



A haunted society

Old age pensions in Iceland from a gender perspective

Steinunn Rögnvaldsdóttir

Lokaverkefni til MA-gráðu í kynjafræði

Félagsvísindasvið



HÁSKÓLI ÍSLANDS

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Abstract

The topic of this thesis is old age pensions from a gender perspective. The research is quantitative; statistics on the economic situation of both genders are presented, and conclusions drawn about older women's situations in regard to pensions and the future prospects of women of working age. Conclusions drawn from the statistical analysis are put into context with the theoretical framework of the thesis: women-friendly welfare states versus patriarchal states, (in)justice in marriage, economic citizenship, Nancy Fraser's "universal caregiver" model, and the dilemma of dichotomy concerning women-friendly policies.

The results show that women have earned less occupational and supplemental pensions and depend more on the basic pension of social security. Although women's labor market participation has increased, the gender pay gap, unpaid labor in homes and women's fewer employment working hours will result in the extension of the labor market gender discrimination into old age. The research found no direct discriminating factors at work in the Icelandic pension funds, although their structure is fundamentally male biased. The thesis suggests implications to create a more women friendly pension system, based on multi-national research, the analysis of the Icelandic pension system and statistical information on older women and men's economic situation in Iceland.

Ágrip

Umfjöllunarefni þessarar ritgerðar eru ellilífeyrismál útfrá kynjasjónarmiði. Rannsóknin er meginleg; skoðaðar eru tölur um efnahagslega stöðu og lífeyri eftir kyni og ályktað útfrá þeim bæði um stöðu eldri kvenna á ellilífeyri í dag, og framtíðarhorfur kvenna sem nú eru á vinnualdri. Niðurstöður eru settar í samhengi við kenningar um kvenvænleg velferðarríki og feðraveldi, valda(ó)jafnvægi innan hjónabands, efnahagslegan þegnrétt og kenningar Nancy Fraser um „universal caregiver“. Einnig er niðurstöðum fléttað saman við gagnrýni á tvíhyggju.

Niðurstöður leiddur í ljós að konur hafa unnið sér inn minni tekjur hjá lífeyrissjóðum og með viðbótarlífeyrissparnaði en karlar. Þær þurfa því að reiða sig meira á ellilífeyri og réttindi almannatrygginga. Þó að vinnumarkaðspáttaka kvenna hafi aukist munu kynbundinn launamunur, ólaunuð heimilisábyrgð og færri vinnustundir kvenna launavinnu leiða til þess að kynjamisrétti á vinnumarkaði öðlist framhaldslíf í þegar konur hætta að vinna. Ekki verður séð að íslensku lífeyrissjóðirnir mismuni kynjunum með beinum hætti, en formgerð sjóðanna er karllæg. Í ritgerðinni eru settar fram tillögur að aðgerðum til að skapa kvenvænlegra lífeyriskerfi, byggðar á erlendum rannsóknum um lífeyrismál frá kynjasjónarmiði, greiningu rannsakanda á íslenska lífeyriskerfinu og tölfræðilegum upplýsingum um efnahag eldri kvenna og karla á Íslandi.

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This work is dedicated to my mother, the most hard-working and generous woman I have known in my life.

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1) Introduction

In the fall of 2010, I was starting my first semester as an exchange student in Oslo, Norway. As I was eager to become fluent in the Norwegian language, I started reading Norwegian newspapers. I'd been in Norway for only few months when my attention was caught by news coverage about a disputed proposal by the Norwegian Women's Council (Kvinnepanelet), appointed by the minister of equality. The council had proposed that in the events of a divorce, the pension of each spouse would be equally divided between them. This proposal was, interestingly, criticized from both women of the liberal right-wing party, and radical feminists, but it had also supporters among those that criticized the very appointment of a Women's Council (Bitsch, 2010; Foreslår å frata men pensjon, 2010). I wondered why, and started to dig deeper.

Soon the world of dualistic equality measures and internal disputes among women's movements and feminist movements was unraveled to me. The dilemmas and duality of women's equality struggle have become of great interest to me, as is the dismantling of a harmful duality which is an impediment for the fight for gender equality. But it wasn't only this disagreement that struck me, but the proposal itself. It made me think about the situation of women on pensions and how their social circumstances of the last decades must be affecting their economic status today. I thought of my mother and my grandmothers, the most hardworking and dedicated workers I have known in my entire life. What is society's prize for their labor through the years? For the sweaters they knitted, the floors they washed, the children they bore, the old people they took care of? The disturbing question is not how we measure the value of this work, but rather how it doesn't seem to have any value.

No country for old women?

I have, for many years now, accepted the general knowledge that I live in a society characterized by equality. By some measurements, Iceland is in fact assessed being the most gender equal state in the world (Hausmann, Tyson & Zahidi, 2012). I know that the fight for gender equality is not over, but I thought we were well on our way. At least I did not live in a country where women's economic security depended on their husband's income. That is all in the past. Only, in our society there are old women who are greatly affected by historical structures in the present and the gender discrimination of last decades still haunts them. And they live in my country, in Iceland. The so-called most gender equal country in the world.

Housework and care for children and the elderly have through the years not been paid work. Consequently, women don't receive a pension based on this work. Although they are entitled to universal basic pension, it is a fact that this work, their contribution, is worth nothing when it comes to financial remuneration. My aim in doing this research was to try to shine a light on how women's unpaid work in last decades is affecting their economic security today through pension payments. A related question is also how women's current situation in the labor market will affect their pensions in the future.

The gender dimensions of Icelandic society

Before I proceed, I will highlight the social circumstances that influence the economic situation of men and women and consequently their pensions later in life. For starters, Iceland has been estimated as the country where gender equality is best established in recent years (2009-2011), according to the World Economic Forum as per various measurements of the gender gap in various fields of society (Hausmann, Tyson & Zahidi, 2012). The executive manager of The Centre for Gender Equality (Jafnréttisstofa), Kristín Ástgeirsdóttir, asserts that this is the result of the women's movement's striving over the last hundred years for equality and women's rights (Ástgeirsdóttir, 2012). It is particularly Iceland's good results in women's political participation and education that account for

Iceland's high standing. Iceland's situation is a bit less positive when it comes to ranking of economic participation and opportunity and of health and survival, although differences are not extreme among the top rated countries. The value of this measurement has been questioned and criticized for not asking about working hours and workload, responsibility for housework and children's upbringing, to name a few factors. Nevertheless, the list does provide multifarious information about equality between men and women (Ástgeirsdóttir, 2012). But although Iceland's high standing in regard to gender equality is secured in many ways, there are still gaps to close.

Health

Life expectancy at birth was in 2009 80 years for men and 83 years for women (Ministry of Welfare, 2011a). Fertility rate (the total number of live births of a woman during her reproductive life) in Iceland has been between 1.9 and 2.3 in the last two decades (1990-2010), and it was approximately 2.2 in 2009 and 2010 (Statistics Iceland, 2012k). In 2009 it was the second highest among the OECD countries, only surpassed by Israel's fertility rate (OECD, 2011). This fertility rate is high by comparison for most industrialized countries, and good for the population as the replacement fertility rate is 2.1.

In 2012, people 65 years old and older make up 12.6% of total population of Iceland, with a bit more women than men, in accordance with their higher life expectancy rates (Statistics Iceland, 2012a). The number of people with disabilities has increased in the last decades. In 2010, women made up 61% of disability pensioners (9,025 women and 5,689 men). 15.9% of men aged 65-66 were disability pensioners in 2009, the corresponding number for women was 25.6% (Social Insurance Administration Iceland, 2011). Women in residential institutions for the elderly were 2,031 while men were 1,160 in 2009 (Ministry of Welfare, 2011a).

Family

Laws on parental leave from the year 2000 (maternity and paternity leave) provide parents with a total of 9 months of leave: 3 months for mother, 3

months for father and 3 months to share (Lög um fæðingar- og foreldraorlof nr. 95/2000). Despite the relatively generous provisions for fathers, parental leave in Iceland is the shortest among the Nordic countries. Monthly payments to parents on a parental leave are equal to 80% of parents' income up to 200,000 ISK, but 75% of parents' income are above that level up to a ceiling of 300,000 ISK. Numbers from 2010 on average length of maternity/paternity leave per parent suggest fathers took on average 79 days on leave and mothers took on average 175 days on leave (Statistics Iceland, 2012i).

The period after birth leave can be troublesome for parents, since it is only 9 months and children usually do not begin kindergarten until about two years of age. Until they do, parents have to rely on infant nurseries and day care, but such service is both expensive and plagued with long waiting lists. The right to unemployment benefits after birth leave for the parents is limited by the demand that they are actively seeking employment, which can be difficult when there is no option for the child's care other than by family members. This can lead to the loss of unemployment benefits and serious economic problems for the parent (Bjarnadóttir & Árnadóttir, 2011).

Cash benefits for care of parents/family members is much less common in Iceland than in the other Nordic countries, as very few municipalities have homecare allowances¹ and the cash grant is in all cases very modest (Rannsóknarstofa í barna- og fjölskylduvernd, 2010). Mothers were the vast majority of parents who received homecare allowances in 2009 in Reykjavík, which indicates that the mothers play a predominant role with regard to primary child care until other day-care possibilities are available. Although information is scarce on parents that leave the labor market and thus suffer loss of income because they must care for their children, it is estimated that women are the vast majority of those parents (Bjarnadóttir & Árnadóttir, 2011). The lack of available day-care can thus have serious consequences on mothers' economic independence.

¹ In 2009 this included 12 municipalities, and since then some of the municipalities have cancelled the homecare allowances, among others the municipal of the capital city Reykjavík.

Since 2005, men's hours spent doing housework have increased, and women's hours decreased. This suggests that the division of labor within households is becoming more equitable with regard to such duties. However, women still spend considerably more time than men doing housework; women on average spend 12.83 hours a week doing housework compared to men's 8.7 hours. Women also spend more time on upbringing and care of children. Attitudes towards the division of housework indicate that a large proportion of men and women think that the division of housework is not fair, and both estimate that the woman accounts for the larger share. The group that spends most time on paid and unpaid work are married/cohabitating women with children, followed by single women with children, which suggests that the addition of a male in the home may actually increase this workload, according to some recent research (Þórsdóttir & Stefánsson, 2010).

Education and labor market

Women now comprise the majority of students in universities in Iceland, but the universities are gender segregated in regards to subjects, with women dominant in "soft disciplines" such as humanities and health and social science, and men dominant the "hard disciplines" such as agriculture, computer science, engineering and empirical sciences. There is also gender segregation among the staff of universities, with women dominant in the "lower" service occupation while men occupy the majority of professors-positions (Ministry of Welfare, 2011a).

In 2010, 86.8% of Icelandic men and 76.9% of Icelandic women were active in the labor market (Eurostat Statistics Database, 2012). In March 2012, unemployment was 7.3% among Icelandic men and 6.9% among Icelandic women (Directorate of Labour, 2012). Historically, both men's and women's labor market participation in Iceland is very high and unemployment rates low for both sexes. The unemployment rates increased greatly following the economic crisis in Iceland after the bank crash in 2008 (Pétursdóttir, 2009).

Women are more likely than men to work part-time. Education seems to benefit men more than women in the labor market in terms of salary, even

though women have for some time now been majority of university students (Bjarnadóttir & Árnadóttir, 2011). In her research from 2009 on Icelandic work culture, gender relations and family responsibility, Gyða Margrét Pétursdóttir demonstrated that gendered division of labor prevails in the different workplaces, bringing into light the gendered ideas of employers on parental roles, i.e. ideas of the father as a provider and the mother as a carer (Pétursdóttir, 2009).

Icelandic labor market is heavily segregated, with women dominant in healthcare and education, and men dominant in industry, fishery, agriculture and management. Not only are wages lower in female dominated professions, but women are also paid less on average within every sector of the labor market (from unspecialized workers jobs up to management). Women have thus on average, lower income than men in Icelandic society (Ministry of Welfare, 2011a).

In addition, the gender pay gap (the difference in men's and women's wages) has been a great problem, as well as a contested issue. Research on the gender pay gap varies, but according to Statistics Iceland, full-time employed men in the private sector had on average total salaries of 503,000 ISK in 2011, while women had 400,000 ISK. That means men make over 25% more than women. In 2011, full-time working men worked on average 44.2 hours per week in paid labor, and women 41.6 hours (Statistics Iceland, 2012j). A comparison of gender pay gap among workers of different unions for the year 2011 shows an unexplained pay gap of 9.2% within Reykjavík's municipal employees' association, 13.2% within the union of public servants and 10.6% within VR (trade union of workers in the private sector in Reykjavík municipal) (SFR, 2011). Men also seem to receive more benefits at work, such as benefits for driving and more overtime work (Ministry of Welfare, 2011a).

Finally, let me emphasize that this is the situation according to recent figures. Equality has increased year by year although occasionally there are setbacks. Thus we know that the situation is more equitable than it was at the time when women who are now receiving pensions were active in the labor market. I will not provide a thorough analysis of the historical discrimination and women

and men's differences in socio-economic issues over the last decades; this injustice between men and women is generally acknowledged by a number of scholars working on these issues (Jónsdóttir, 2006; Wetterberg & Melby, 2009; Einarsdóttir, 2004). To put things into perspective, in 1985 women had 49% of men's income from employment and 39% of women were employed full-time compared to 86% of men (Statistics Iceland, 2005).

Some general information about pension systems

A pension system is sufficient if it prevents poverty of the elderly and balances the consumption of individuals over the course of their lives. Another estimation of the quality of a pension system is whether the state in question can afford it; that is, is able to finance the system without decisive effects on the state's finances or the national economy. A pension system should be sustainable, fair, predictable and stable, so that it is able to withstand shocks whether economic, demographic or political in nature (Ólafsdóttir, 2011).

In general, pension systems are either pay-as you go systems (IS. gegnumstreymiskerfi), where the pension system is funded by tax revenue, or funded systems (IS. sjóðsöfnun) where individuals pay part of their income in pension funds that invest the money until the time has come for individuals to retire. Both of these systems have their strengths and weaknesses. The main problem with funded systems is the danger of bad investments made with future pensioners' money, but the biggest problem facing systems with the pay-as-you-go system are rapid demographic changes. The system depends on equal numbers of individuals making up each generation, so that there are enough workers creating tax revenue for the pension system.

Since birth rates have been declining in most Western countries, countries whose pension system is a pay-as-you-go system are facing some difficulties financing their systems in the immediate future. Iceland still has one of the highest birth rates among the Western countries, besides having an occupational pension system based on funding. In the light of the demographic development in recent decades, with lower birth rates and longer life

expectancy, some experts in this area have considered funded systems a better option than pay-as-you-go systems in the long run (Ólafsdóttir, 2011; Guðmundsson, 2004).

The Icelandic basic pension and social security system is related to the Scandinavian systems in the sense that the systems are structured around citizens' rights—all nationals are guaranteed some basic rights as citizens. According to Ólafsson (1999), the Scandinavian systems have in the last decades developed so that they are now like a mix of two types of social security types, the Bismarck and Beveridge systems. The Bismarck system is common among nations of the European mainland and North America. Rights are foremost connected to labor market participation and the system does not seek to justify the income distribution in society. Benefits are based on earnings, and so the class system is sustained in society. On the contrary, the systems revolving around citizen rights, like the Beveridge system (originated in the UK) and the Scandinavian system, are funded with tax revenues and seek to provide welfare and social security across classes and groups in society (Ólafsson, 1999). This emphasis is different according to systems, and more prominent in the Nordic countries than in the UK. Other types of systems, characterized by ideologies of social justice or liberalism or a mix of the two, do exist but it is outside the frame of this thesis to describe them further.

Methodology and researcher's standpoint

This research is carried out from a feminist standpoint. The core of feminist standpoint theory, as proposed by feminist philosopher Sandra Harding, is that the experiences and lives of marginalized peoples, as they understand them, provide particularly significant problems to be explained and research agendas. These experiences and lives may have been previously devalued or ignored. Women's lives (which are of course very many different lives and different experiences) can provide the starting point for asking new, critical questions about not only those women's lives, but also about men's lives and the causal relations between women's and men's lives (Harding, 1993). It is my hope that

positioning the research from older women's standpoints will provide new critical questions about pension provisions in Iceland in addition to deriving some conclusions from the data I have analyzed.

According to Harding, all science is socially influenced. According to feminist standpoint theory, science needs stronger standards of objectivity because widely held beliefs function as evidence at every stage in scientific inquiry in selection of problems, formation of hypotheses, and interpretation of data etc. This can be seen as a requirement for strong objectivity, a concept of Harding's which meant to expose biases and maximize objectivity. Privileged groups have more difficulties seeing how they are privileged, and their knowledge therefore seems to be value-free and objective as they present it so. With strong objectivity, scientists' unconscious knowledge is brought to light, and admitted that scientist's status or privilege is a part of the knowledge creation process and affects the knowledge created (Harding, 1993).

In the spirit of strong objectivity and to clarify my standpoint in this research, I have to situate myself in context to the subject. I am a single woman in my mid-twenties, a native Icelandic. I'm a feminist academic and activist, an active participant of the political party the Left Green Movement, and a supporter of a strong welfare system which I see as a matter of social justice. I was raised in the countryside and my mother and grandmothers are/were farmers and unskilled workers (my mother is educated assistant nurse but has been a farmer for 25 years now). In regard to pensions, these careers are not very rewarding. Although my research is on women's general situations in regard to pensions and based on quantitative data, the situation of my mother and grandmothers has affected my choice of subject of research.

