

Taking a Gender Perspective on Early Retirement and Work-life Balance

How different caregiving models can explain the variation in labour force participation among women in the age group 55+ in the Baltic Sea Region

POLICY BRIEF
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BALTIC SEA LABOUR FORUM
FOR SUSTAINABLE WORKING LIFE



SUMMARY

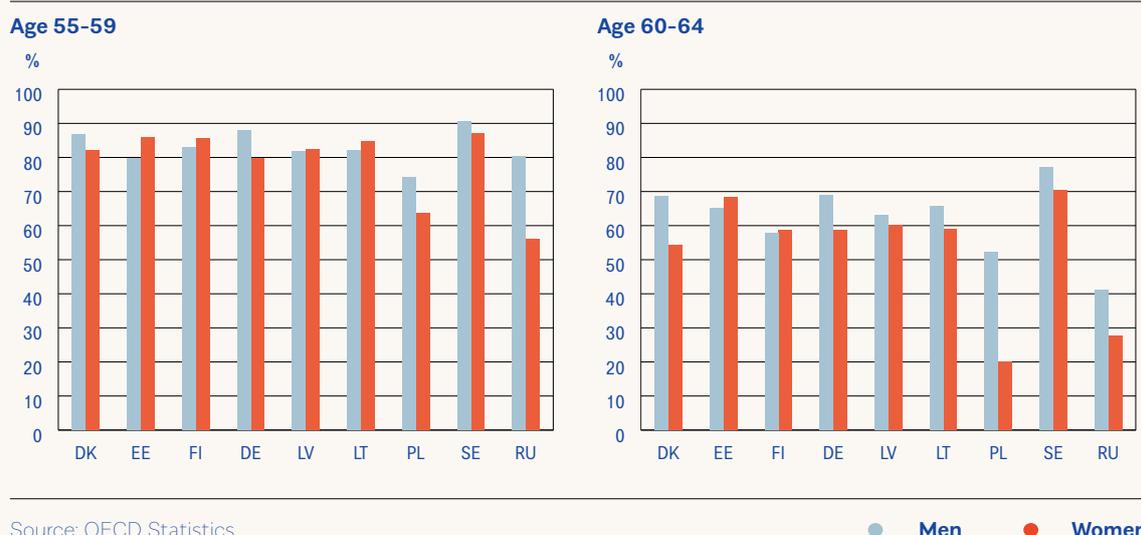
Women in the age group 55+ face particular challenges related to remaining in working life, one of them is finding a work/life balance. Here we look at the situation in the countries in the Baltic Sea Region, including closer perspectives from Poland, Sweden and Lithuania. Our focus is on women's care-giving duties and the implications of women's dual roles in the domestic and professional spheres on health, well-being, economic situation, and decision to retire early. We examine different caregiving models and argue that these can play a crucial role in both supporting and preventing women from remaining in working life longer.

Female labour market participation in Baltic Sea Region countries varies significantly

Equality of treatment and opportunities between men and women, including participation in the labour market, is one of the principles in the European Pillar of Social Rights (2017)¹. Besides strengthening gender equality at all life stages, high female labour market participation increases and diversifies household income and reduces the risk of female old-age poverty.

In the Baltic Sea Region (BSR), patterns of labour force participation between men and women in the age group 55-64 vary, as illustrated in Figure 1. The statutory age of retirement in each country has to be taken into consideration when analysing data for these age groups, especially that of 60-64.

Figure 1. Labour Force Participation Rate, 2019



Source: OECD Statistics

● Men ● Women

A pattern of gender equality is visible in the labour force participation in some BSR countries in the age group 55-59, and it fades somewhat in the age group 60-64. (Figure 1.) In 2019, women's participation in the labour market in the age group 55-59 exceeded that of men in four BSR countries: Estonia, Finland, Latvia and Lithuania. In Estonia, for example, women's labour force participation rate was at 86,0 percent compared to 79,8 percent among men. In Sweden and Denmark, women's participation in the labour force was between 3,5 and 4,5 percentage points lower than that of men, while Germany had around 9 percentage points more men working than women in this age group.

