

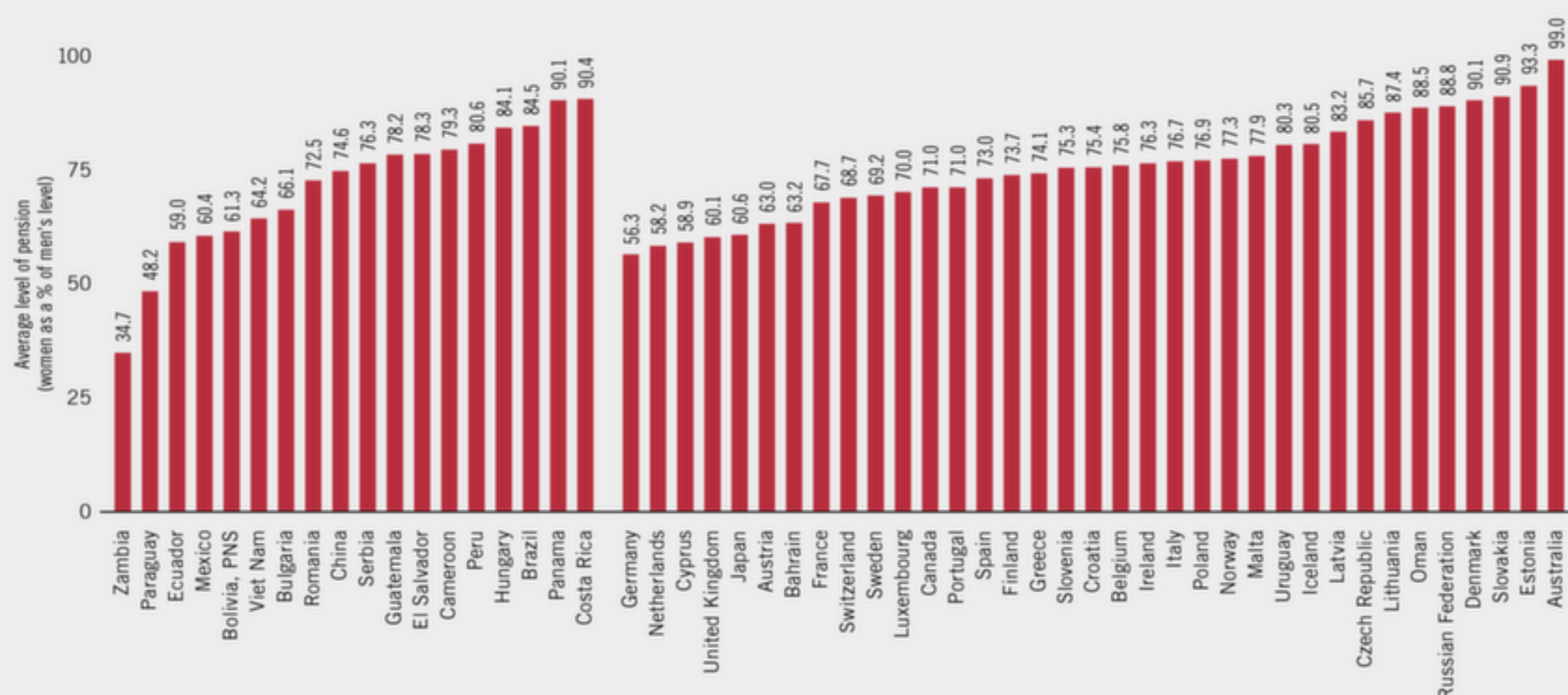
The second indicator of effective coverage considers both contributory and non-contributory pension schemes from the standpoint of the beneficiaries. This indicator goes beyond contributory social protection and includes coverage by non-contributory (mostly tax-financed) pensions. Women are not only less likely to be covered in accordance with the law, but also face lower compliance with the law²⁸ which results in high gender gap concerning effective coverage. The proportion of women above retirement age receiving a pension is on average 10.6 percentage points lower than that of men (figure 22, panel A). Nearly 65 per cent of people above retirement age without any regular pension are women. This means that 200 million women in old age live without any regular income from social protection (old age or survivors pension), compared to 115 million men. Out of the 107 countries, 64 per cent show a significant negative gender effective coverage gap. In 17 countries (16 per cent), the proportion of women receiving a pension once reaching retirement is slightly higher compared to men (figure 22, panel B).

Low female labour participation rates, together with the limited development of non-contributory pensions, weigh significantly on women's effective pension coverage in Northern Africa, the Arab States and Eastern Asia. The existence of large non-contributory pension schemes can to some extent offset both the lower participation rates of women in the labour market and their less favourable employment conditions where social protection coverage is concerned. The benefit levels of non-contributory pensions tend to be modest, however, and are often not sufficient to bring older women above the poverty line.²⁹ More than 85 per cent of the countries where the gender gap in respect of effective pension coverage is either non-existent or to women's benefit have a non-contributory pension; this is often a universal or pension-tested³⁰ pension.

Besides legal and effective pension coverage, women are also receiving benefits that are systematically lower than those for men (figure 23). This shortfall is due to the lower wages earned by women during their working life, shorter periods of contribution and carrier breaks, higher incidence of part-time work, higher proportion of women receiving benefits from survivors' pensions and from non-contributory old-age pensions usually associated with lower levels of benefits.

Figure 23

Gender gap in pension levels: Average level of pensions for women as a percentage of men (latest available year)



Note: Covers old age and survivors' pensions for people above national retirement age. Data are for the latest year available, which ranges from 2010 to 2013.
Source: ILO calculations based on household survey data.

28. One of the reasons for this lower compliance among women is their stronger engagement in own-account work or contributing family work that relies more heavily on coverage through voluntary affiliation which rarely converts into effective coverage. Other factors include women's insufficient contributory capacity and awareness of entitlements (ILO, 2014b).

29. Globally, the effective pension coverage gap is 6.3 percentage points in women's disfavour in countries with a non-contributory pension (whether universal or not), compared to 17.7 percentage points in countries with no social pension in place.

30. Non-contributory pension-tested pensions are provided to those older persons who do not receive a contributory pension.