This research is also done in the spirit of intersectionality, where the interplay of more than one axis of identity, such as gender, age, sexuality, ability, race, class and others, provides a wider focus on the situation of the participants of a research, and how multiple factors can be at work simultaneously in creating and maintaining social inequality. For example, the situation of women varies according to their age, race, class and so on, and taking these factors into account provides better information about women's status than a one

dimensional viewpoint (Weber, 2001). In this research, the interaction of age, gender and economic situation (which can also be described as social class) is examined.

The research is based on quantitative data/statistical information on factors influencing men's and women's different economic position in old age. In quantitative research the research methods of natural sciences are applied to social issues, viewing social reality by measuring it in numbers. Soon after I had decided on a subject for this research (in the spring of 2011), I was fortunate enough to become an assistant to a researcher, Sigurbjörg Sigurgeirsdóttir, in a project for the European Commission estimating the socio-economic impact of pension systems on the respective situations of women and men in Iceland (Sigurgeirsdóttir, forthcoming). In the project I worked with selected data from Eurostat (the statistical office of the European Union) in addition to my own data-gathering where the data from Eurostat was insufficient.

The quantitative analysis in this project affected the design of the framework for my own research, as to what quantitative information I would search for and use. My research differs however from the forthcoming research of the European Commission in that I emphasize the gendered society's influence on the difference in men's and women's pensions and the gendered implications for improvement of the system. This thesis is to my knowledge the first research specifically focused on old age pensions from a gender perspective in Iceland.

After designing the framework, I gathered statistical data from Eurostat, Statistics Iceland (Hagstofa Íslands), The Financial Supervisory Authority, Iceland (Fjármálaeftirlitið) and the Social Insurance Administration (Tryggingastofnun). These sources didn't provide all the necessary data in my estimate, so through some connections to other researchers I also gathered information from OECD (about effective retirement age) and local tax-authorities (about additional private pension savings). After gathering the data I analyzed it and made tables describing the results, which are presented in this thesis.

The thesis is written in English although my native language is Icelandic and the research is about the Icelandic pension system. I consider this having both its advantages and disadvantages. One could argue that since the thesis is

not written in Icelandic, that makes it less accessible to Icelandic readers interested in the subject, possibly excluding those not skilled in English. My reason for doing this is my professional ambition to disseminate knowledge on the matter to more than just Icelanders. Additionally, I am considering further studies abroad, where presenting a master's thesis in English could prove an advantage. I am conscious about not neglecting to present my research findings within Icelandic society and have already presented my research in two open meetings and given an interview on the matter (in the magazine of SFR, Union of Public Servants).

My use of theories in the thesis is partly based and inspired by reading material I have encountered in my graduate studies in gender studies. During my time in Norway as an exchange student I focused on welfare politics and gender, and this focus has formed the foundation of my thesis. In addition, I searched for theoretical material and information on the Icelandic pension system with the use of electronic publishers, search engines and libraries. I also provide information on research of other pension and social security systems, mainly in Europe and North America. Although these research provide information on systems that differ in structure and function from the Icelandic system, I consider it necessary to provide information about the knowledge existing on various pension scheme's function, and compare the Icelandic system to other systems in order to assess its strengths and weaknesses from a gender perspective. Work on the research was carried out with breaks from January 2011 to April 2012.

Research questions and structure of the thesis

My key research questions are the following:

How do the different situations of men and women in Icelandic society affect women when they retire and start deriving pensions?

And:

Is there a reason to change the arrangement of the Icelandic pension system in order to promote economic gender equality?

More specifically:

- How equal are older men and women in terms of economic equality?
- What is the general economic situation of older women and how do public and private pensions affect their situations?
- Are older women in more danger of poverty than older men?
- What is the future outlook for women currently active in the labor market, in regard to pensions?
- Are there gender-discriminatory factors at work within the Icelandic pension system?
- What factors shape a gender-equal pension system?

Throughout the thesis I will try to provide answers to these questions and I will revisit the key questions specifically in the final chapter where the conclusions will be discussed.

The thesis is divided into five separate chapters, which are divided into several sub-sections. Following the present chapter, chapter two presents the theoretical framework for the thesis. The key theoretical tools—theories on women-friendly welfare states, feminist citizenship and Nancy Fraser's theory of the universal caregiver will be discussed in context of theories of patriarchal societies, power in marriage and the dichotomy dilemma of women-friendly welfare policies. Chapter three discusses previous research on gender and pensions, exploring different pension systems and influences on women's pensions, and the factors identified as most influential in creating a gender-equal or un-equal pension system. Chapter four is divided into two main sections, firstly describing the Icelandic pension system, its advantages and disadvantages, and how different spheres of the system (basic, occupational and voluntary private pension) affect men and women. Secondly, the chapter presents the results of the quantitative research, overview of statistics available describing

men's and women's situation in older life with special consideration of their economic situations and their public and private pensions. The main results are discussed in the section but detailed statistics are available in annex. The fifth chapter presents conclusions and discussions. The results are discussed in context with the theoretical framework provided in chapter two, and analyzed further, and suggestions made for implications for further research, data gathering and women-friendly reforms regarding pensions.

2) Theoretical framework

In this chapter I will outline the theoretical framework for the thesis. I start out by discussing dichotomy in gender studies and how it must be deconstructed to avoid the pitfalls it presents to feminists striving for equality. I then go on to discuss theories of women-friendly welfare state possibilities as response and alternative to the patriarchal state. This provides the foundation for the thesis. In conjunction with these theories, I discuss theories of power in marriage, women's citizenship and Nancy Fraser's universal caregiver model. These theories provide useful theoretical tools to analyze the gendered aspects of the Icelandic pension system.

Deconstruction of dichotomy

A troublesome dichotomy has plagued feminist scholarship for decades, called the equality/difference dilemma. It is a debate about how to achieve gender equality, and what ideology is to be in the foreground. Carole Pateman (2004) has named this “The Wollstonecraft dilemma”, after the feminist pioneer Mary Wollstonecraft. Wollstonecraft struggled with the problem of this dilemma in her activism for female suffrage in Britain, as well as personally. It is thus clearly a centuries old problem. The dilemma arises because of a pressure to choose to strive for equality either on the basis of equality or that of difference. To make the sexes equal is seen as making women equal to men and consequently making women more like men—males thus become the normative basis for citizenship and women remain constructed as the other. Emphasizing women's difference from men and consequently their special status in society, their activities, attributes and capacities is, according to Pateman, to demand the impossible, since such “difference” is excluded by patriarchal citizenship

(Pateman, in Borchorst, 2009). It can be seen as enforcing stereotyping and notions about the “women’s role” and other forms of essentialism.

Both of these ideologies—striving for equal status and opportunities for the sexes and respecting women’s special attributes and status—are important guiding lights on the way to gender equality. What has created trouble for feminist scholars is the claim that it is necessary to choose either difference or equality as the ideological ground we tread on our path to equality. Equality and difference have become regarded as logically incompatible (Borchorst, 2009). This dilemma has been evident in debates about the gendered division of labor and care, and the public-private split, a situation of labor market participation where women are the majority of workers in the public sector and men the majority of workers in the private sector.

As mentioned earlier, this dilemma has troubled feminists for some time. For example, in 1915 in Sweden a proposal that all income earned during marriage should be seen as common and be divided into two equal and individually owned parts met both support and opposition, with women activists discussing the proposal as a potential demand in their struggle for gender equality. On one hand it would improve the economic situation of wives, on the other the proposal upset the women’s movement’s claim that married women should have the right to dispose of their own income. This was both considered a conservative proposal in that it would strengthen the family as an institution and preserve the gendered division of labor, but also radical as it aimed at equalizing income in marriage and thus diminishing the husband’s power over wife. Due to this duality, the proposal had both conservative and radical supporters as well as opponents. Consequently, an agreement about the proposal was not reached and it did not become a part of the women’s movement’s demands (Wetterberg & Melby, 2009).

Another example is the conflict between equal status feminists and those advocating housewife politics of recognition and rights in Norway in the 1940s and ‘50s. Equal status feminists even went so far in sticking to their principles of equal antagonist to difference, that they worked against pensions for widows in a situation where the majority of married women were housewives (Hagemann,

2002). In Iceland, the radical Rauðsokkahreyfing (Redstockings, active from 1970 to 1982), emphasized that women would achieve equality by obtaining the same rights as men and becoming more like them, participating more in the labor market and politics. According to their ideology, women needed to be free from their traditional roles as mothers and housewives. This is a different ideology from Kvinnalístinn (the Women's Party, founded in 1983, active until 1998), which celebrated women's special cultural and social difference from men and emphasize that the contribution of women in all spheres of society would improve it (Jónsdóttir, 2006). The Women's party for example advocated for a more humanitarian economy and for the society to be governed as it was a home run by a practical housewife (Jónsdóttir, 2007).

Anneli Anttonen has discussed universalism in the light of duality. In the Scandinavian welfare states, universality has typically been a precondition in promoting equality, meaning that basic social benefits and services are designed for all citizens and are uniform rather than tailored to specific groups. The concept of "diversity" is thus used to specify the opposite of universalism. Hence, Anttonen questions whether the Nordic welfare state model is sensitive enough to pluralism, differences and diversities. She points out that findings in gender, sexuality and ethnic studies suggest that citizens should receive different rather than similar treatment as users of the welfare service system. This challenge of cultural and gender differentiation reveals universalism as a problematic and contradictory concept to emphasize in social policy practices (Anttonen, 2002).

Borchorst asserts that the Scandinavian welfare model has reproduced the Wollstonecraft dilemma, providing it with new forms and fields. An example of this is the gender segregated labor market. More women work in the public than the private sector, they are attracted to women-friendly arrangements in the sector. But in the past decades, wages have fallen behind those in the private sector. The result is a wide gender pay gap. Another example is the "child penalty"; women's career breaks and extra household and childcare responsibility in the home result in fewer career opportunities and wage increases, more unpaid domestic work and less paid work, consequently earning them less in terms of old age pensions—which then maintain the gender gap in

the years of retirement (Borchorst, 2009). Thus, even seemingly “women-friendly” arrangements can be an obstacle for gender equality—in these cases resulting in economic gender inequality.

Joan Scott has criticized the binary views on equality versus difference in feminist debate, which she argues hides the independence of the two terms. Equality is not the elimination of difference, and difference does not exclude equality. Furthermore, Scott says that when equality and difference are paired dichotomously, they structure an impossible choice. Feminism cannot and should not give up difference or equality (Scott, 1988). Most scholars agree, according to Borchorst, that the Wollstonecraft dilemma rests on a socially constructed dichotomy (Borchorst, 2009; Lister, 1997a). Many feminist scholars challenge this dilemma by pointing out the logical error that difference is not opposite to inequality, but to sameness. “The allegation that equality and difference are mutually incompatible is accordingly false, and has been constructed to curtail women’s options” (Borchorst, 2009, 28). The answer to this dilemma is to unmask the power relationship constructed by posing equality as the antithesis of difference, and to reject the dichotomous construction of political choices. Equality does not mean that everyone is or should be identical, but rather we should consider obviously different people as equivalent (Scott, 1988).

The Women-friendly or patriarchal welfare state?

In the late 1980s, the Norwegian political scientist Helga Maria Hernes concluded that the Scandinavian welfare states had the potential to become “women-friendly”. In her reasoning for this she pointed out that these countries had adopted welfare policies such as extensive public care service for children and the elderly and generous parental leave systems, besides having a relatively high political representation of women, allowing them some access to influence in political decision-making (Hernes, 1987). Women have made significant advances in terms of political power and gender equality in Scandinavian countries in the past years, for example through labor market policies that emphasize women’s participation in labor and men’s participation in family and care work. The

massive entry of women into the public sphere and participation of women in political processes, party-politics and agenda-setting, have played a big role in achieving more gender equality.

Hernes argued that the boundary between the public and the private had undergone great changes following the expansion of public care policies, and that it was a result of the combined impact of a broad political mobilization of women from below, pushing for change, and the institutionalization of gender equality from above, in political decision-making and public administration. In a women-friendly welfare state, women would not be subjugated to harsher choices between children and work than men or permit any unjust treatment on the basis of sex, according to Hernes (Borchorst & Siim, 2008; 2002).

But the women-friendly welfare state has become a somewhat contested subject. It has been pointed out that while women's labor-market participation today is extremely high in the Nordic countries, there is a marked horizontal segregation of the labor market, accordingly among the highest in the world. Also, though Nordic men do take more responsibility than men do generally in Europe when it comes to caring for children and taking care of the home, women are still those who are responsible for the main part of housework and care of children, in addition to their paid labor work (Melby, Ravn & Wetterberg, 2009). Others have criticized the concept. Mulinari has for example suggested that women-friendly policies are based on heteronormative perspectives, providing services and benefits mainly to women in heterosexual nuclear families (Mulinari, Keskinen, Irni & Tuori, 2009). Borchorst and Siim (2002) have suggested that the analytic potentials of Hernes's concepts are challenged by increased diversity among women and men, not only according to gender and class but also increasingly according to ethnicity (and here it is possible to add other factors such as disability, religion, sexual orientation etc.). Women are not a homogenous group but a diverse one, and the notion that all women share common political interests is problematic. It should be noted, that Hernes did stress that the women friendly state will reduce gender inequality without increasing other forms of oppression, for example between different groups of women (Borchorst, & Siim, 2002; Hernes, 1987).

Theories on the women-friendly welfare state have often been contrasted with theories of a patriarchal state, which could be argued to be a very women-unfriendly condition of the state. A number of influential scholars have emphasized this approach. Hernes's fellow countrywoman Harriet Holter published her theories in her book *Patriarchy in a welfare society* in 1984. She describes male dominance in the society as both unintended (and only half-intended) and invisible social process. "Unintended" refers to not explicitly or visibly intended as a purpose, but it does not imply that men are uninterested in maintaining dominance. Patriarchy is a part of structural dominance, as it is an example of power constellations where one party is oppressed, but it is difficult to point to a person that directly exercises the power to oppress intentionally. The effects of a patriarchal society are visible in women's powerlessness, exemplified in political decision-making, earnings and so forth. The visibility of this male dominance varies in the aspects of everyday life (Holter, 1984).

R.W. Connell has elaborated further on the patriarchal society. Connell also views the patriarchal state as a part of structural dominance; patriarchy is thus embedded in the procedure of the state functioning. This is an important point to Connell, who states that this perception "allows us to acknowledge the patriarchal character of the state without falling into a conspiracy theory or making futile searches for Patriarch Headquarters" (Connell, 1990, 517). Connell emphasizes that patriarchy is disguised as "neutrality"—but the truth is that the concept is heavily male-biased. Connell takes the courts as an example, stating that the courts are not patriarchal because they are improperly biased against women, but rather because the whole structure, for instance as seen in rape laws, is patriarchal. The same can be said about "Equal opportunity" or "pay equity" programs that often call for a strictly objective assessment of jobs to overcome gender equality in labor. This objective assessment is contradictory since the underlying rationale of the evaluation embeds patriarchal points of view (Connell, 1990). This is evident for example in the weighting of different aspects of a job, or in not valuing certain work, such as housewifery, as worthy of a payment. Thus the norm of objectivity becomes an institutionalization of men's interests.

Connell views the state as a central agent in the regulation of gender power relations. Gender dynamics are a driving force in the historical construction of the state, as in contemporary politics. The state has the institutionalized power to regulate gender relations in society, deciding who can marry whom, who labors and who cares for children and home, to mention a few scenarios. The state thus has the capacity to “do gender” and is thus not just a regulatory agency, but rather a creative (and possibly destructive) force in the dynamic of gender. The state’s historical patriarchal roots and structure and its character as a central institutionalization of power and regulator of gender relations make it unavoidable a major arena for the challenge of male hierarchies and patriarchy (Connell, 1990).

In Sylvia Walby’s book *Theorizing Patriarchy*, Walby elaborates a theory of the system of patriarchy as made up of six interrelated factors that are male biased structures: paid work, housework, sexuality, culture, violence and the state. In a further discussion of the state, paid work and household as male biased structures of society, Walby suggests, as does Connell, that the state has a systematic bias towards patriarchal interests in its policies and actions. In paid work, women are excluded from the better forms of work and in a segregated work market they do the worse jobs which are deemed to be less skilled and inadequately paid. The relations of production of the household are patriarchal in nature, as the women’s household labor is unpaid and expropriated by their husbands/cohabiters (Walby, 1990). This has been called “free-riding” by other scholars, such as Fraser (1994) and Pateman (2004), who have criticized how the term is mainly seen as a problem of men avoiding employment, but lesser thought is given to the massive free-riding of men as husbands, free-riding on women’s unpaid labor.

Walby emphasizes that women are not passive victims of oppressive structures of patriarchy but have struggled to change their status, circumstances and the wider social structures. But although feminists have won many of their goals with considerable success, as is apparent when comparing their situation today to earlier periods of history, patriarchy greets these changes by adapting. Patriarchy changes its form, incorporating some of the victories into new pitfalls

for women (Walby, 1990) and that brings us back to Hernes and Holter. A few years before Hernes introduced her theory of the women friendly welfare state, she wrote a chapter in Holter's book *Patriarchy in a welfare society* about the transition from private to public dependence for women in welfare states.