On the other side of the spectrum we find Poland and Russia, with considerable gender differences in terms of labour force participation in ages 55-59. Of women, 63,6 percent were active in the labour market in Poland compared to 74,2 percent of men in 2019. In Russia, 56,1 percent of women worked compared to 80,5 percent of men. This is a gender imbalance which increases further in the age group 60-64. (Figure 1.) In this age

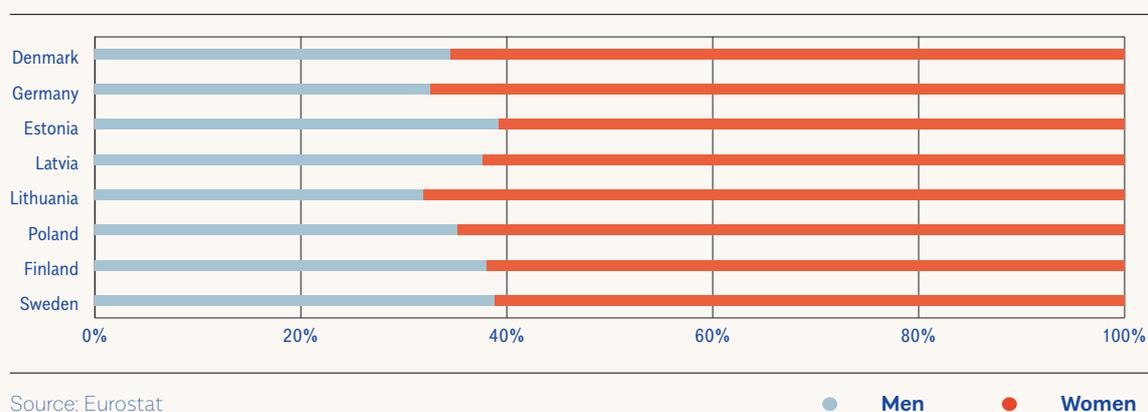
¹ https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

group, a pattern of comparatively lower participation of women in the work force is visible also in all Nordic and Baltic countries.

A significant part of the caregiving burden falls on women, with effects on work-life balance...

Why do we see such great discrepancies between countries in the BSR in terms of labour force participation among women? The answer is complex. First of all, the legal pension age serves as an anchor for labour market participation - the higher the retirement age, the higher on average the labour market attachment². However, there are also other reasons for women leaving the labour market early, of which poor health and caregiving duties are the most significant for women aged 55-64. Women, and especially older women, hold dual roles - professional and domestic. This increases their workday, with impacts on both physical and mental health, as pointed out by the European Agency for Safety and Health at Work³. Addressing imbalances between work and care responsibilities is thus of vital importance and has been put high on the agenda by the European Commission through the introduction of the initiative to support work-life balance for working parents and carers in 2017⁴.

Figure 2. Caregiving responsibilities for incapacitated relatives by gender, carers age 55-64, 2018



Source: Eurostat

Care responsibilities are not equally divided between genders, neither in terms of intensity nor performed activities. For example, when it comes to providing care to an incapacitated relative, Eurostat figures indicate that women carry a clear majority of the burden in the age group 55-64 in all BSR countries. (Figure 2.)

Data from Eurofound indicates that combining work and caring for partners or relatives is more problematic than combining work and caring for children: 21 percent of carers working and caring every day for elderly or disabled people report having work-life balance problems, compared with 16 percent of people who are looking after children or grandchildren⁵.

... and with financial implications illustrated by the gender pension gap

Research indicates that a decreasing labour force participation dominates among women, older individuals or individuals close to statutory pension age, persons with poor health, poor educational background, lower incomes, and immediate family members' primary (especially co-residing) caregivers⁶. When the individual tries to reconcile caregiving with paid work, it is usually associated with lower pay⁷.

