labor market or face a greater dependence on the husband's income.

Demand for caring for relatives, as well as having to financially assist children who achieve financial independence later in life, may further affect women's retirement decisions. Since the employment careers of many women are interrupted for childcare and other domestic responsibilities, their expected pension incomes tend to be lower than those of men [Ginn & Arber 1996]. The increase in female participation in the labor market has taken place inside a traditional male breadwinner model and, in these years of economic crisis, the precariousness of jobs, along with medium-to-low education levels and the responsibility for care, are predictors of a financially and socially vulnerable old age for women. In brief, Italian women have to deal with short careers, delayed access to the labor market, and discontinuous pension contribution payments. These, combined with the traditional family model that still persists, have created inequalities to the detriment of women. As the pension is linked to work experience and to the average life expectancy, this could be rethought to avoid or reduce women's inequality. More research on this topic is required to more deeply understand how the different determinants (individual, institutional and family) impact women's retirement decisions in Italy.

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