Women used to rely on their husbands for economic maintenance and support, but after women's entrance to the labor market the state has been dominant both as an employer and a necessary welfare service provider for working women (Hernes, 1984). The public state nowadays pays women, who are an overwhelming majority in state supported welfare service labor, for doing the former unpaid work of a homemaker supported by her man, caring for children and the elderly. Women rely on this service to be able to work—and many of them are employed providing this care. So the removal of women's dependence on the male provider has in this sense not set them free, but only moved their dependence over to the state. These two different aspects of patriarchy can be described as public and private patriarchy, and Walby elaborates on Hernes's theory, concluding that women's exclusion from the patriarchal state has been replaced by their subordination within it. Patriarchy thus responds to the change in social circumstances following women's entrance into paid employment by segregating them from men and paying them less (Walby, 1990).

Hege Skjeie and Birte Siim have pointed out the resemblance of these theories to theories of the modern gender system, by the Swedish historian Yvonne Hirdman. Hirdman describes gender regime changes in the transition from "housewife contracts" to "contracts of equality" and states that in these contracts the principles of segregation and hierarchy is upheld in different forms. The patterns of for example labor market participation illustrate new forms of "private/public" splits. Men dominate the business professions of the private sector while women are an overwhelming majority in caring professions of the public sector where salaries are low and working conditions difficult. A similar pattern of internal segregation shows up in the political arena, where women's access to higher power and corporate decision-making is limited. Hirdman emphasizes that these differences should not be treated simply as different

preferences of men and women, but rather as a normative ranking of “men’s” and “women’s” work (Skjeie & Siim, 2000).

In a women-friendly society, equality must be achieved both in the public and the private spheres. Therefore, I will now first discuss theories on unequal power situations within marriage/cohabitation, followed by a discussion of theories on women’s citizenship in the public sphere.

Marriage as a situation of unequal power

As mentioned earlier, Carole Pateman (2004) has pointed to the massive free-riding of husbands, who benefit from their wives’ unpaid domestic and care work. The private and public sexual division of labor is structured so that men monopolize full-time, higher paying and more prestigious paid employment, while women work part-time, are paid less and do a disproportionate share of the unpaid household work. Women’s economic inequalities, which have enormous effects on their situation in society, derive not least from this distinction. Pateman suggests the mutual reinforcement of marriage and employment, based on social structure and beliefs, is the explanation for how husbands can take advantage of their wives’ unpaid work and avoid their own participation in caring work—or that is to say, can be free-riders (Pateman, 2004).

Rachael Lorna Johnstone has studied the Icelandic tax system and its impact on women’s economic position. She points out that the transferability of personal discount between couples can dissuade a secondary earner, which usually is the woman, from entering paid employment. When all costs of entering work are accounted for, including childcare, travel and more, it might be the conclusion that the family is little better off economically with the secondary earner participating in the labor market. It could therefore make more sense financially if the secondary earner (usually the woman) stayed at home and the primary earner (usually the man) increased his working hours. This is an unintended consequence of this system which Johnstone claims is outdated and rests on the view of the family as a basic unit for taxation (Johnstone, 2009).

Although it could be stated that this does not matter in Iceland because of women's high labor market participation rates, this might possibly have further effects in times of unemployment—like in times of economic recession such as Iceland has been experiencing in the last years (as discussed in chapter one).

Johnstone focuses on a key issue when she declares taxation is a feminist issue, and not a new one. Melby, Ravn & Wetterberg have pointed out the inconsistency of marriage reforms and tax legislation in the early 20th century Scandinavian welfare states. The marriage reform established gender equality, but women remained economically disadvantaged and dependent on their husbands—thus the gender equality in marriage was not actualized. In Denmark, for example, married women's ability to exercise their political rights to vote at a local level depended on that their husbands had paid their taxes. This was so until the 1960s. They describe the progressive tax systems as “penalty on marriage”, where joint taxation of spouses made married women's gainful employment outside the home less attractive. The tax-system thus contributed to sustaining the economic disadvantage of married women's paid work, their (economic) subordination in marriage and preservation of the heterosexual family model of a male breadwinner and female homemaker (Melby, Ravn & Wetterberg, 2009).

Marriage here appears as a situation of unequal power, because of the uneven wages that the individuals typically bring into the household. Iris Marion Young suggests men fail to take equal responsibility for housework and care in marriage, simply because they have the power not to as they typically earn more than women. So although women spend many more unvalued working hours than their husbands taking care of the home and family, more often than not men are the primary decision makers in a household, because women depend on their husbands' income (Young, 1995). Gyða Margrét Pétursdóttir has suggested that this situation also manifests itself in men having greater leeway for leisure than women. Although men typically work longer hours in paid employment they make time for leisure and believe or perceive that they are doing their share of child care and housework. This is possible because of their power in relationships as the “breadwinner”. Women have less power both in paid work and in the

private sphere and thus not as much leeway for leisure. But they do not want to see themselves as discriminated against. Sometimes their way to convince themselves they are in fact autonomous is by re-conceptualizing care-relations to their family as a hobby. A coping strategy like this one reinforces men's perception of equality and their actions as not discriminating (Pétursdóttir, 2009).

In her article *Love and power in marriage* (1984), Hanne Haavind connects this to "positive femininity". In Haavind's opinion, the behavior that has the best chance of being valued as positive femininity (and this applies in my opinion as well today as it did in 1984) is a subordination that appears to be something else, that is as something chosen. Haavind takes the example of couples who take a decision together that one of them will stay home and care for children for a certain period. Most often, this happens to be the woman but they do not perceive this decision as related to them as gendered beings, but as the way best suited for them, as individuals, to organize their life. The essence of femininity is therefore to make inequalities appear as equalities—as women's choice. As such, the taboo of discussing male dominance is even more entrenched than the taboo regarding the discussion of the strains of marriage and "love problems"—the latter are brought into focus rather than the underlying issue of male dominance. The problem of who does the dishes thus becomes a love problem, not just a problem of equality regarding household chores (Haavind, 1984).

Distressing and unpleasant experiences in marriage are acknowledged as being fairly common. Nevertheless they are frequently explained as individual exceptions, instead of the necessary consequences of having a mate. In the article Haavind reflects on this "taboo" of the strains and struggles of marriage, which are not to be named. Haavind refers to qualitative research interviews with married women. When discussing the faults of their husbands, her research participants quickly minimized these critiques by describing the positive things about their behavior. Haavind suggests that this was done in order not only to protect their husbands' reputations, but also their own (Haavind, 1984)—they want to be considered having a equality-minded, loving husband. This is consistent with Gyða Margrét Pétursdóttir (2009) recent results. Pétursdóttir has

named this phenomenon “the aura of gender equality” which describes how men and women both believe and try to convince themselves and each other that they are in a relationship characterized by equality, although research evidence reveals a discrepancy between people’s beliefs and their relationship practices.

The thought of marriage as a situation of unequal power is a disturbing one, especially for romantics. In our culture, marriage is supposed to concern love, mutual respect and romance. Haavind discusses the arguments of those fearful that if the invisible labor done by women is made visible, measured and distributed between the sexes, this will change marital life into a market characterized by rational, calculating exchange, and simultaneously kill romantic love. Haavind responds by suggesting that the changes in the present state of affairs, where the oppression of women is legitimized by love, can only be made if one becomes more aware of the terms of exchange, and then attempts to alter the conditions. It is therefore important to criticize the bad deals of intimate relationships instead of believing that we can solve the problem by denying the existence of all trade on the basis of gender. In Haavinds’ words, “marriage is a contract, and not until this is made explicit can the contract be improved, changed, tested, made collective or transcended. There is no love to destroy, only, perhaps, a love to conquer” (Haavind, 1984, 167).

There are more gender contracts that need to be made explicit in society. The next basis for doing so is to examine the situation of women’s citizenship and to determine if there are power differences between men and women in this regard.

Women’s citizenship

The concept of citizenship provides a useful framework when researching women’s status in society. To explain what citizenship means, we can start by reviewing the classical definition by T.H. Marshall: “Citizenship is a status bestowed on those who are full members of community. All who possess the status are equal with respect to the rights and duties with which the status is

endowed” (Marshall, 1950, 28-29). Building on Marshall’s definition, Ruth Lister explains citizenship at its lowest common denominator as membership in a community, relationship between individuals and the state, and between individual citizens within that community, in the light of their rights and duties and equal status as citizens. Citizen rights are social rights for all citizens in society, and those social rights help citizens to exercise civil and political rights—which are very important to disadvantaged groups. They are also indispensable for the promotion of individual autonomy. Lister discusses how autonomy has a social dimension as well as an individual dimension, and that the issue of autonomy is important to women in the light of their typical economic dependency, which can be seen as undermining their citizenship (Lister, 1997b).

The Scandinavian citizenship discussion over the last decades is marked by the move from a model of male breadwinner to that of a dual breadwinner, the political inclusion of women, and the dramatic increase in women’s political participation and representation in political decision-making. This thus marks a great change in terms of social and political citizenship for women. Helga Maria Hernes was, in the late 1980s, among the first to discuss the potentials as well as barriers to women’s citizenship, and to criticize the male bias and exclusionary tendencies of the traditional social democratic model by pointing out that it was a hegemony that had concentrated its attention on the citizen as male worker and male family provider. In the post-war period, housewives’ valuable family work still implied marginality in the social benefits system, since all the benefits were tied to work in the labor market. They lacked the rights to earn additional pensions, the right to sickness benefits and work-related injuries compensation. The criticism of Hernes and other feminist scholars and the work by women’s movements has propelled political reforms in the last decades (Skjeie & Siim, 2000).

The discussion of women-friendly routes to citizenship is not without dichotomies and dilemmas. Pateman talks of the Wollstonecraft dilemma of two mutually incompatible routes to citizenship: either women give up their experience and interests as women and become “like men”, or they make demands based on their diverse social experience and interests as women, and

consequently remain politically marginalized (Pateman, in Skjeie & Siim, 2000). The problem here is the masculinity bias and male citizen norm that defines women's citizenship in society.

Lister conceptualizes citizenship both as a status, which provides citizens with a wide range of rights, and a practice, involving both political participation and obligations. Lister argues that a feminist citizenship project would recognize women's agency and achievements as citizens, without losing sight of deep-rooted inequalities that still undermine many of the citizenship rights of women (particularly in the case of minority women). "Woman-friendly" citizenship thus combines the elements of gender-neutrality (same for men and women) and gender-difference approaches, while simultaneously remaining sensitive to the differences between women as a group (Lister, 1997a).

Þorgerður Einarsdóttir (2010) asserts that the concept of citizenship is useful in examining women's inclusion in society, how their involvement and social participation takes place and on what grounds are they included. This, she suggests, is an alternative to focusing on women's exclusion, which theories about patriarchy and gender order are so prone to focus on. Einarsdóttir points out that women's citizenship is not a reflection of men's citizenship. Women are usually not excluded from social participation, but they are included on other terms than men. Their social role and citizenship are defined by deep-rooted ideas about family-responsibility and motherhood. But although these ideas are rooted deep in the past, they take a slightly different form today than they did 100 years back. Citizenship of women used to be defined by a housewife-ideology, but today it is the image of the free individual. Women are still responsible for a larger share of care and household work, but they seldom do so with reference to their womanly obligations, but by asserting that it is their free choice—social situations and deep-seated inequalities are so to say covered up and the preservation of traditional gender-relations is provided with new justifications, as discussed in previous section (Einarsdóttir, 2010).

Anttonen suggests that since women's citizenship has been defined through caring and motherhood, caring has become an acknowledged part of social citizenship in the Nordic countries. From a feminist point of view, this is a

radical extension of social citizenship, providing citizens with the right to certain social care services, for example comprehensive and universal day-care system. The supply of these care services, however, does not always meet the demand. Although designed as universal, the idea of the equality of service provision does not always translate into practice in the context of, for example, differences in wealth and class (Anttonen, 2002).

Equal citizenship means abandoning the idea that those that are not self-sufficient are of lesser worth. Young argues that a “society that recognizes all its members as equal citizens and expects them all to make meaningful contributions must recognize and support the contribution of dependency work and publicly support many other opportunities for making social contributions” (Young, 1995, 556). Adequate support for dependency workers, flexible working hours, guaranteed income, and other contributions to recognize care work would, in Young’s estimation, probably result in men’s greater participation in dependency work. An alternative of affordable care should also be available (Young, 1995).

In the beginning of the 20th century, there was a vivid debate among women’s organizations in Scandinavia about how to secure married women’s economic positions. Three different strategies can be found in the debate. One was that women and men should have equal access to occupational work; the second was attaching economic rights to women’s care work; and the third was centered on the equal sharing of all income in the family. The difference in strategy two and three—which were more popular at that time than providing equal opportunities for women and men to access paid labor—was of attaching economic rights directly or indirectly to the woman, that is to her as an individual as opposite to a part of a family. Wetterberg and Melby describe these efforts to combine family orientation and individualization for women as making a gendered division a prerequisite for equality policies, and aiming to make gender equality substantial and not merely rhetorical. They thus describe these efforts as an important step towards economic citizenship for married women and mothers (Wetterberg & Melby, 2009).

The concept “economic citizenship” has been suggested by Alice Kessler-Harris (in her article from 2003, *In Pursuit of Economic Citizenship*) as a response to the failure of traditional concepts of citizenships to address the gendered characteristics of economic rights and its strong bond with citizenship—which have been criticized by feminist scholars such as Kessler-Harris herself, as she has pointed out that economic rights have excluded caregivers (see also Lister, 1997). Improving Marshall’s statements on work as part of economic and civil rights, Kessler-Harris combines the right to work in the occupation of one’s choice, including caring for children and household maintenance, with the right to a sufficient income. Needless to say, economic citizenship is essential for women’s empowerment and human dignity (Kessler-Harris in Melby, Ravn & Wetterberg, 2009).

Rearticulating dichotomies and the rejection of the binary thinking that creates dichotomies, such as the universalism or difference dilemma and the public-private divide, is an essential part of women-friendly citizenship. The key issue is a fairer sexual division of labor, the recognition of the value of care, and care’s role as political ideal and practice that transcends the public-private divide. A caution is in order though, so that women’s citizenship is not simultaneously undermined—for instance, cash for care payments for those who choose to stay at home with children beyond the parental leave period—run the risk of weakening women’s position in the labor market in the long term. Clearly, there is still a risk that policies that value difference might be implemented at the expense of equality (Lister, 1997a). In the next section, I discuss Nancy Fraser’s ideas on how to achieve equality, not by difference but by men becoming more like women. This time around, men are the focus of how to achieve equality.

The universal caregiver

The welfare states have undergone a massive change in the last decades. The fall of the old gender order, massive immigration and the accompanying nationalism and racism, influence of global economy, antipathy toward taxes and other social changes have influenced the welfare states to the extent that so at times they

have not been up to date in providing the social security that they were intended to provide. That was the opinion of Nancy Fraser when she wrote the article *After the family wage: Gender equity and the welfare state* in 1994. Whether the welfare state is more up to date today is contestable. But my topic for now is Fraser's important contribution to the discussion of how welfare states should be designed. Fraser criticized both conservative and neo-liberal propositions about how the welfare state should operate, stating that those proposals ignored the gender system of society. An important question for feminists was, in her opinion, what kind of a gender order should replace the traditional male provider, female homemaker family type—and how can the welfare system support a new gender order based on equality? (Fraser, 1994).

Fraser theorized the current two possibilities on the matter, and added a third. The current possibilities are the universal breadwinner model and the caregiver parity model. In the universal breadwinner model, women take on the same role as male breadwinners, participating in paid labor while the public sector (or in some instances, the private sector) provides day-care for children. The caregiver parity model, however, supports gender equality by acknowledging gender difference and supporting informal care in the family with caregiver allowances (Fraser, 1994).

Fraser comes to the conclusion in her theorizing that it is a prerequisite for gender justice in the context of the social welfare state that differences of men's and women's status and potentials are deconstructed. In that sense it is important to consider the social organization of care work, differences within the group of "women" and equality in more broad sense than just between the sexes. When considering the advantage of the universal breadwinner model, the best outcome is for women whose lives resemble those of men within the old nuclear family model. That is, women without children or homecare obligations. It prevents women's marginalization and reduces income inequality between men and women as it encourages women to become citizen workers, just as men, by moving care work from the family into spheres of the market and the state. The advantage of caregiver parity is best for women with heavy care duties. The aim is to make such a life pattern costless, and therefore the

allowances must be sufficiently generous. Flexibility is another important matter, so that it is possible to combine supported care work with part-time employment. In addition, the continuity of all basic social security entitlements must be secured. The model redresses inequality of leisure time, makes gender difference costless and combats androcentrism by upgrading women to the status of citizen caregivers (Fraser, 1994; Borchorst & Siim, 2008).

But gender equality is not fully achieved with either model since neither model promotes women's full participation on par with men in politics and civil society, or values female work and practices enough to ask men to do them. In short, neither model asks men to change their ways to enhance equality. That is Fraser's third way: men changing and becoming more like women in practice and behavior. A key to that is making women's combination of paid work and care and household work, the norm. Men must therefore increase their participation in care and household work. Fraser states that a change in that direction would create a welfare state based on the assumption that all employees have also caring duties. The shortening the working week and institutions providing care would meet the demand, but it would not be expected that all care responsibility would be in the hands of institutions. Informal care work would be supported more adequately by the welfare state and have the same status as labor work within social insurance systems (Fraser, 1994). Fraser ends her article by saying: "This world is not likely to come into being in the immediate future. But it is the only imaginable postindustrial world that promises true gender equity, and unless we are guided by this vision now, we will never get any closer to achieving it" (Fraser, 1994, 613).