² Bjöndal, S and S. Scarpetta (1998). The retirement decision in OECD countries, *OECD Economics Department Working Papers* No.202, ECO/WKP (98)15

³ European Agency for Safety and Health at Work (2016). Women and the ageing workforce: implications for occupational safety and health – a research review. EU-OSHA, Bilbao. Available at: <https://osha.europa.eu/en/themes/osh-management-context-ageingworkforce/ep-osh-project>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2017:252:FIN>

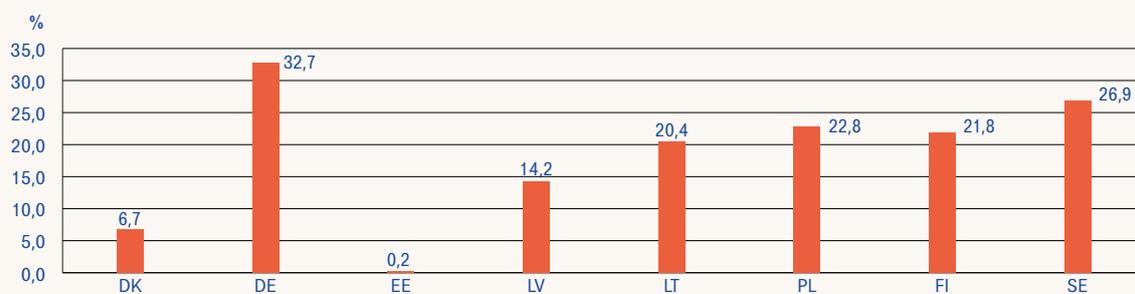
⁵ Eurofound(2014). *Work preferences after 50*. Publications Office of the European Union, Luxembourg.

⁶ Lilly, M. B., Laporte, A., & Coyte, P. C. (2007). Labor market work and home care's unpaid caregivers: a systematic review of labor force participation rates, predictors of labor market withdrawal, and hours of work. *The Milbank Quarterly*, 85(4), 641-690.

⁷ Carmichael, F., Charles, S., & Hulme, C. (2010). Who will care? Employment participation and willingness to supply informal care. *Journal of Health Economics*, 29(1), 182-190.

Periods of interrupted and low paid work further affect the career and pension wealth of women. This is illustrated by the gender pension gap. (Figure 3.) The gender pension gap shows the percentage by which women's average pension income is lower compared with men. i.e. the difference between men's and women's average pension. As shown in figure 3, pension earnings of women in the age group 65+ in Sweden, for example, were 26,9 percentage points lower on average than that of men in 2019.

Figure 3. Gender Pension Gap, age 65+, 2019



Source: EU SILC Survey

BSR countries represent two caregiving models with implications for work-life balance

Research has indicated that women's possibilities to remain in working life despite caregiving duties and to manage work-life balance depend on the prevalent caregiving model, i.e. caregiving practices⁸. It is possible to categorise countries according to caregiving models and how they provide work-life balance policies for carers based on three main social arrangements for carers of a dependant. These social arrangements include leave schemes, cash benefits (e.g. cash allowances) and benefits in kind (i.e. providing entitlement to state benefits such as pension or accident insurance)⁹. BSR countries vary greatly when it comes to the prevailing model of caregiving.

1. *Developed and mature support schemes for carers.* This model stems from the idea that society is responsible for the organisation of the care. Long-term care (LTC) support schemes are universal and well-developed, and specific arrangement targeted at carers are available. A market for caregiving services supplements state-based solutions. LTC provisions make it possible for the carer to work while having care obligations. This model is typical for the Nordic countries.
2. *Underdeveloped support schemes for carers.* Here, institutional care that is provided by the state is either difficult to obtain or insufficient. Due to economic reasons, the market for such services is not mature. With few possibilities to access affordable care of sufficient quality, family members become dominant full-time caregivers (sometimes supported by migrant workers). This is a 'familistic model' that is partially driven by societal norms and is observed in Southern and Eastern Europe, as well as in the Baltic States.