Gøsta Esping-Andersen reaches the same conclusion in his discussion of welfare systems and gender perspectives. Nowadays women insist on being economically independent, but both men's and women's desire for children remains so to say intact. At some point, women and men have children and those children, and their home, needs to be taken care of. Therefore, there is a limit to female life course masculinization, a.k.a. the dual breadwinner model. That creates a need for new gender contract and a women friendly policy (Esping-Andersen, 2002). Esping-Andersen emphasizes this point by suggesting

we imagine a world in which women fully embrace the typical male life cycle model—in this world there would be almost no children. And in reality we can see signs of this development in the declining fertility rates in the West for last decades. Thus we must conclude, Esping-Andersen insists, that true gender equality will not come about unless men embrace a more feminine life course.

Borchorst and Siim (2002) have described the universal caregiver model as utopian. It would require a new view of the male role and a reorganization of working life to reach its purpose in deconstructing the opposition between breadwinning and care giving. The Scandinavian countries, with their devotion to equality, have had to adapt to women's integration into labor market and the consequent shortage of caring resources—all of which, in Borchorst and Siim's opinion, sought to support the universal caregiver model, although evidently there are distinct differences in the character of women's mobilization and institutionalization of gender equality. The restructuring of care has taken several forms that have both challenged and reproduced gender inequalities (Borchorst & Siim, 2002).

These different forms of restructuring of care are apparent in for example paid parental leave, homecare allowances and day-care facilities. These services have different impacts on who provides the care. Homecarer allowances and parental leave in different ways support mother's care, since as Borchorst has pointed out (among others), the modest compensation of homecarer allowances makes it a non-option for fathers—despite the program's general gender-neutral underpinning. In practice, it therefore promotes a caregiver-parity model (Borchorst, 2009). Day-care services, on the other hand, promote the universal breadwinner model. Parental leave with a 'daddy-quota' can be seen as a step toward a universal caregiver model, but if the quota is modest that naturally makes the step smaller. The gender segregation of the labor market and women's continued main responsibility for family care and household chores are evidence that the social practice of citizens in Scandinavian welfare societies differ significantly from their formal rights in matters of gender equality (Melby, Ravn & Wetterberg, 2009).

Summary

The first section of the chapter discussed dichotomy in gender politics, how it is socially constructed and in need of deconstruction. The next section discussed theories of, on the one hand the patriarchal nature of the state, and on the other of its potential to become women-friendly. In the following sections, theories of marriage as a situation of unequal power relations between spouses; theories of women-friendly citizenship with emphasis on economic autonomy; and Nancy Fraser's universal caregiver model were all discussed.

The chapter found that although patriarchal problems can be found in Nordic societies (including Iceland) they also have the potential to become women-friendly. The state plays a large part in that process, as Connell stated, as the state is a central agent in regulation of gender power relations. The state has the capacity to "do gender" and have great influence on for example who can participate in the labor market and who care for children. Women-friendly provisions are in danger of having paradoxical effects because of patriarchy's adaptability, as pointed out by Hernes and Walby. An example of this are care-benefits, which although meant to enhance women's economic freedom and independence, are not nearly adequate and make women dependent on the state. This creates the dichotomy between emphasis on women's labor work participation, and women's economic recognition for care work.

Also discussed was the effects of "positive femininity" when women explain unequal practices within relationships as their own choice, for example their greater share in childcare and often the consequently lessened labor market participation. What is not discussed is the outcome of this for their economic security and pensions later in life. Carole Pateman (2004) has pointed out the massive free-riding by husbands, benefitting from their wives' unpaid domestic and care work. It is notable to consider whether or not husbands are the only free-riders in this perspective, as the society as whole is benefitting from this unpaid care work, which otherwise would have to be paid for, likely by the state (which most often is responsible for care provisions such as day-care and care of sick and disabled people and the elderly). Young (1995) emphasizes that in order to grant equal citizenship to caretakers in the home, the contribution of

dependency work must be adequately supported by society, both in income and entitlements. This is in line with Kessler-Harris's emphasis on economic citizenship.

This would also, in Young's estimation, result in men's greater participation in dependency work which harmonizes with Nancy Fraser's model of the universal caregiver. Fraser's model of the universal caregiver, on equality being realized when men become more like women in regard to care and labor-work, has been criticized for being utopian. Young's suggestion of economic reward for care could however affect its chances. But there is still the problem of paradoxical effects if such a provision would backfire and bring women back into the home, without increasing men's participation in care. The dichotomy of care work and labor market participation thus prevails.

Later in the thesis I will use this theoretical framework in the analysis of my results in researching the gendered aspects of Iceland's pension system and economic situation of pensioners. In the next chapter I will take closer look at some previous research on women in old age and receiving pensions.

3) Theories and research on pensions from a gender perspective

The problems facing Western pension systems are in some ways connected to women's status in society. Since adequate fertility rates are necessary for the survival of the pay-as-you-go systems, childbearing has to appeal to women. The strain between work and childbearing increases the risk of women considering themselves forced to choose between their career and family, and hence fertility rates will decline as discussed in chapter one. For women who have chosen family, their situation in regard to income and later on the pension system, is in many cases inadequate.

In this chapter I will discuss the status of research on pensions from a gender perspective. The focus is on the situation of older women deriving pensions and what improvements might be suggested as to ensure their economic security and gender equality. I will firstly discuss theories on the gendered nature of welfare systems and social security. Second, I will present studies of the feminization of poverty and power hierarchies within families. Third, I will discuss research on pension system reforms from a gender perspective (most prominently the pension systems in Europe) and lastly, I seek to highlight how pension systems can be reformed so as to be fairer from a gender perspective.

The gendered nature of welfare and social security

Many scholars have pointed out the gendered nature of welfare systems and social security. Studies of welfare states have shown that welfare states treat women systematically differently than men in various ways. For one, there is a tendency for benefits paid out to women to be on average lower than those paid out to men. Second, social security regulations directly or indirectly reflect

gendered assumptions about protection against social risks (Leitner, 2001). This, Leitner calls the “structural gender bias of welfare states” (Leitner, 2001, 100) and suggests there are structural mechanisms of gender discrimination at work within the European pension systems.

Leitner refers to the research of Barbara Nelson (from 1990) which addressed “the two channel welfare state” in USA and how it leads to gender differences among recipients of social security benefits. Men are the majority of those receiving benefits based on earned rights, and those benefits are adequate, according to Nelson’s research. A different situation appears among women, who are the majority of those receiving income-tested benefits supplied on the basis of dire need and are subjected to social stigma. Leitner also refers to Theda Skocpol’s work which demonstrated that benefits paid out to men tend to be both higher and result in less social stigma. To support her case she points to the comparison of benefits to soldiers and to struggling mothers (Leitner, 2001).

Nancy Fraser has also described the U.S. social welfare programs as a two-tiered system with a gender subtext (although officially gender neutral). Fraser describes the Social Security system of retirement insurance as androgynous, since a large part of female recipients claim benefits on the basis of their marriage situation—as wives or unpaid domestic workers. By contrast, almost no male recipients claim benefits as husbands. The system is internally divided between family-based “feminine” benefits and market-based “masculine” benefits. “Masculine” insurance schemes position recipients as “rights-bearers”, suggesting that they’ve somehow earned their right to benefits. Thus the beneficiaries of such programs are less stigmatized, while in contrast recipients of “feminine” benefits are more likely to be stigmatized, suggesting they have not “earned” their benefits. In addition, the feminine relief programs are notorious for the administrative humiliation they inflict upon their clients, with heavy surveillance and considerable work in qualifying and maintaining eligibility (Fraser, 1987). The question is whether the inadequate benefits of “feminine” programs are a result of this stigma, or the prerequisite.

Here, the Icelandic system and provision of care benefits for spouses in old age comes into mind. If a pensioner needs care in his home, his spouse or

others of his household can receive benefits for his care—if the care duties lead to the carer's loss of income. The application for such benefits must contain a medical certificate confirming the need for assistance in activities of daily living, and confirmation of loss of income—both information from the employer about the decreased amount of work or retirement, and payslips from the last 3 months (some information from tax authorities might also be necessary). This application must be renewed every 6 months (Social Insurance Administration Iceland, 2012a).

According to The Social Insurance Administration, only 28 (5 male and 23 female) persons used this resource in December of 2010. One can wonder why: perhaps the need is not at hand, maybe the benefits are considered inadequate (in 2010, this intact amount was 98,482 ISK per month) (Social Insurance Administration Iceland, 2011), or maybe, the eligibility requirements and conditions of this resource are the cause. And possibly, we can associate this situation with the problem Hanna Haavind discusses in her article about love and power in marriage (discussed in last chapter), and whether receiving payments for care of a spouse or a close relative is considered inappropriate because such work should be done out of love.

Earnings-related schemes are the dominant form of pension schemes. According to Leitner's research (2001), few countries (the Nordic countries and the Netherlands) in Europe have additionally established universal pension schemes based on residence and citizens' rights². This is in addition to the traditional division of labor between the sexes considered to be the primary reason for the discrimination against women within social security systems. Many earnings-related schemes do incorporate family work by granting entitlement for the care of family members and providing benefits for spouses and/or survivors. But this means that it's not the individual's caring career that qualifies for care-related entitlements, but the family-worker's status of being married to a person who is covered by the earnings-related scheme. This reflects the heteronormative nature of these systems, and in some cases, discrimination

² Leitner's research was carried out in the early 2000s, when the member states of the EU were 15 in total.

on the basis of alternative sexual orientation or cohabitation, in addition to maintaining traditional family arrangements (Leitner, 2001).

Leitner has pointed out that access to earnings-related pension entitlements is often restricted by minimum qualifying conditions on, for example, the duration of continuous employment, number of coverage years and level of income. This excludes those working discontinuously and/or with low incomes, but these are two characteristics of women's labor market participation across Europe (Leitner, 2001). This is also evident in Ginn and Arber's research findings of 120 supplement pension schemes in UK, across various industries, where a substantial number of pensioners had restricted access to schemes with an upper age limit, a lower age limit, or a length of service requirements. All of these restrictions are a barrier for those working discontinuously (Ginn & Arber, 1991).

Most of the earnings-related schemes also grant additional credits for unpaid care work. The length of periods varies greatly, for example a maximum of 6 months credited for child care in Greece, compared to up to 16 years in Ireland and UK. Although crediting care work is an attempt to alleviate work-behavior discrimination within old-age security systems, the earnings-related norms are not being seriously challenged or revised and gender discrimination is maintained (just to a lesser degree than before) since benefits provided on the basis of caring periods are generally low compared to benefits on the basis of earnings. Although the care benefits are usually available to both sexes, experience has shown that women are the vast majority of those doing the unpaid caring work. The care benefits system has thus been seen as flawed when it comes to addressing gender inequality (Leitner, 2001).

Older women's poverty

Brady and Kall (2007) extend the feminist critique of welfare states to poverty in society. They use the term "feminization" of poverty, which refers to the

disproportionate representation of women among the poor³. The feminization of poverty is nearly universal across affluent Western democracies for the period studied by Brady and Kall (1969-2000). Their results suggest that the feminization of poverty is not much associated with levels of overall poverty, confirming that the feminization of poverty is a distinct social problem. For example, the general economic climate, unemployment, economic growth and so on, does not influence the feminization of poverty though these are important factors for overall poverty rates. The four main variables affecting feminization of poverty are, according to Brady and Kall, the sex ratio of labor force participation, the sex ratio of the percent of elderly, children in single mother families and social security transfers. The researchers did not examine the influence of marriage, divorce and cohabitation, but suggest these should be investigated in the future (Brady & Kall, 2007).

People over retirement age are typically poorer than those in working age, and women in the seniors' pension age are generally poorer than men (Price & Ginn, 2003). For this we can find many reasons. Gender discrimination in wages, status and opportunities in the labor market are of course significant factors here, in addition to the constraints of motherly and housewife responsibilities that result in decreased labor market participation of women in comparison to men. This results in women's disadvantages in supplementary pension schemes, and furthermore women tend to have less access to such pension schemes than men do. Periods of single parenting have great effects, as the economic situation of single parents is affected by difficulties in juggling responsibilities as single parent and a worker, not to mention the effects of women's generally lower income. Furthermore, women live on average longer than men, and through the years their pension age has generally been lower than men's—women thus need to survive longer on lower pensions (Price & Ginn, 2003).

One might think that in our times the problem of men and women's unequal pensions is diminishing greatly, since it is in such a large part based on

³ Different definitions for "feminization of poverty" exist; Brady and Kall use the conventional meaning—the ratio of women's poverty over men's poverty.

women's much lower rates of labor market participation in the past. But this might be too optimistic. Comparing three generations of women in the UK, Jay Ginn asserts that the private pension advantage of single women over married women in the oldest generation has prevailed in the working age generations, suggesting that single women still earn more pensions and married women less (Ginn, 2003). It is however not marriage in particular that is the main influence here, according to Ginn, but rather the care of children that is a barrier to women's full and continuous labor market participation and consequent pension accumulation.

It has been assumed that women who provide unpaid caring work can depend on their husbands for income in later life, which is the typical male-breadwinner provision that characterized the Beveridge⁴ welfare state of the post-war era. This has proven to be a much defected and distinctly male vision (Price, 2006). In her article from 2006, Debora Price comes to the conclusion that the relatively higher poverty rates among women in later life compared to men is chiefly the result of women's individual poverty within marriage. In cohabitation, women have unequal access to money due to their caring and housewife duties. When these women become widows or divorced, their loss of income from a spouse has a great impact on their income and consequently their well-being. According to Price's research, widows are thus relatively poor compared with older women who never married. However, divorced women are the poorest of all (Price, 2006). Widows only receive spousal pensions for a limited period and may have poor individual pensions. The same situation applies for divorced women, except they most likely do not receive any spousal benefits. Women who never married, on the other hand, are likely to have been active in labor market for a long period, earning their own pensions.

According to Ginn and Arber's research in early 90s, married women are the least likely to receive a pension and single women the most likely to receive one. This stems from married women's greater attachment to the domestic role in contrast to that of single women. Although divorced and separated women

⁴ Named after William Beveridge, economist and social reformer, author of the influential Beveridge report which influenced social security reforms in post-war Britain

are a numerically small part of the elderly population, their part can be assumed to proportionately increase in the near future in light of the dramatic increases in the divorce rates over the last decades. This group of elderly women is in danger of being severely economically disadvantaged (Ginn & Arber, 1991).

The core of the matter is this: “our pension system was never designed to reward women” (Price, 2006, 23). According to Price, the neo-liberal pension system that has developed in the UK under Prime Ministers Thatcher, Major and Blair, has markedly reduced the value of state pension. Private pensions have thus become a necessity to avoid poverty. But such private pensions have primarily been available through occupational or earnings-related schemes. Women have always had much lower employment participation than men, in addition to the UKs wide gender pay gap and the fact that employed women have been much less likely than men to have had access to occupational pension scheme, and so women have been disadvantaged in supplemental pension schemes. The risk of poverty is the biggest for the eldest women (Price, 2006), since they are the least likely to have earned pensions.

Most poor older women live alone and the majority of older women are widowed, separated or divorced (Price, 2006). Divorced or widowed older women generally have to rely on their own pension. The sharing of pension in the events of divorce is a relatively new provision and it remains to be seen what difference this will make for divorcees. A widow/er may be entitled to a proportion of the private pension earnings of a spouse, usually half of the spouse’s pension (Price & Ginn, 2003). Women of minority ethnic groups are a particularly vulnerable group, as they are in more risk of being disadvantaged and discriminated against in the labor market (as are in fact men of ethnic minority groups) and have less access to occupational pension schemes. The ethnic women’s participation in the labor market can also be affected by differences in cultural norms (as the proper behavior of married women). Research by Arber and Ginn (2001) suggests that members of minority ethnic groups, in particular women, will be disproportionately dependent on means tested pension benefits as a result of their low private pension coverage. Interestingly, family variables, such as being married or having young children at

home, contribute much less to the low private pension coverage of both men and women of ethnic minority groups, than do labor market variables, i.e. earnings, status and occupational class of workers belonging to minority ethnic groups (Arber & Ginn, 2001).

Means testing is generally considered to create a work disincentive since the wives' incomes are usually lower than their husbands and seen as secondary. Therefore, means tested earnings of a spouse undermines women's economic independence, making women more dependent on the social security system in the events of widowhood or divorce in old age (MacDonald, 1998). It is a valid question whether pension saving is worthwhile for women with low earnings and consequently low private pension benefits. If means testing of basic pension is substantial, small pension savings may bring little or no financial gain because of the withdrawal of means tested benefits. This may especially apply in the cases of women whose lifetime earnings are affected negatively because of motherhood (Ginn, 2003b). Although this is a discussion of the UK pension system, it is echoed in the criticism of the Icelandic pension system's means testing of benefits, which is considered too severe, as discussed further in chapter four.

That's the power of love

According to Icelandic laws, married couples (or cohabitating) have a joint responsibility for the maintenance of the family. Maintenance is described in marriage laws as what can reasonably be required for the joint household and other needs such as children's upbringing and education, and the special needs of each spouse. Contributions to maintenance can be in cash payments, work in the home or other support to the family. A spouse therefore has a demand on the other spouse to maintenance because of the household, children or his/her own special needs, if his/her own income is not sufficient (Hjúskaparlög, nr. 31/1993).

The mutual responsibilities of married couples remain after divorce. At the time of a divorce, a decision must be made about the couple's responsibility

to pay each other's pension entitlements. The length of marriage/cohabitation can be a factor here. But according to the 102nd article of the Icelandic marriage laws, a spouse can demand that his pension entitlements will not be distributed between the couple in the events of a divorce. Other assets of a couple's income are subjects to distribution between the separated couple (Hjúskaparlög, nr. 31/1993).

Scholars have suggested that the unequal earnings of individuals in marriages affect the division of domestic labor in the home (Arber & Ginn, 1995; Young, 1995; Pahl, 1995 & 2008). It is common for women to have lower wages than their husbands for many reasons, but this may reinforce the gendered division of labor in homes or frankly be the cause of it. As discussed in the previous chapter, men's higher wages may give men the justification for not participating equally with women in caring for children and home, since they contribute more income to the home. It also may result in men justifying their own occupation as more important than their spouse's job, as well as their importance as "main breadwinner", compared to secondary breadwinner (Arber & Ginn, 1995). Men have, by the power of their more generous earnings, the power to not participate in housework and childcare. This often leaves women to work many more hours than their husbands, "making up" for their lower wages. The tasks they perform are also undervalued. This influences the control and power of financial resources in the household, making men more often the primary decision makers (Young, 1995).

Jan Pahl associates the bringing of money into the household and having power within the household, suggesting that the higher income women contribute to the home, the greater power they have in decision-making. Pahl draws on two main data sets from the United Kingdom, largely qualitative interviews. According to Pahl's study, in the cases of the most egalitarian relationships, money was pooled and managed jointly. This however (at the time of the study) only constituted one fifth of all households (Pahl, 1995).

A "woman's wage" has historically, in a certain sense, been defined as different from a "man's wage", i.e. as a supplementary income to traditional couple households. Consequently, a woman's income has been treated as less

significant (which leads to the undervaluing of their work and affects wage trends in female dominated employment sectors) and so it will be until the notion of the husband as a primary earner is abandoned. According to Pahl's study, women are more family focused in their spending than men, they more willingly make sacrifices in their personal spending and spend a higher proportion of their earnings on the children. In the light of this, there seems to be a contradiction between theory and practice in our thinking about allocation of income within marriage, for in theory the man is seen as breadwinner and women's income seen as external to the family budget (Pahl, 1995). This difference in women's and men's spending is revisited in Pahl's study on increased individualization in financial arrangements within couple's relationships (2008).

Pahl's study (2008) suggests that a couple's decision to keep their money separate, although motivated by the benevolent motives of independence and equality, might in reality result in greater inequality between partners. Fewer couples are pooling their money in a joint account in recent years and more are keeping all their income separated. This appears to apply particularly to younger and more affluent couples, especially before they have children, but this may be an indicator of a more lasting change in norms and values. This individualization takes place parallel with the increase in relationship breakdowns and divorces. This has changed women's situations and future prospects, as they cannot look to marriage as a source of financial security in the same way as women did in decades prior. Women's increased employment and the freedom they feel at having their own money to spend and their reluctance to be financially dependent on a man are surely positive. There is a catch, however, and that is the gendered spending patterns and women's continued greater responsibility for children and home—now also financially.

Pahl conducted a research with data from the 1996 Family Expenditure Survey in the UK. Results showed that women spent more than men on food, women's and children's clothes and childcare than men, while men spent more on leisure such as meals out, alcohol, holidays and motor vehicles. More balance appeared in spending on household goods, medical and dental expenses,

tobacco and recreation. In short: money which is earned and controlled by mothers is more likely to be spent on children than is money earned and controlled by fathers (Pahl, 2008).

This gendering of spending patterns is not as significant if the money comes from a joint account. But since the accounts are more increasingly separated, it begins to have implications if both partners' incomes are equivalent. Women's income is often negatively affected by motherhood, and if this happens at the same time as expenditure increase because women are expected to pay the cost of children, this may result in inequality within households (Pahl, 2008). Also, women's responsibility for their children may impact their private pension savings. Researchers suggest that women are less likely to save from their current earnings than men, which is a reflection of their smaller incomes (Pahl, 2008; Price & Ginn, 2003b). The strain of paying for immediate child-related expenses may overcome the importance of saving for a distant future—such as making pension savings. So, until women have equal earnings or higher than their partners, it is unlikely that equality in the home will be achieved, which again affects the gendered society. Equality in the domestic sphere and labor market are thus distinctly connected. Equality in one sphere will not be achieved without equality in the other (Arber & Ginn, 1995).

Care credits and pensions

Pension system reforms in Europe in recent years have been influenced by neo-liberal inspired practices: privatization and the reduction of the part played by pay-as-you-go systems. There is a general tendency toward introducing private pension schemes and toward giving private financial organizations such as banks and insurance companies space to manage private pension funds⁵ (Frericks, Maier & de Graaf, 2009). A closer link between benefits and contribution levels is being established and this has been described as part of the "retreat of the welfare state" (Ivošević, 2009, 5). A tighter linking between contributions and benefits perpetuates the labor market inequalities, as the gender pay gap is

⁵ This has been described as "the third" pillar and will be discussed in more detail in next chapter.

extended to a gender pension gap. Workers in low-paid jobs, among whom women are disproportionately represented, have difficulties setting aside income for savings. Part-time workers are particularly vulnerable, and again, women make up the majority of this vulnerable group. Redistributive elements as minimum income guarantee and guaranteed old age pensions are the most efficient tool to reduce gender difference in pensions (Ivošević, 2009).

But it is not only argued that European pension systems are affected by neo-liberalism: Frericks et al. argue that the development of pension systems in Europe has led to a mix of privatization and solidarity, and are a fusion of neoliberal and “neoetatistic” (increasing regulation and role of the state) development. The increased solidarity or neoetatistic policies are reflected in state influences on private or contribution-based schemes through resource flow and regulative influence like equality policies. An example of this is regulation on using gender-sensitive life-tables, preventing that statistical difference in life expectancy results in different pension benefits (Frericks, Maier & de Graaf, 2009).

The ideologies of neoliberalism and neoetatism/state regulation have usually been seen as contrasting, but as Frericks et al. point out, they can thrive together within welfare systems such as pension policy. For example, individualization is generally associated with neoliberalism—related to personal profit and autonomy—but as an etatistic concept it comprises equality in freedom of choice, equality in outcome of choice, and group responsibility. This ambivalence, and the suspicions about the purpose of policies, is reflected in specific factors of welfare and pension provisions, such as pooling of income into joint accounts, as was earlier discussed. Another example are care credits—are they intended to improve carers’ (usually women) pensions or to bring them back into the home? (Frericks, Maier & de Graaf, 2009). Is the intention to encourage women to have more children, to reduce poverty in old age, facilitate the individual accumulation of pension contributions or encourage a more equal division of paid/unpaid labor? This also stands in context to the generosity of the pension, if care credits are low, the carer is under greater pressure to enter the

labor market. If the care benefits are high, on the other hand, the carer has more space to choose whether to (re-)enter the labor market (Vlachantoni, 2008).

Frericks et al. (2009) suggest that a new definition of citizenship is in the making which is occurring parallel to the recent welfare state reforms. Citizens have always had to live a specific life to be entitled to pension rights, with an emphasis on activeness, strictly related to work participation. Today the definition of duties connected to being citizens seems to have changed, since solidarity-valued activities like childbearing and rearing, education and care of the elderly are being increasingly valued to some extent (although in some cases a very limited extent) in the earning of pension rights. The definition of “activity” has thus been expanded (Frericks, Maier & de Graaf, 2009).

Care credits in pension systems are a particular concern as a debatable action in promoting gender equality and improving women’s economic situations, since women are predominantly responsible for unpaid care work of dependent relatives. Care credits are amounts paid for a certain period of provided care in the domestic area, as if the carer was employed in the labor market. In European pension systems, some form of care credits for childcare are common, but care credits for the care of other (sick, dependent, elderly persons) relatives are not as prevalent. Pension care credits are in principle a reward for women’s unpaid domestic work, a tool equalizing the pensions of men and women and a recognition of the individual right to make their own choices without being penalized by the welfare state. It has thus been argued that care credits are a step forward in enhancing gender equality. But researchers have argued that there is a downside to the care credits in their practical implementation (Vlachantoni, 2008).

In their current form, care credits partly maintain inequality in pension systems, mainly because periods of time spent working in the labor market are valued much more than time spent providing care in the domestic area. Therefore, the provision of care credits remains an inadequate mechanism of compensation. Another reason for caution in regard to the estimated abilities of care credits in enhancing gender equality is the question as to what extent care credits preserve women’s and men’s traditional roles in society, with all of the

implications, advantages and disadvantages that those roles have within current pension entitlement structures. As long as women use care credits more than men, this will most likely be drawback to them and so the “net benefit” of this compensatory mechanism for women’s economic security in old age is questionable. So as long as women continue to provide the most care for dependents, care credits are beneficial to women—but at the same time, if women do continue to provide the most care, they will continue to be worse off than men within pension systems (Vlachantoni, 2008). In addition, the positive economic influence of care credits varies between pension systems. For example, the care credits of the Swedish pension system seem to have little effects on women’s pension amounts (Ståhlberg, Birman, Kruse & Sundén, 2006).

A gender equal pension system

The pension systems of European states differ in the extent of their sensitivity to gender internal features. Research indicates vulnerability of key system elements and features, such as calculation formulas for determining benefit levels, access to pension benefits, redistributive elements and retirement ages. In this section I will examine further some gender biases to be avoided in pension systems’ structure.

Women’s pension situations are first and foremost influenced by their longer periods of unpaid care work, fewer average years of paid work due to career-breaks and part-time work, as well as gender gaps in earnings. This means that in a pension system based on contributions through employment earnings, women are likely to receive less pension amounts than men due to the aforementioned factors. Pension systems differ to the extent of how closely linked the coverage is to paid work, which can range from very loose to a very tight connection with employment status. Some countries provide access to non-contributory pension benefits that depend on residency requirements and/or some income assessment other than employment-related contributions. Examples of such systems are the systems in New Zealand, Canada and Australia (in addition to the aforementioned countries—the Netherlands and the Nordic

countries). Although it can be argued that such minimum pensions, unrelated to employment history, are perceived as relatively favorable to women and even suggested as being the most effective schemes when it comes to alleviating poverty among older single women, it should be noted that the benefits of these schemes are usually relatively low and aimed to some extent at ensuring minimum economic resources in later life. These systems furthermore tend to operate in combination with private employment-based pension schemes, which have been suggested as being gender biased (Jefferson, 2009) as discussed in this chapter.

Jefferson discusses three main policy directions to address gender equality within pension schemes. The first would be to focus on women's workforce participation and lifetime earnings, and ensure women's access to employment opportunities (which calls for actions such as affordable child-care) so that women can participate in pension plans. The second direction is to assess gender sensitive features of pension schemes, accounting for women's shorter and less continuous working patterns, lower wages and their contribution in the domestic sphere. The third direction is to improve gender equity by ensuring access to pension schemes on a basis independent of workforce participation patterns (such as government-mandated minimum pension benefits) (Jefferson, 2009). Ivošević (2009) has listed the numerous aspects that need to be taken into account in assessing the gender impact of pension systems.

The first factor, according to Ivošević, is the effect of the individualized multi-pillar systems, saving schemes and the extent to which the systems are based on contributions, as opposed to the one pillar mandatory pay-as-you-go system. The increase in multi-pillar design of pension systems is associated with the increase of private individual saving schemes and the narrowing of the public pay-as-you-go system. This signals the increase in individual payments to pension funds, and a decrease in government expenditures on pensions. Saving schemes for old age reflect labor market inequalities and the tighter linking of pension benefits to contribution levels, and which sustains the inequalities in the labor market into retirement age, turning the gender pay gap into a gender pension gap. Furthermore, as earlier discussed, workers with low pay and in particular

part-time workers have difficulty acquiring surplus income to save for pensions. Within these groups, women are predominant (Ivošević, 2009).

Secondly, some redistributive elements of pension systems have particular benefits for women, for example minimum income guarantee for all citizens. Flat-rate provisions in the basic state pensions give all citizens the same amount of pension payments and thus eliminate gender effects for this portion of the individual income. Income ceilings limit the amount of total pension amounts that can be received by an individual (Ivošević, 2009). The extent of individualization of pensions and derived rights (such as survivor's pension) from family relations are influential, and most beneficial if the beneficiary is able to claim both their own individual and derived rights simultaneously (Jefferson, 2009). Often means testing or other conditions have become a prerequisite to obtaining derived rights. The extent and severity of means testing can have great effects on pensioners who derive benefits from different sources. A number of studies have found access to pension benefits via partner's entitlements problematic, for the deriving of spousal benefits can mean that a person derives little or no benefit from one's individual contributions. Proposals have been made for a system of earnings sharing, where each spouse receives credit for half of the couple's joint earnings throughout their marriage (Jefferson, 2009). Such earning-sharing systems are for example available by choice in the Icelandic pension system.

Third, the extent to which family realities are incorporated into the pension schemes have a gendered impact. These are for example parental leave benefits, child care, pension-splitting in the event of divorce, a framework for new family realities such as non-wedded or same sex partners, and the equalizing of pension rights between women and men. Parental leave and the availability of child care are to some extent external factors influencing women's employment participation and the division of care and domestic work (Ivošević, 2009). Care credit benefits are meant to improve women's pensions, but have been criticized as controversial—although they value women's work, typical labor market participation (historically and empirically more associated with men) is valued more (Leitner, 2001).

Fourth, access to schemes and calculation methods must take into consideration understandings of gender differences. These are for example issues such as minimum age, conditions of minimum and regular contributions, access to retirement without pension loss, position of part-time workers and their access to schemes, minimum earnings, life expectancy tables and so on. Minimum earnings requirements are gender biased because of women's generally lower earnings than men's as well as the factor of career interruptions. The interrupted careers and part-time employment common among women also makes it harder for them to reach thresholds of minimum contribution periods, especially if those periods are in their framework for a considerable length of time. The same reasons make it harder for women to meet the conditions of regular contribution (Ivošević, 2009).

It is therefore of great relevance whether women's (or men's for that matter) periods of care giving and parental leave are acceptable as contributions for the accumulation of pensions. Calculation formulas based on overall average income tend to strengthen the gender differences in pension entitlements, since women tend to have interrupted career paths and lower wages than men. Systems based on best years, or last years, are less disadvantageous for women, and the shorter the base period, the lower the gender gap. Life expectancy can be calculated as either gender blind or gender based, and if separate life expectancy tables are used in the calculation of contribution, women will pay for their longevity with higher contributions or lower monthly benefits (Ivošević, 2009).

Recently actions have been taken to equalize the retirement age of men and women in European countries. Traditionally, women's minimum retirement age has been lower than men's. This is a provision resting on outdated male breadwinner and female homemaker/mother vision, assuming that a lower minimum retirement age for women was a way to compensate for the burden of unpaid, unrecognized work—and the assumption that women married older men and a different retirement age would enable joint retirement. The equalization in minimum retirement age is seen as a part of equalizing what was seen as women's rights in pension systems before, e.g. parental leave. However,

these actions are disputed since in many cases an equalization of minimum retirement age is failing to respond to the portion of unpaid and unrecognized work still performed by women (Ivošević, 2009; Leitner, 2001).

As Frericks et al. point out, countries like France and Austria have recently increased the number of insurance years (from 40 to 45 in Austria and 38.5 to 42.5 in France) and these changes are challenging for women in particular because of the fact that until recently women had younger retirement age than did men. This is not the only calculating method that has changed to the disadvantage of women. Continuing with the example of France, the best 10 years of employment used to be the basis for calculation of pensions—now it's the best 25 years. This means that employees have to have a more stable lifetime income to gain the same entitlements but, as has been discussed earlier, women are more likely to have breaks in employment than men (Frericks, Maier & de Graaf, 2009).

In addition, provisions such as tax spending on pensions can be gendered. Ginn takes the example of Britain, which has relatively small first tier pension, and state pension spending of 4.4% of GDP in 1998, which was about half the EU average in 2000. However, Britain spends more than any other EU country on tax relief on private pensions, which in addition is highly regressive, with half of the benefit received by the top 10% of taxpayers. A quarter is received by the richest 2.5%. It is likely that men benefit more from the pension tax discounts, since men are generally richer than women. A higher, universal earnings-indexed basic pension would however be more beneficial to women who make up the majority of those struggling on inadequate pensions (Ginn, 2003b).

As noted, individualization is complex and the case of Norway suggests that emphasis on individual rights like care credits, and the reduction in derived benefits, can be controversial. Researchers have argued that care credits in Norway compensate employed mothers for loss of pension credits in periods where they have childcare responsibilities, but do not provide income security for homemakers, and can't make up for the loss of derived rights like survivor's pension. This may also increase pension inequality among women (MacDonald, 1998). Tove Stang Dahl suggested in 1984 that ideas about a claim for pension

points for domestic labor may have an ideological symbolic function, but it would be questionable whether such a symbolic function was worthwhile since it was unlikely that pension points would lead to an increase in benefits worth mentioning. A more important issue would be to ensure that women received a minimum benefit before reaching pension age (Dahl, 1984). Nevertheless, unpaid care-work is currently rewarded with acquired rights in the Norwegian pension system (omsorgsopptjening) (NAV, 2012).