Societal norms also constitute an incentive for women when deciding to retire or continue work

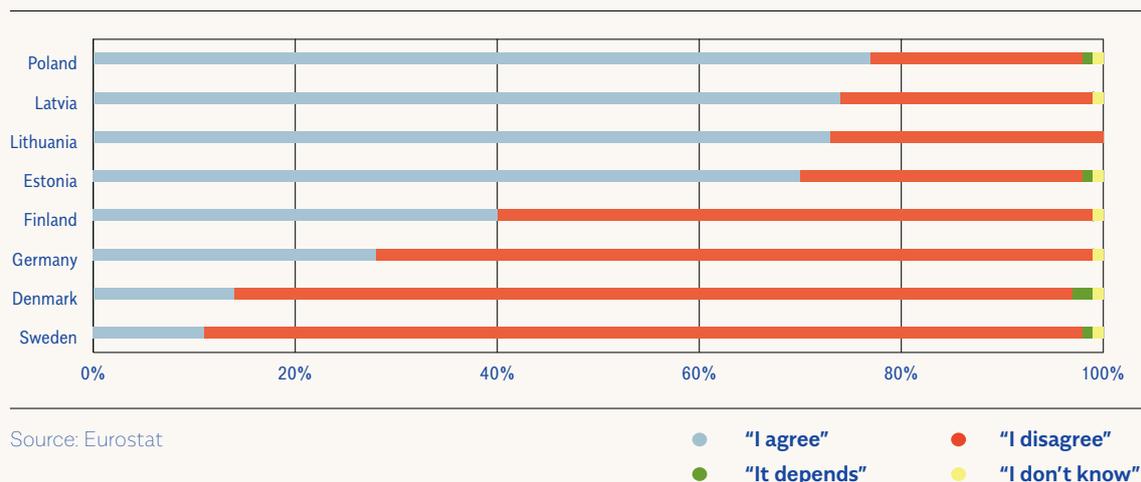
Incentives for women to stay in the labour force are also related to societal norms. Caring for a dependant may be considered a social obligation, especially for women.

⁸ Szebehely, M., Ulmanen, P. & Sand, A-B. (2014). Att ge omsorg mitt i livet: hur påverkar det arbete och försörjning? [Informal care giving among middle-aged people: how does it affect work and breadwinning] Working Paper/Department of Social Work, 2014:1. Stockholm University.

⁹ Bouget, D., Spasova, S. and Vanhercke, B. (2016). *Work-life balance measures for persons of working age with dependent relatives in Europe. A study of national policies.* European Social Policy Network (ESPN), Brussels: EuropeanCommission.

Results from Special Eurobarometer 465, which explored discrimination in the EU in 2017, illustrate significant differences between EU countries when it comes to views on women and their domestic roles. (Figure 4.) While between 71 and 87 percent of respondents in Scandinavian countries strongly disagree with the view that the most important role of a woman is to take care of home and family, between 70 and 77 percent of respondents in the Baltic countries and Poland strongly agree with this view. Finland lands right in between with 59 percent disagreeing with the statement. Interestingly, respondents to the survey from the Baltic states shared similar values with those from Poland, but still display a good gender balance in the labour market.

Figure 4. Response to the statement: “The most important role of a woman is to take care of her home and family”, Special Eurobarometer, 465, 2017



Source: Eurostat

● "I agree" ● "I disagree"
● "It depends" ● "I don't know"

POLAND - changing societal norms

In Poland, family and social expectations play a decisive role in influencing women’s decision to leave work for care duties. Caregiving of seniors is considered a ‘family duty’ in Poland, illustrated by the fact that 93,5 percent of dependant persons in Poland receive help only from family members¹⁰. Women are still more likely than men to leave paid work to take care of family members and realise home duties.

When studying the evolution of societal norms in Poland between 2006 and 2018, research indicates that women’s views on their domestic and professional roles have, however, changed towards a greater reluctance to give up work for care duties. (Table 1.) In 2006, 58 percent of the female respondents in a survey reported that they would quit their job for care duties and housework if their partners asked them to, while the figure had shrunk to 42 percent in 2018. Men’s views on this issue have, on the other hand, remained the same over the same period.

Table 1. ‘Would you quit your job for more housework and children’s care if your spouse /partner earned enough to keep the family at a satisfactory level in economic terms?’