Summary

In this chapter I firstly discussed research suggesting welfare provisions can be gendered, or as Leitner called it, the structural bias of the welfare states. The second section discussed theories suggesting older women are especially prone to poverty and the reasons for this. The third section focused on economic behavior within couples relationships and how it has effects in the distant future. The fourth section mainly discussed the case of care credits in pension systems, and how such provisions have been suggested to have controversial effects. The fifth section lastly provided an overview of structural factors within pension systems that affect gender equality within the systems and what gender biases are to be avoided within a gender equal pension system.

The chapter found that there is a danger that gender biases are built into welfare provisions, and which rest on ideas about men's work and women's work and value. "Masculine" insurance schemes treat men as right-bearers, but more "feminine" benefits are not likely to imply that their receivers have earned them, resulting in both the benefits and its receivers being more stigmatized. In line with the results from previous chapters, the care-benefits provisions within pension systems are seen as flawed when it comes to addressing gender inequality, since benefits are not comparable to wages provided by the labor market and women are still the vast majority of those doing care work. This suggests that women-friendly welfare provisions can be controversial in their function, which is in line with theories on dichotomy and paradoxical women-friendly provisions of the welfare state, discussed in the previous chapter. This

can also be seen as the adaptability of patriarchy—also discussed in previous chapter. This chapter found that equality in the domestic sphere and labor market are distinctly connected, which leads to the conclusion that equality in one sphere will not be achieved without equality in the other. This is in line with the previously described theory of the universal caregiver by Nancy Fraser.

The chapter also found that, according to research, older women are more vulnerable to poverty than older men. This is what is to be expected when pension earnings are tightly linked to wages. Then it is foreseeable that the gender pay-gap will be extended into old age. Since the gender pay-gap is still a problem, this problem of men's and women's unequal pensions is not likely to go away, as described in the chapter. An additional threat is the weakening of the welfare state, as demonstrated by the development in the UK where neo-liberal reforms in the pension system have markedly reduced the value of state pension and private pensions have become a necessity to avoid poverty (Price, 2006). Such weakening depends on the political development, and could happen in Iceland as well.

In the chapter new definitions of citizenship were discussed. According to Frericks et al. (2009), citizenship as a concept has been broadened to value activities like care of children and the elderly in the earning of pension rights. Although modest rights, these can be seen as a step towards women-friendly citizenship. Regarding the most women-friendly provisions in pensions, Price suggests that in the case of Britain both the value of basic pension needs to be increased, as well as women's rights to the state pensions in light of their yearlong performance of unpaid work (Price, 2006). Ivošević has suggested that redistributive elements such as minimum income guarantee and guaranteed old age pensions are the most efficient tools to reduce gender difference in pensions (Ivošević, 2009). In addition to Jefferson's (2009) three directions—securing women's employment, preventing gender bias in pension system framework and securing access to pensions independent of workforce participation—the conclusion is that one must look at many angles to secure women's decent pensions. Adequate basic pension, redistributive elements and securing the rights of women to pension regardless of their employment history, are most

important in securing income security for women already deriving pensions. Gender equality in the labor market is however no less urgent for the future of women on pensions.

In the next chapter I will outline the key elements of the Icelandic pension system, with focus on gendered factors of the system.

4) The Icelandic pension system from a gender perspective

This chapter is divided into two main sections. In the first section I explain the aspects and functions of the Icelandic old age pension system. I must emphasize that I do not provide a detailed explanation of the system in this thesis, but an overview of its most important features for the context of this research project. In the latter main section of the chapter, I provide statistics relevant to the interplay of gender, economic status and pensions. I will then analyze the statistics and draw conclusions from them on the situation of women on pensions in terms of economic independence and gender equality.

Structure of the Icelandic old age pension system

The Icelandic pension system rests on three pillars. The first is the pillar of the social security system, providing a safety net of guaranteed minimum income for all national citizens. This pillar is financed with tax revenue; it is a pay-as-you-go system called a basic pension (*grunnlífeyrir*). The second pillar is the occupational pension system. The system is mandatory and funded (payments are based on funding and investment returns), in contrast to the common pay-as-you-go pension systems of many other OECD countries. The pension funds operating in Iceland are either occupational or independent funds, most of them private but publicly regulated. The third pillar is voluntary pension saving with tax incentives (*viðbótarlífeyrissparnaður/séreignarlífeyrissparnaður*). Contributions to pension systems are not taxed when they are made, resulting in larger amounts accumulating in the system through time: instead the pension is taxed when it is paid out to the pensioners, in the same way as income from employment.

Interest income of pensions is exempt from capital income tax (Icelandic Pension Funds Association, 2006).

Three pillars or five?

This three pillar system is in accordance to the World Bank's recommendation from 1994 of such a three pillar system to best provide security, resilience to different types of potential shocks and flexibility. According to Már Guðmundsson, now the governor of the Central Bank of Iceland (Seðlabanki Íslands), the synergetic effects of these three pillars provide the ground for an exemplary pension system (Guðmundsson, 2004). Recently, the World Bank has added two pillars to their analysis of pension systems. First is the so called "null" pillar, which is a revenue assurance for citizens of retirement age, intended to deal with poverty in old age, and paid for by public authorities, usually through tax revenue. That makes the first pillar slightly diverse from the aforementioned definition: the first pillar is then earnings-related basic pension, either financed with funding or pay-as-you-go system. The second pillar is still mandatory pension savings, and the third voluntary savings. The additional fourth pillar is the informal assistance from friends and family, financial or otherwise (this will be referred to as the "five-pillar system" in the future discussion, since it consists of total five pillars including the null pillar) (Ólafsdóttir, 2011).

According to Holzmann and Hinz's book, *Old-Age Income Support in the 21st Century: An International Perspective on Pension Systems and Reform* (2005, published by the World Bank), the fourth pillar is meant to include the broader context of social policy such as family support, access to health care and housing. The pillar can also include personal savings accounts. The point about housing and home ownership can be important in the future for Icelanders still active in the labor market, since many people have enormous housing loans and debt which they may not be done paying when they retire in few decades, as is apparent with the situation today. Also, the issue of available and affordable health care is an important one, especially for pensioners with low income. The authors emphasize need to incorporate the existence or absence of "benefits" of

the fourth pillar into the design of the pension system (Holzmann & Hinz, 2005). What is interesting about this five pillar system, and the so called fourth pillar in particular, is the recognition of informal assistance of friends and family members, which is not necessarily purely economic. This makes room for the discussion and recognition of unpaid care as significant aspect of pension systems. However interesting the five pillar approach is, in most of the literature about the Icelandic pension system the three pillar approach is used⁶. I will therefore use the three pillar approach in my explanation of the system.

Basic pension

Old age pension is generally available from the age of 67, but drawing of pension can be deferred to the age of 72, which raises the basic pension for each month the drawing of pension is postponed. The entitlement of pension depends on the years of residency. The pensioner has to have been resident in Iceland for at least three years between the ages of 16 and 67 to be entitled to an old age pension from the social insurances, and permanent residence for 40 years provides entitlement to a full basic pension. The basic pension decreases in percentage terms when the period of residence is shorter (Karlsson, 2008). The Social Insurance Administration has agreements with institutions in some other states to access pension benefits of pensioners residing in Iceland (Social Insurance Administration Iceland, 2012a).

All taxable income affects the basic pension, including the occupational pension (an exemption from this are supplementary/private pension savings in general). Tax thresholds are variable for types of benefits. In recent years, means testing of spousal income has been abolished, but this means testing has been a vital part of elder citizens' demands through the years (Ólafsson S. S., 2009). Still, capital gains of individuals in marriage/cohabitation are seen as a joint property. The three main parts of basic pension are basic amount (*grunnlífeyrir ellilífeyris*), income insurance (*tekjutrygging*) and extra supplement for single people living alone (*heimilisuppbót*). In addition there are various types of more specific

⁶ In addition, there seems to be very little literature and research on the fourth pillar, as of yet.

supplements and refunds, for example because of the extra cost deriving from poor health such as medicine and healthcare cost, and special care payments for those who provide informal care to their spouses that cannot take care of themselves, if this results in the care-providers' loss of other income due to their caring responsibilities (spouse's/home care payments) (Tryggingastofnun ríkisins & Sjúkratryggingar Íslands, 2010).

If a pensioner has to live in a residential or nursing home/medical facility for a long time, the social insurances contribute in the cost, but instead the pensioner stops receiving basic pension. Pensioners may be entitled to an allowance instead, if their income is very low. The allowance is income-related. Residents might have to pay additionally for the cost of their stay in a residential or nursing home, but such contributions are income related (Social Insurance Administration Iceland, 2012a). If a citizen becomes widowed before the age of 67, death grants are paid for 6 months, and for an additional 12 months if the person in question has to provide for a child or has to cope with difficult financial or social circumstances (Tryggingastofnun ríkisins & Sjúkratryggingar Íslands, 2010). Young children of deceased pensioners have a right to child-pensions for a certain time, usually until they reach the age of 18 (Social Insurance Administration Iceland, 2012a).

Occupational pension

Membership in an occupational pension fund is mandatory since 1980. A minimum of 12% of members' wages must be paid into the pension schemes. The contribution is shared between the wage earner who is responsible for 4% and the employer who is responsible for 8%. Employment pension funds can be divided into three types: Public employees' funds, funds of trade unions and funds for employees in individual businesses. The number of funds has declined in recent years, mainly due to the merging of funds (Karlsson, 2008). There are now 32 operating occupational pension funds in Iceland (Icelandic Pension Funds Association, 2011).

Since the system is funded, it has taken some time for pension savings to reach an envisaged and adequate level. Those who only had few years of employment left when the system was started received very small amounts. Also, public sector employee pension funds were started earlier, and hence there has been a difference between pension benefits for public sector employees and wage earners in the private market. After over 30 years of compulsory membership, this difference has decreased greatly (Karlsson, 2008). An individual who has paid his entire life to a pension fund and retires at the age of 69 can expect to receive 50–60% of the earned income of those that work full time wage work. In addition the basic pension increases this proportion up to 60–70% (Ólafsdóttir, 2011).

Pension benefits from occupational funds can influence the amount of payments from the basic pension, but other sources of income such as wages or capital gains do not affect occupational pension benefits. Spousal income also does not affect occupational pension benefits. The usual standard age for receiving the pension is 67 years old, but it is possible to start drawing pensions from the age of 62, or defer it until as late as to the age of 70, or even later in some cases (monthly payments of pension are lowered or elevated in accordance) (Icelandic Pension Funds Association, 2012).

Survivors' pension (makalífeyrir) is paid to the spouse of a late fund-member. The amount depends on acquired rights of the late fund-member and the rights he would be expected to acquire until the age of 67 had he lived. Survivors' pension is also paid to the spouses of fund-members that already had started deriving pension. Usually the survivors' pension is paid to the spouse for 3 to 5 years although this varies between funds, intact benefits are never paid out for a shorter period than two years. If the spouse has children under the age of 18 to support, the survivors' pension is paid until the child reaches the age of 18 (sometimes longer). This varies between funds, some provide life-long survivors' pension to the spouse, though it is seldom the case that the pension is completely intact. Survivors' pension is cancelled if the spouse remarries or starts a new cohabitation. Children's pension (which is not based on fund-members acquired rights but a certain amount, is affected only by the consumer

price index) is paid to children of a late fund-member, usually to the age of 18. The pension is paid to the provider of the child (Icelandic Pension Funds Association, 2006; Lög um skyldutryggingu lífeyrisréttinda og starfsemi lífeyrissjóða, nr. 129/1997).

It is possible for a married or cohabitating couple to share their pension but this is by no means an obligation. The sharing must be mutual; the couple must share the same percentage of each pension benefits, up to half of their acquired benefits. The sharing only applies to the acquired rights during the couple's marriage/registered partnership/cohabitation. An agreement can be made about a) sharing of pension after deriving of pension has already started, b) sharing of an already acquired pension and c) sharing of pension benefits that the couple will earn after the agreement has been made (Icelandic Pension Funds Association, 2006). This is a resource for couples where the division of work has been along the lines that one participates in the labor market and the other does care and housework (most often the female). In that way, the provision compensates for women's unpaid care and household work. Unfortunately there are no numbers available on how many couples are using this resource⁷.

Voluntary private pension savings

Voluntary private pension saving is said to be the one of the most advantageous ways of saving (Icelandic Pension Funds Association, 2012). In the collective pay agreements of the labor market there is a provision that enables wage-earners to pay 2% of their wages into a supplementary pension saving fund, resulting in their employer paying a matching amount into the employees' fund. The law allows a wage-earner to pay a larger percentage of his wages into the supplementary pension fund, up to 4%. However, due to the bank crisis in Iceland in 2008 and subsequent economic hardship for the state, a temporary restriction of a 2% limit is in effect from January 2012 to the end of year 2014 (Icelandic Pension Funds Association, 2012).

⁷ Manager of the Icelandic Pension Funds Association. Personal e-mail correspondence. March 13, 2012.

Legislation on tax incentives for voluntary private pension saving was adopted in 1998, and since then a steady increase in the numbers of those using this savings method has occurred. Pension funds make up the bulk of those managing this private pension savings, but the share of insurance companies, banks and securities firms has increased in recent years (Guðmundsson, 2004). The pension savings are redeemable at the age of 60 and must then be paid in equal installments over a minimum period of 7 years. If deriving of the pension starts later, the period of repayments is shortened, and one may cash the fund in total any time after 67 or distribute it a few years after the age of 67, all according to the saving owner's wishes (the fund can also be cashed completely in the case of serious injury or chronic illness). At the death of the savings owner, the savings are paid out to his/her heirs with interest rates and indexation. Income tax must be paid when the savings are paid out, but supplementary pension savings generally don't affect basic pension benefits⁸ (Icelandic Pension Funds Association, 2012).

Strengths and weaknesses of the Icelandic pension system

The strength of the Icelandic pension system owes a great deal to its status as a funded system, but as earlier mentioned, lower birth rates and longer life expectancies pose a serious problem for pay-as-you-go pension systems of many other Western countries. Another source of strength is that pension age is the highest in Iceland of the Western countries, which further distances Iceland from the traditional funding problems of other Western countries (Ólafsson, 2009), where the pension age is typically lower. Some discussion has even been made recently about increasing the pension age, following statements of the Prime Minister of Sweden earlier this year (2012) about Swedes increasing their pension age from 65 years to 75 years. It shall be noted that the Swedes have a pay-as-you-go-pension system and are therefore in more need for something as drastic as this increase, more than Icelanders are. According to the Icelandic Prime Minister, Jóhanna Sigurðardóttir, there are currently no plans to raise the

⁸ Presumably to encourage private saving.

minimum pension age but instead the emphasis is placed on the possibility of flexible retirement (Smugan, 2012).

The most common criticism of the Icelandic pension system is that the basic pension is very low, the system is complicated, and income related reductions are applied at a much too low income threshold. That makes it a lot less desirable to have other sources of income, for example through paid employment. Even small savings reduce the basic pension which also makes savings less desirable. This has been pointed out as a poverty-trap for the elderly and has in particular upset people due to the view that an adequate pension is a right associated with citizenship, and a universal basic pension should be available for people that have paid their taxes and participated in society their whole life. Membership in the occupational pension system schemes is mandatory, but occupational pension payments still reduce the basic pension amounts, and which encourages this resentment. In recent years there have been suggestions to boost income thresholds (*frítekjumark*), minimize the reduction among the lowest income pensioners, increase minimum income insurance and simplify the pension system in order to respond to this criticism (Ólafsson, 2009).

It has been pointed out that the low basic pension entitlements affect women the most since their labor market participation has through the years been restricted in many ways, not the least due to caring for children and the home. This has the effect that more women are dependent on the low basic pensions, making their economic conditions harsher than that of others in society (Ólafsson, 2009). Women's economic position in regard to pension levels is also affected by their longer life expectancies compared to men's, and the fact that women retire earlier than men. It has been pointed out as a possible reason that their husbands are usually older than the women and the couple retires at a similar time. The most common retirement age for Icelandic males is 70, while for women it 65 (Ólafsdóttir, 2011).

According to the OECD, average payments from occupational pension funds are more than half of average wages in the labor market (to be exact, the average payments from occupational pension funds are 110% of half of average

wages). This suggests that an individual with poor income would be even better off when retired and receiving pensions than when the individual was active in the labor market, according to Katrín Ólafsdóttir (2011). I would caution that this use of the mean figure be used carefully, and it has to be kept in mind that occupational pension is earnings related. The use of this calculated mean income figure might not be the best indicator of the status of people with low earnings when they retire, since they are likely to have low occupational pensions—especially women who have not got a history of continuity or full participation in the labor market, due to their duties as caregivers and homemakers. In addition, basic pension is low as discussed earlier in this section. I thus question Ólafsdóttir's conclusions that poor individuals are better off in retirement than in the labor market.

Nevertheless, this leads Ólafsdóttir, who is one of the authors of the 2012 report on the Icelandic pension funds, to conclude that it can be expected that there are very few pensioners in Iceland who live under the poverty line, people with low income do not suffer a great reduction in their overall income at their retirement and Iceland provides well for low income citizens at the time of their retirement, compared to other states. With the poor being defined as people with incomes below half the median income⁹, 5% of the Icelandic population over 65 years old, are considered poor. The corresponding figure in OECD countries is 13% according to Ólafsdóttir's report (2011). It should be borne in mind that the formal retirement age for Icelanders is 67 years, so the numbers for Iceland will include many people—especially males—still active in the labor market.