	Men			Women		
	2006	2013	2018	2006	2013	2018
Definitely/rather yes	35%	37%	36%	58%	52%	42%
Definitely/rather no	57%	58%	57%	34%	44%	52%
Difficult to say	8%	5%	7%	8%	4%	5%

Source: CBOS, 2018¹¹

¹⁰ <https://eurocarers.org/country-profiles/poland/>

¹¹ https://www.cbos.pl/SPISKOM.POL/2018/K_128_18.PDF

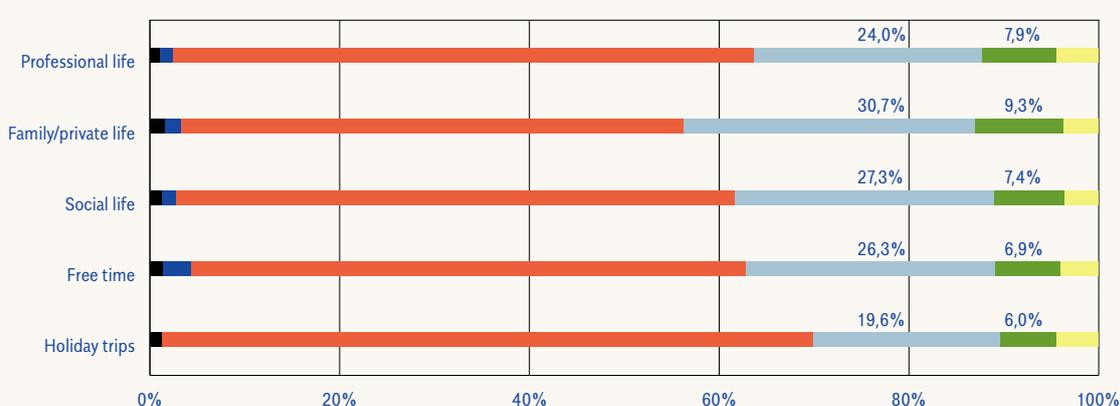
The difference in the views between men and women in Poland also becomes clear when looking at the prospect of quitting one's day job. As illustrated in Table 2., men, more often than women, would like their wives to quit their jobs if they earn enough to support their family.

Table 2. Would you like your spouse/partner to resign from his/her work, if you earned enough to support the family economically at a satisfactory level?

	Men			Women		
	2006	2013	2018	2006	2013	2018
Definitely/rather yes	56%	61%	53%	21%	17%	17%
Definitely/rather no	31%	32%	39%	69%	79%	76%
Difficult to say	13%	7%	7%	10%	4%	7%

Source: CBOS, 2018

Figure 5. The impact of providing care on particular spheres of life of family caregivers in Poland



Source: ROPS, 2018. (N=700)¹²

- **Definitely positive impact**
- **Rather positive impact**
- **No impact**
- **Definitely negative impact**
- **Rather negative impact**
- **Difficult to evaluate**

In Poland, there is insufficient institutional supply of publicly financed care, both for young children and seniors. Despite significant progress in the popularisation of various forms of childcare to 3-year-olds, the share of children in nursery care is still low (7,6 percent in 2016) and deviates strongly from the average set by the European Council (33 percent)¹³. Regarding care for the elderly, there is a lack of sufficient recognition of the demand for institutional seniors' care services and the services offered do not suit the demand¹⁴. Insufficient institutional support of family caregivers results in dysfunction of their well-being and work-life balance. (Figure 5.)

Effort to ease the caregiving burden

Daily care for seniors, e.g. Program Senior+¹⁵ is a governmental program (2012-2020) that supports local authorities in organising day care centres for seniors and seniors' clubs (co-financing of buildings' renovation and adaptation, as well as the costs of current operations). Persons aged 60+ can participate in dif-

¹² https://rops.poznan.pl/wp-content/uploads/2018/06/raport_Pog%C5%82%C4%99bione-studium-us%C5%82ug-opieku%C5%84cznych-skierowanych-do-os%C3%B3b-starszych-%C5%9Arodowiskowa-opieka-formalna-i-nieformalna_wersja-ko%C5%84cowa.pdf (p. 76).

¹³ <https://www.funduszeuropejskie.gov.pl/media/39175/Raport-Opieka-nad-dziecmi-3.pdf>; https://www.batory.org.pl/wp-content/uploads/2019/07/Internet_Polityka-opieki-nad-malym-dzieckiem.pdf

¹⁴ <https://www.nik.gov.pl/plik/id,10415,vp,12744.pdf>; <https://www.nik.gov.pl/plik/id,13998,vp,16444.pdf>; <https://www.rpo.gov.pl/sites/default/files/System%20wsparcia%20os%C3%B3b%20starszych.pdf>

¹⁵ <https://www.gov.pl/web/rodzina/program-wieloletni-senior-plus-na-lata-2015-2020>

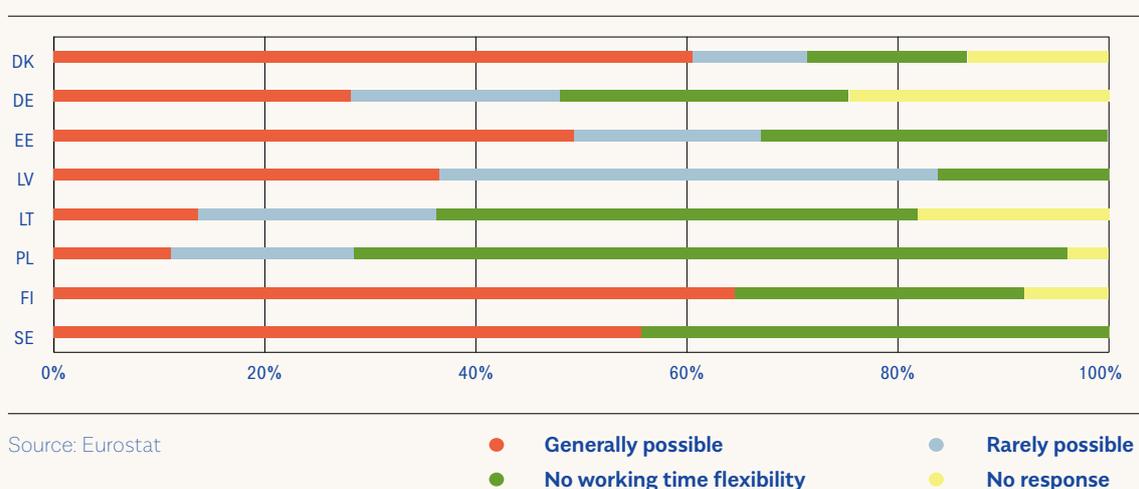
ferent activities offered by these centres (active ageing) and they also receive psychological support, warm meals etc.

There is also respite care for those family caregivers, who need to have some free time, e.g. national/regional programs of financing this type of care¹⁶. Thanks to these programs, each region provides institutions where family caregivers who must take care of their own health or leave because of important matters, can transfer dependant family member for a few hours or days.

SWEDEN - Universal LTC system and flexible working time

Research has been conducted indicating a correlation between the rate of female employment and the extent of LTC provisions in a given country¹⁷. It can be argued that public LTC for older people is required in order for women to participate in the labour force, and thereby a precondition of a broader tax base to finance public welfare services¹⁸.

Figure 6. Employees age 50-64 with care responsibilities by working flexibility for care and occupation, 2018



In line with this argument, Sweden might be considered an example: the country has a universal LTC system and shows one of the highest labour force participation rates for women in the EU: 86,6 percent in the age group 55-59 and 70,9 percent in the age group 60-64 (Figure 1.) There has, however, been a downsizing of institutional care in recent years linked to an 'ageing in place' policy that has taken over the organisation of LTC in Sweden¹⁹. This has led to an increased share of informal care, and also, for the first time for Sweden, an awareness of the challenge of finding work-life balance for those women engaging in informal care provision²⁰.

Research also indicates that labour market structures affect the level of labour participation among women. Countries that have developed a greater degree of part-time work arrangements and flexible working hours also provide greater opportunities for women's participation in the work force²¹. Results from EU's Labour Force Survey show that workers in the Nordic countries and Germany and Austria have more flexible working arrangements on average compared to workers in central and eastern European countries²². Figure 6 confirms this pattern for BSR countries.