According to Stefán Ólafsson (1999), poverty has become rare among elderly citizens, which is a change from earlier decades when poverty among old people was a lot more common. The main reason for this is that it has now been more than 30 years since membership in a pension fund has become obligatory, and each year the occupational pension funds provide new pensioners with better benefits and rights than those that retired earlier. Changes of the tax

⁹ Needless to say, there are different ways to measure poverty, such as measurements of absolute and relative poverty, and it is debatable what measurements are best.

system and strengthening of income insurance of basic pension in the 1990s could also be a factor. But although poverty among the elderly is a lot more uncommon than it was, there is still a large group that has very low income, some barely making it over the poverty line. Those are particularly the eldest in the group, those who did not have occupational pension benefits to lean on, according to Ólafsson (1999). Nonetheless we can estimate that this also applies more to women than men since they have historically shorter employment history in general.

This concludes the first part of the chapter which discussed the structure and function of the Icelandic pension system. The second part of the chapter presents and discusses statistics relevant to the situation of old age pensioners in Iceland and difference of old men's and women's economic situation today as well as future prospects.

Pension statistics

In this section, quantitative data on pensioners' statuses and the factors affecting income will be examined from a gender perspective. Information in this section are to some extent based on my work as an assistant to a researcher in the spring 2011 and the preparation of a report on "The socio-economic impact of pension systems on the respective situations of women and men and the effects of recent trends in pension reforms" (Sigurgeirsdóttir, forthcoming). The report was financed by and prepared for the European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities. The quantitative data are from Eurostat, Statistics Iceland (Hagstofa Íslands), the Social Insurance Administration (Tryggingastofnun), and the Financial Supervisory Authority, Iceland (Fjármálaeftirlitið). The research is to some extent limited to available quantitative data on the object of the research. When such limits affect the research, it shall be noted how the research could be more informing and what data is missing.

The research was ongoing with breaks from the spring 2011 to spring 2012. In the spring 2011, I started working with data from 2000, 2005 and 2009

in the research for the European Commission. In this section I will focus on the most recent information which is in most cases from the year 2010 (some from 2011), but I will use the years 2000, 2005 and 2009 for comparison where it appears pertinent to do so. Although the formal retirement age in Iceland is 67 years, the options of data gathering (especially in Eurostat data) are often centered around the age of 65, which explains why the age of 65 is so often used instead of 67 in the statistics. In some cases I will compare the numbers available with numbers for the 27 member states of the European Union to put the situation in Iceland into context with the general situation in Europe. Sources are cited in corresponding tables. Tables are presented in text where I estimate it convenient for the reader. All details on statistics can be viewed in tables in annex.

Population statistics

In this section I will present statistics on age-structure, life-expectancy, population projection and old-age dependency ratio in Iceland.

Age structure and life-expectancy

Table 1: Total population and share of population 65+ years by sex									
Year	2000			2005			2012		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
65+ share of total population	11.6%	10.4%	12.7%	11.8%	10.6%	12.9%	12.6%	11.6%	13.6%
Based on the 1st of January every year. (Statistics Iceland, Population by sex and age 1841-2012, 2012a)									

Table 1 and 2 in the annex show seniors' share of the Icelandic population. People 65 years and older made up 12.6% of the total population in 2010. Women make up the larger share of the elderly population. Women aged 65 and over comprise 13.6% of the Icelandic female population, whereas men in the same age group make up 11.6% of male Icelanders.

There is not much difference in the total numbers of men and women in the age groups 55–59, 60–64, 65–69 and 70–74 years old. In 2010 women make

up 51.7% of the population of the age-group of 70–74 years old and men 48.3%. Other differences are less (table 2 in annex). These statistics suggest women live a bit longer than men, which is consistent with life expectancy rates. Average life expectancy at birth is 79.4 years for males but 83.1 for females. Women thus on average live 3.7 years longer than men (table 3 in annex).

Population projection

According to Statistics Iceland's population projection until 2060, the number of people aged 65 years or over will have increased by 33.9% in 2020, and by 147.9% in 2060. The number of men is seen as increasing by 38.9% by 2020, and 173.8% in 2060, whereas women's numbers will increase less or by 29.7% by 2020, and 144.5% by 2060. The increase in the total population of Icelandic citizens will be 7.2% in 2020, when males will have increased by 7.4% and females by 7%. In 2060, the increase from 2011 will amount to 36.1%, with hardly any gender differences (table 4 in annex).

Old-age dependency ratio

The old-age dependency ratio is the ratio between the total number of elderly persons of an age when they are generally economically inactive (aged 65 and over according to the method used here, from Eurostat data) and the number of persons of working age (here, from 15 to 64). Information of old-age dependency ratio is not gathered for each sex. The old-age dependency ratio in Iceland has gone up from 17.8% in 2000 to 17.9 in 2005, and has remained the same in 2010. The old-age dependency rate in Iceland is considerably lower than in the European Union, where the rate has gone from 23.2% in 2000 to 25.6% in 2009¹⁰ (table 5 in annex). According to the projection of Statistics Iceland, the old age dependency ratio¹¹ will have increased from 20.1 in 2010, to 49.1, 44.1 or 39.9 in 2060, in the low, medium and high variants, respectively (Statistics Iceland, 2010).

¹⁰ Data for 2010 not available

¹¹ Statistics Iceland define the dependency ratio as: the ratio between the total number of elderly persons of an age when they are generally economically inactive (aged 65 and over) and the number of persons of working age (from 20 to 64). This is different from the Eurostat definition, where the working age is considered 15-64, as explained in the text.

These statistics suggest that despite high birth rates in the last years, the Icelandic population is gradually getting older and more young and active people will be needed in the labor market to pay taxes to fund the welfare system. Even though the share of occupational pension funds are expected to account for a bigger share of pensioners' incomes in the future, a strong welfare system, including health care and social security, will have to be funded by tax-payers.

Labor market statistics

In this section I will present statistics on employment, activity, and unemployment, temporary, part-time work and self-employment, labor market segregation and labor market exit years.

Employment, activity and unemployment rates

Table 6: Employment rates by sex and age group in percentages												
	25 to 54 years			55 to 59 years			60 to 64 years			65 years or over		
Year	2000	2005	2010	2000	2005	2010	2000	2005	2010	2000	2005	2010
Icelandic Men	96	92.3	86.2	97.1	91.2	85.9	93.4	85.7	80	49.6	45.1	43.8
EU-27 Men	85.6	85.2	83.9	62.1	64.9	69.5	30.9	35.1	38.2	7.2	6.4	6.8
Icelandic Women	87.4	82.9	79.6	79.8	86	82.4	70.5	71.6	69.1	21.9	22.4	26.6
EU-27 Women	66.3	68.9	71.3	39	45.7	52.8	15.8	19.2	23.4	3.4	2.7	3.2
(Eurostat Statistics Database, 2012)												

Table 6 shows that employment rates are relatively high in Iceland in all age groups and female labor market participation is much higher than in the EU-27, especially among the oldest age groups. In 2010, employment rates for Icelandic men were 43.8% and 26.6% for women 65 years or over, compared to 6.8% on average for males in EU-27 and 3.2% of women in EU-27 for the same age-group. This might be explained by the high official retirement age in Iceland (67 years), and high effective retirement age, along with other contributing factors such as strong work ethic and incentives for delay of retirement (Ólafsson, 2010).

Table 7: Activity rates, employment rates (%) and unemployment rates of men and women in Iceland aged +25 years									
	Activity rates (+25 years)			Employment rates (+25 years)			Unemployment rates (25-74 years old)		
Year	2000	2005	2010	2000	2005	2010	2000	2005	2010
Male	91.2	88.1	86.8	90.7	86.8	81.2	NA	1.4	6.4
Female	79.6	76.9	76.9	77.7	75.6	73	2.4	1.7	5.1
NA: data not available (Eurostat Statistics Database, 2012)									

Table 7 shows that both activity rates (the ratio of the labor force to the total population) and employment rates (employment rate represent persons in employment as a percentage of the population of working age (15– 64 years according to Eurostat)) are high for men and women, although there is a considerable gender difference. Activity rates for 25 years and older in 2010 were 86.8% for men and 76.9% for women in Iceland. The employment rates (for 25 years and older in 2010) were 81.2% for men and 73% for women. Both activity rates and employment rates have gone down by a few percentage points from 2000 and 2005. Unemployment rates (for 25 - 74 years old) have increased in the last years. This is seen as a direct consequence of the Icelandic economic collapse. Before the economic collapse, unemployment rates were very low in Iceland. In 2010 the unemployment rate for Icelandic men was 6.4% and 5.1% for women.

Temporary, part-time and self-employed

Women make up the larger share of temporary employees and part-time employees, while men are the majority of self-employed. In 2010, Icelandic men accounted for 8% of temporary employees, while women were 9.2%. A significant gender gap appears in part-time employment. In 2010, 7.5% of men were employed part-time, which is similar to the year 2000 when the corresponding figure was 7.6%. Women's part-time employment on the other hand makes up for 30.5% of total employment of women. This figure has gone

down from 2000 when it was 45.2%. This might be connected to women's greater responsibility in household and care, as discussed in previous chapters. Also, women's work has historically been seen as a "secondary" income source (MacDonald, 1998; Arber & Ginn, 1995) and this could also be a result of such an attitude. This can result in lower pensions for these women in the future. Rates for both self-employed men and women have gone down since 2000, but 11.1% of men are still self-employed and 5.8% of women (see table 8 in annex for more detailed information).

Labor market segregation

Statistics show that the labor market segregation in terms of gender in 2010 is fairly strong. Considering an occupation to be female or male dominated if either sex makes up for 60% of the labor force of the occupation or more, makes the Icelandic labor market appear greatly segregated. Occupations such as legislators and managers, agricultural and fishery workers, craft and related trades workers and plant and machine operators, are male dominated. Clerks-profession is a female dominated occupation. Professionals and associate professionals appear to have little segregation, but statistics suggest that over the last decade, women have gained a majority share of these occupations (see table 9, annex).

Taking a closer look at some subgroups of professionals and associate professionals, we find more fields that are gender-segregated. According to statistics for the year 2010, 28% of those who work at health services and social work are men and 72% women. The difference is even larger when it comes to the education sector, where women account for 76% of the employees and men 24%. Those sectors are notorious as low-income positions. Women are 60% of the employees in financial intermediation, and males 40%. There is fairly little segregation in public administration; women comprise 51% of employees and men 49% (table 10 in annex). This can be described as horizontal segregation in the labor market, meaning that there is a tendency for women to work at similar occupation; a similar situation holds for men except that men's occupations tends to be more varied.

In addition to the horizontal segregation, there can be vertical segregation, meaning that women tend to have jobs of lower status in occupations and be fewer than men in higher status employment (European Commission, 2008). This can be noted in table 9 (in annex), as women are currently 38.7% of legislators and managers (stjórnendur og embættismenn) and this number has gone up from 27.3% in both 2000 and 2005. Another example of vertical segregation can be found in financial intermediation. A much higher ratio of men working in financial sector are specialists and middle- and senior managers than women, who on the other hand are the majority of cashiers and service consultants (Einarsdóttir & Pétursdóttir, 2010).

Labor market exit years

Table 11: Average effective age of retirement (in years)			
	2000	2005	2009
OECD Average - Males	63.2	63.4	63.9
OECD Average - females	61.2	62.1	62.5
Iceland - males	70.3	68.9	69.7
Iceland - females	66.4	64.6	65.4
(OECD, 2012)			

Statistics on labor market exit years by gender are not available for Iceland at Eurostat or Statistics Iceland, but according to OECD statistics, Icelanders on average leave the labor market later than people of OECD countries. Table 11 shows that in 2009, the average age of retirement for Icelandic males was 69.7 years compared to 63.9 years on average in OECD countries. For Icelandic women, the average age of retirement was 65.4 years, compared to 62.5 years on average for women in OECD countries. The average age of retirement has slightly decreased from 2000 for both Icelandic men and women, while it has slightly increased for males and females in OECD, on average.

Research has suggested that since there are no formal early retirement pension options as such in Iceland, the main pathway for people coming from the labor market is to go on disability pension (Ólafsson, 2010). Iceland has for a long time had rather many people on disability pensions, while at the same time

unusually few (compared to other countries) derive unemployment benefits, sickness benefits or social assistance. Disability rates are considerably higher for females than males, women are almost two thirds of disability pensioners. The number of disability pensioners peaks at age 65-66, just before the official retirement age. According to Stefán Ólafsson, there are incentives for preferring disability pensions to unemployment or sickness benefits, because the disability pension is higher and can reduce medical cost and increase child benefits. Ólafsson suggests that there may be some dysfunction in the working of the Icelandic pension system, landing too many in disability programs and too few in other, perhaps more appropriate, programs of social security (Ólafsson, 2010).

Ólafsson suggests there is a need for reform in this area, not least because there is some indication that rehabilitation measures have for a long time been insufficient, and this is probably connected to the fact that people tend to “get stuck” in the disability pension scheme (Ólafsson, 2010). However, it is important to bear in mind that the disability evaluation system in Iceland (örorkumat) requires both a referral from a personal physician as well as a medical evaluation by an insurance physician, so caution must be employed before concluding that people are receiving these benefits without proper reasons. In the age group of disability pensioners 50 years and older, women make up over 60% of the group, and the most common reason for disability among the women are musculoskeletal disorders (the number two reason are mental disorders, which is the primary reason for a disability evaluation for men) (Social Insurance Administration Iceland, 2012c).

Guðbjörg Linda Rafnsdóttir has suggested that one of the reasons for women’s poorer health than men’s is the gender pay gap and segregated labor market. The horizontal labor market segregation, discussed earlier in this chapter, results in women being more likely to work in low paid jobs, which are respected less and are less autonomous. The vertical segregation results in women being more likely to have jobs that demand more communication with other people, increasing the likelihood of mental and social stress. When the unpaid load of work in homes and in care for others are added to this situation, likelihood of failing health increases further (Rafnsdóttir, 2004). Rafnsdóttir cites

the Canadian researcher Karin Messing who has pointed out that women are less likely to receive benefits for occupational-caused diseases, since it has been estimated that women's jobs are "safer" (Rafnsdóttir, 2004). This resembles the discussion in chapter three, about the gendered nature of the welfare state and women's typically lower benefits.

It may not be that strange that people, older women especially, have health problems after a lifetime of hard labor. This might be exaggerated by the strong work-culture in Iceland. That been said, it is of course possible that there could be more appropriate programs for some of the recipients of disability benefits.

Income statistics

In this section I will present statistics on relative median income of older persons compared to younger, regular wages, replacement rate, gender pay gap, at-risk-of-poverty rate, and sources of pensioners' income.

Relative median income ratio

Table 12: Relative median income ratio (65+) compared to persons aged less than 65 years				
	Males		Females	
	2005	2010	2005	2010
Iceland	0.82	1.02	0.77	0.91
EU-27	0.89	0.92	0.83	0.86
(Eurostat Statistics Database, 2012)				

The relative median income ratio of 65 years and older compared to persons under 65 years of age has gone up in Iceland for both sexes from 2005 to 2010 as can be seen in table 12. The ratio for Icelandic men is higher than for Icelandic women for both years and this difference between the sexes in relative median income ratio increased between years. The relative median income ratio for both Icelandic men and women was lower than the EU-27 average in 2005, but has gone up for both sexes and exceeded the EU-27 average in 2010. In fact, the

ratio for men in 2010 was 1.02. The relative median income ratio for 65+ thus exceeded the ratio for men aged less than 65 years.

According to this women, and particularly men as a group, 65 years and older, seem to have very similar median income to persons aged less than 65. In other words, this implies that old people are on average not much worse off than those younger than 65 years old—in this context one must remember that the official retirement age in Iceland is 67 and effective retirement age among men is close to 70 years. These numbers might also be affected by the increased unemployment and wage-cuts in the labor market in the aftermath of the economic crisis in 2008, and the simultaneous government response emphasizing the protection of vulnerable groups such as recipients of old age and disability pensions despite substantial cuts in the welfare system (Ólafsson, 2010).

Regular wages

Table 13: Regular mean wages in the private sector by sex						
	Males			Females		
	2000	2005	2011	2000	2005	2011
Wages is thousand ISK	191	278	393	129	203	321
Women's wages as a % of men's wages				68%	73%	82%
(Statistics Iceland, 2012f)						

Table 13 presents the regular mean wages in the private sector¹² by sex in thousand ISK and women's wages as a percentage of men's. In 2000, women's wages were 68% of men's but in 2011 the gap had decreased and women's wages were 82% of men's. Wages have increased greatly in thousand ISK over the last decade but so has the consumer price index (see table 14 in annex).

Replacement rate

Figures on aggregate replacement ratio of income from pensions of persons aged 65-74 and income from work of persons aged 50-59 in Iceland are shown for

¹² The private sector is the open labor market; numbers for the public sector are not available at the Statistics Iceland database.

2005 and 2010. Icelandic women have a higher replacement ratio than men. Women's replacement ratio is 0.54 in 2010 and 0.44 for men. This is likely a result of those women in the age group 50-59 having had much lower employment income than men. Because of women's lower wages, the difference between income from work and income from pension is less for women than for men (see table 15 in annex).