¹⁶ <https://www.gov.pl/web/rodzina/ogloszenie-o-naborze-wnioskow-w-ramach-programu-opieka-wytchnieniowa---edycja-2020>

¹⁷ Szebehely, M., Ulmanen, P. & Sand, A-B. (2014).

¹⁸ European Social Policy Network (ESPN) and European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2018). Thematic Report on Challenges in long term care, Sweden 2018.

¹⁹ ESPN, 2018

²⁰ Ibid.

²¹ Ibid.

²² Eurofound (2015). *Policies to improve work-life balance*. Publications Office of the European Union, Luxembourg.

LITHUANIA - Integrated Home Care Programme

A majority of the care for the elderly and disabled in Lithuania is provided by informal carers – family, acquaintances and volunteers. Traditions of family care, lack of capacity in the formal care sector and the high cost of private services are the main factors behind this situation²³. In formal elderly care, public organisations dominate the provision of LTC services.

In an effort to provide informal caregivers with opportunities to rest and find time to look for employment, the Integrated Home Care Programme started in 2012 under the leadership of the Ministry of Social Security and Labour of Lithuania and with funding from European Social Fund (ESF). It provided assistance to people caring for family members by creating a home care system for persons with long-term chronic illness or disability, integrating social care and nursing²⁴. In the pilot phase, 70 integrated home-care teams comprising social workers, nurses, assistants and physiotherapists were established in 21 municipalities. The programme was the result of new, collaborative processes of social innovation, which departed starkly from the top-down communication of the Soviet era²⁵. Instead, nursing and social care professionals in the municipalities were invited to discuss this social challenge and to participate in the development of the programme. The pilot project proved to be successful, serving 1,172 patients and 1,005 family members in 2015, and was upscaled for implementation in all the municipalities of Lithuania by 2016²⁶. Currently 61 projects, building on the pilot programme, are implemented and financed by ESF in Lithuania. Between 2016 and mid-2020, 186 integrated home-care teams served 4,784 patients and 2,670 family members. Training was provided for 1,587 employees of integrated home-care teams and for volunteers.

POLICY IMPLICATIONS

- For purely demographic reasons, provisions of long-term care will become a policy challenge: as the population ages, the demand for care will increase, while the pool of potential caregivers will shrink. In addition, the pressure on extending economic activity will further reduce incentives to provide care within families. Increased attention should therefore be given to the situation of the carers.
- Universal provision of LTC is a driver in efforts to improve gender equality in the labour market.
- As seen in Poland, societal norms are evolving. This is an inevitable development in countries where underdeveloped support schemes for carers prevail, as it will not be possible to cover increasing needs for care due to the demographic change.
- A redesign of the supply of care services in ‘familistic’ countries will be needed, including deciding on how to cover future needs, avoid further draining of the labour market and burdening individuals. Such a debate should include the design of the system and financing of LTC, as well as its links to the labour market (work flexibility, relief schemes etc.). It will require an increasing supply of professional caregivers.
- Further analysis is needed of what the real scale of early labour market exit among women is due to caregiving duties and how to reduce selection bias, i.e. pushing out the most vulnerable workers from the labour market. In the meantime, ways of relieving caregivers, also by promoting a more equal burden, should be further explored.
- The context of labour migration in the BSR should also be considered in relation to the need for professional caregivers.

23 European Social Policy Network (ESPN) and European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2018). ESPN Thematic Report on Challenges in long-term care Lithuania 2018

24 <https://innovationinpolitics.eu/en/showroom-project/integrated-home-care-development-programme-in-lithuania-at-long-last/>

25 Jurkuvienė, R. et. al. The Process of Creating Integrated Home Care in Lithuania: from Idea to Reality, *International Journal of Integrated Care*. 2016 Jul-Sep; 16(3): 8.

26 <https://innovationinpolitics.eu/en/showroom-project/integrated-home-care-development-programme-in-lithuania-at-long-last/>

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<https://bslf.eu/sustainable-working-life/>

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