Gender pay gap

When the gender pay gap (the difference between men's and women's wages) is observed by occupation, it seems like the gap is narrowing in most occupations. This is however not a one-way development in the last decade. According to the statistics, the gender pay gap widened among professionals and service and sale workers from 2000 to 2005. Women professionals had 83% of men's regular salaries in 2000, but only 79% in 2005. The rate has since gone up again to 87% in 2010. Female workers in service and sales had 71% of male worker's salaries in 2000, 66% in 2005 and 79% in 2010 (see table 16 in annex).

The gender pay gap has narrowed in all occupations from 2000 to 2010, according to statistics on regular salaries in the private sector. Still, women have only 80% of men's salaries as managers, 79% of their salaries as shop and sales workers, and only 74% of their salaries as technicians and associate professionals in 2010. Notably, women make up the bigger share of those who work as sales and service workers and associate professionals (see table 16 in annex).

At-risk-of-poverty rate

Table 17: At-risk-of poverty rate										
At-risk-of poverty rate (<65, 65+, 75+) by sex, 2005/2009/2010. Percent of total population. (cut-off point: 60% of median equivalised income after social transfers)										
		< 65			65+			75+		
		2005	2009	2010	2005	2009	2010	2005	2009	2010
Iceland	Males	10	9.6	10.7	8.6	6.1	3	8	6.3	2
	Females	9.6	10.1	10.2	9.8	17.9	6.6	14.4	26	12.6
EU-27	Males	15.7	15.9	19	15.5	14.9	16.9	16.2	12.9	14.4
	Females	16.2	21.1	23.6	16.4	20.1	22.4	16.8	18.1	20.5
(Eurostat Statistics Database, 2012)										

A very special development seems to be occurring in at-risk-of-poverty rates (percent of population with less than 60% of median equalized income after social transfers, according to Eurostat's definition). The gender gap was quite wide in 2009, not to mention that the situation of elderly women seemed to be very serious. Table 17 shows that in 2009, at-risk-of-poverty rates for women age 65 and over were 17.9%, and 26% for women 75 years and older. The corresponding figures for men were much lower as can be seen in table 17: 6.1% and 6.3%. But the figures seem to have been reduced remarkably between 2009 and 2010. In 2010, the rate had gone down to 6.6% for women 65 years and older, and down to 12.6% for women 75 years old and over. The rates also went down for men, to 3% for 65+, and 2% for 75+.

If we compare these rates for men 65 years old and older to the rates for those younger than 65 years, it seems that the risk of poverty is reduced for men as they grow older—the rate was 10.7 for men younger than 65 years old in 2010. The risk is however greatest for the oldest women. Compared to the EU-27, the at-risk-of-poverty for Icelanders is much lower in all the said age-groups (table 17).

These substantial changes between 2009 and 2010 are most likely explained by government actions to safeguard the most vulnerable societal groups in the aftermath of the economic crisis. The income reference period is a fixed 12 month period such as the previous calendar or tax year. The figures for 2010 are thus from the status in the year 2009. A special pension supplement was added to the basic old age pension (and disability pension) for those with the lowest income in September 2008, and it was increased in January 2009. This special supplement serves as minimum income guarantee. These are the most substantial changes for pensioners with low income, but many more changes have been made to the basic pension (increase of pensions, increase and decrease in income thresholds, etc.) in the last years that could be a factor in the dramatic changes in at-risk-of-poverty rates for 2009 and 2010 (as shown in table 17) (Ministry of Welfare, 2011b; Social Insurance Administration Iceland, 2010; Social Insurance Administration Iceland, 2012b).

Sources of pensioners' income

Table 18: The share of different sources of pensioners' total income				
	2007	%	2010	%
Social Security	67685	25.08	67851	25.67
Occupational pension	87893	32.57	119094	45.05
Capital income	100278	37.16	62364	23.59
Income from work	14001	5.19	15038	5.69
Total income:	269857	100	264347	100
Stefán Ólafsson (in Sigurgeirsdóttir, forthcoming)				

Figures on total income of pensioners from a variety of sources (i.e. social security pension, occupational pension funds, capital income (fjármagnstekjur), income from work or other income) are not collected systematically on a regular basis. Stefán Ólafsson (2010) has published an overview of the average income of pensioners in May 2007 and May 2010, and from what sources their income is retrieved. Ólafsson uses statistical data from the Social Insurance Administration of Iceland. In order to identify the share of different sources of income in pensioners' total income, these figures have been calculated and presented as a share of total pensioners' income by Sigurbjörg Sigurgeirsdóttir (forthcoming) in table 18.

As can be seen in table 18, the share of occupational pension in pensioners total income is rising, from 32.57% in 2007 to 45.05% in 2010. The part of Social Security only increases slightly between years and so does income from work, but the biggest difference is loss by capital income—from 37.16% in 2007 to 23.59% in 2010. This is very likely affected by the economic crisis in Iceland which started in fall 2008.

Social security statistics

In this section I will present statistics on parental leave and recipients of pensions and benefits from social security.

Parental leave

Table 19: Average length of maternity/paternity leave per parent by birth year of child (in days)				
		2003	2005	2010*
Men	Paternity leave/ joint rights	95	101	79
Women	Maternity leave/ joint rights	183	187	175
*Numbers for 2009/2010 are preliminary since the right to take birth leave was spread over 36 months in July 2009, before that it was 18 months. (Statistics Iceland, 2012i)				

Women take on average longer leave from work after having a child than do men. However, the difference between men and women has narrowed in the last years. This is not least due to changes in the maternity and paternity leave legislation. The independent right of fathers to paternity leave was one month in 2001, two months in 2002 and three months as of 2003. The independent right of mothers to maternity leave is three months. The parents can then share the remaining three months (The Childbirth Leave Fund & Directorate of Labour, 2010). Thus in table 19, the years 2003, 2005 and 2010 are compared since the legislation is the same in reference to parents' rights to leave for those years.

The development of fathers' uptake of parental leave seems to be affected by the economic crisis. The number of days fathers take on parental leave rose from 95 days in 2003 to 101 days in 2005, but drops down to 79 days in 2010, after the crisis hit Iceland and an upper limit was put on the parental leave benefits. Among women, the uptake of maternity leave decreases parallel to the men's uptake. Women took on average 183 days on leave in 2003, 187 days in 2005 and 175 days in 2010 (table 19). Preliminary numbers for average payments by gender from The Childbirth Leave Fund (Fæðingarorlofssjóður) in 2010 show that women's average payments are 230,000 ISK per month compared to men's 297,000 ISK. According to this, average payments to fathers are 29.1% higher than average payments to mothers. This reflects the gender pay gap (The Childbirth Leave Fund & Directorate of Labour, 2010).

These statistics suggest that women on average take a much longer break from the labor market following childbirth than do men, and in addition they receive lower payments on average from the Childbirth Leave Fund. On the other hand, recipients of parental leave benefits also earn pensions from those

benefits. Still, the parental leave benefits do not amount to the regular pay of individuals. Payments are 80% of average total wages of recipients up to a certain amount, further cuts follow as the average wages increase and the current limit of payment is considered very low after they have been cut due to economic hardship in the last years. This is likely to have the negative effects on fathers' uptake of leave and since mothers take much more days they earn lower pensions longer than men while on parental leave.

Social security pensions

While the number of pension recipients is almost the same in 2010 (25,072) as in 2000 (25,123), the population of 67 years and older is larger, or 33,883 in 2010 compared to 29,097 in 2000. Pensioners were 74% of population 67 years and older in 2010, compared to roughly 86% in 2000 (table 20 in annex). This suggests seniors are working more years into old age than they did ten years earlier. Women make up a majority of recipients of the main types of benefits for old age pensioners from the Social Insurance Administration of Iceland. Women are 58% of recipients, receiving approximately 59% of the expenditure (table 21 in annex). Women are 60% of those receiving pension supplements (tekjutrygging), and they receive about 63% of the expenditure. Women are 72% of those receiving household supplements (heimilisuppbót), and 68% of those receiving additional supplements (various supplements) and special pension supplements (lágmarks framfærslutrygging/sérstök uppbót til framfærslu), which is intended for individuals with very low incomes. Women are 69% of pensioners receiving spousal benefits (makabætur/care payments) and despite a slight uncertainty of data regarding home care payments, almost everyone that receives home care payments seems to be female (table 21 in annex). An interesting thing about the home care payments is that there seem to be only 12 women receiving those in 2010, and 11 women and 5 men receive spousal payments. This measure therefore seems to be not much used, as was discussed early in chapter three.

Information on recipients of unreduced social security old age benefits was not available by gender. 80% of old age pensioners receive unreduced basic pension, and 3% unreduced pension supplement (table 22 in annex). Only 1% received household supplement. This is a great decrease from 2000, when approximately 95% of old age pensioners received unreduced basic pension, 39.4% received unreduced pension supplement and 16.9% received unreduced household supplement (table 22 in annex). This suggests a development of a greater share of occupational funds and other sources of income in old age.

Occupational funds – some examples of payments

Now I will take examples of the expenditure of occupational funds for each gender. Such examples show quite clearly the substantial gender difference in payments by occupational funds. It should however be noted that many individuals have pension savings in more than one pension fund, so the mean payments from each fund do not represent the total amount of pension payments for individuals.

The total expenditure of pension per month and average pension payments by Icelandic occupational funds, by sex, in December 2010 (presented in table 23 in annex), show a big difference between men's and women's occupational pension payments. The information is gathered from the Financial Supervisory Authority in Iceland, and I have added a calculation of women's average pension as a ratio of men's average pension. In short, these calculations suggest that women's average pension is very often less than 50% of men's average income in the same occupational fund. In two cases does women's average pension exceed men's: in the Pension fund of nurses (Lífeyrissjóður hjúkrunarfræðinga), where there are four male recipients, meaning it is not methodologically safe to make assumptions based on the number of male recipients, and in the Pension fund of Rangæingar (Lífeyrissjóður Rangæinga), a small fund which judging by the name consists of members from a particular area in southern Iceland. In the Pension fund of Rangæingar, women have 112%

of men's average income, which is also the closest ratio to equal payments over the whole list.

In pension funds with more than a thousand members of each sex, women's ratio of men's pension ranges from being 31% (Stafir lífeyrissjóður) to 69% (Söfnunarsjóður lífeyrisréttinda). In the largest fund, the Pension fund of state-employees (Lífeyrissjóður starfsmanna ríkisins), women have on average 52% of men's average pension (table 23 in annex). This shows clearly how the gender pay gap of last decades is extended into retirement.

Supplementary pension

Table 24: Payments from private pension funds in 2010			
	Population	Total ISK	Mean amounts in ISK
Men 65+, consolidated taxation	12,849	1,692,589,803	131,729
Women 65+, consolidated taxation	10,563	441,505,968	41,797
Men 65+, single	5,676	320,924,125	56,541
Women 65+, single	11,004	312,151,102	28,367
(Talnakönnun, Benedikt Jóhannesson 2011)			

Table 24 shows payments from private pension funds in 2010 to men and women 65 years and older. Numbers are represented for both single men/women and men/women in consolidated taxation (meaning that they have joined taxation with a spouse). The biggest group and receiving the largest mean amounts are men with consolidated taxation, whose mean payments from pension funds are 131,729 ISK. Women with consolidated taxation have mean payments of 41,797 ISK. Single men receive 56,541 ISK, and single women the smallest mean private pension, 28,367 ISK (table 24). This suggests that married men have the best opportunities to save private pensions, and single women the least.

Men are the majority of those that make additional contributions to pension funds in 2010, although the difference in numbers of men and women is quite small. However, men's mean contributions are substantially higher than women's, or 32,400 ISK for single men and 92,766 for men with consolidated

taxation, while comparable numbers for women are 28,074 (single) and 53,029 (consolidated taxation) (see table 25 in annex).

This might be viewed as in contrast with the earlier discussed research on pensions from gender perspective, which suggested that single women's pensions were generally higher than married women's. However the situation of women labeled here as "single" is not known—the concept here could also encompass divorced and widowed old women. Also, their status in regards to children (and their upbringing and supporting) is not available. What this first and foremost shows us is in my opinion that private pension accumulation is the lowest by single women compared to women in a relationship and men, both single and in a relationship. It also suggests that married men are in the best position to make additional pension savings. This might be connected to the fact that men do less housework and have less childcare responsibility (as discussed in chapter one), allowing them to work, earn, and save more than women. This could also reflect Pahl's results (1995, 2008) on different spending patterns of men and women within relationships, suggesting women spend relatively more of their income on their children than do men, and tend to save less (Pahl, 2008, Price & Ginn, 2003b).

Summary

In the first section of the chapter I discussed the structure and function of the Icelandic pension system. I firstly provided some general information on both pension systems and Icelandic marriage and maintenance duties. Next, I discussed the structure of three and five pillar systems, and then went on to describe the three pillars of the Icelandic pension system: the basic pension, occupational funds and voluntary additional pension savings. I concluded with a discussion of the strengths and weaknesses of the Icelandic pension system.

The chapter found that the strong influence of a funded occupational system (the second pillar), high retirement age and a high fertility rate, shield the Icelandic system from severe difficulties which the countries having a pay-as-you-go system, lower fertility rates and lower retirement ages, are currently

facing. The basic pension has been criticized for being very low, and this is likely to affect women the most because their labor market participation has been restricted in many ways through the years, negatively affecting their occupational pensions. In addition, women live longer and seem to retire earlier, which means they have to live longer on lower pensions than men. This is likely to lead to most of the poverty of old people being concentrated amongst the oldest women. Some suggestions have been made to boost income thresholds, increase minimum income insurance and minimize the reductions among the lowest income pensioners to respond to these criticisms of the system. Since women have lower income from employment, it can be estimated that increased minimum income insurance is most likely to benefit them. In Iceland it is possible to share pensions between spouses, but information on how widely this provision is used is not available. It is also not an obligation, which gives us food for thought about the situation of women in the events of divorce, as discussed in the first chapter.

The chapter also discussed the so-called fourth pillar, a recent addition to the structure of multi-pillar pension systems recommended by the World Bank. The fourth pillar consists of the informal assistance from friends and family, access to health care and housing. The part about informal assistance of friends and family is particularly interesting from a gender perspective, as this makes room for a discussion and the recognition of unpaid care as an aspect of pension systems. However, further information on the fourth pillar design is difficult to locate. As such it is difficult to deduce what factors would arise if this fourth pillar were to be added to the Icelandic system, other than the discussion and recognition of care in homes. This is an implication for further research.

In the the latter main section, I discussed statistics on gender and economic situation, in order to draw conclusions about women's and men's status in regard to pensions. I presented statistics on population, labor market, income, social security and occupational and supplementary pensions. I sought to link my analysis with research and theories discussed previously, in order to preserve the link between data and analysis in the research. These statistics shine a light on women's and men's economic situations, with emphasis on old

age pensions. The conclusions from this statistical analysis provide the foundation for suggestions of implications to improve the Icelandic pension system in the spirit of gender equality.

According to statistics, there is a considerable gender pay gap in Iceland which will affect pensions in the future. The pensions will also be affected by lower employment rates and higher part-time work rates for women, and a gender segregated labor market. Women's economic situations are already worse than men's. They have lower relative median income and regular wages, there are substantial gender pay gaps in all occupational groups and women are more likely to be at risk of poverty. Economic situations of women in the labor market in the last decades are reflected in their much lower pension payments from occupational funds. Women are the majority of recipients of all types of social security old age pensions. In addition, women live on average longer than men and the scarce available data on women's exit from labor market suggest women retire earlier than men. Thus, women have to live longer at a lower economic standard.

The effects of the economic crisis frequently appear in the statistics, for example in the reduction of days of parental leave—particularly among men (table 19, annex)—lower capital income for pensioners, possibly leading to the greater role of social security benefits (table 18, annex) and increased unemployment (table 7, annex). Also, due to losses of assets after the collapse, the occupational pension funds generally cut their pension rights and payments by about 10% in 2009, and most of them repeated the action in 2010 (Ólafsson, 2010).

At the same time, the actions of the government to safeguard the most vulnerable groups have led to increases in old age pension benefits (Ministry of Welfare, 2011b). These factors seem to clash, as shown in table 17 for the at-risk-of-poverty rate, where the poverty risk was quite significant for old women in 2009 but now seems to have been markedly reduced. I conclude that this is likely the result of increase in benefits and subsequent relative better position of the most vulnerable and poor seniors. What this shows is the influence the state can have when it, as Connell puts it, is "doing gender" (Connell, 1990)—even if it

is an unconscious step towards women's independence and equality (since this step was not a specific action to promote gender equality but rather to solve a poverty problem).

There is a certain lack of gender-analyzed statistics that has negative effects on this attempt to outline the gender difference in regards to pensions and income adequacy in old age. Gender-analyzed labor market exit years statistics are not available in the Statistics Iceland database, although the data was obtained with alternative routes. Neither are information on recipients of unreduced social security old age benefits available by gender (statistics of the Social Insurance Administration of Iceland), and figures on sources of pensions income, or pensions incidence on total income in old age, are also lacking. There also does not seem to be information on wages in the public sector, according to the Statistics Iceland homepage, only data on the private sector are available. Very limited statistical information appears on the homepage of the Icelandic Pension Funds association, general information on the occupational funds was instead gathered from the Financial Supervisory Authority.

In the next chapter I will discuss my results and analyze them further from a gender perspective, and suggest its implications for data gathering, further research, and possible women-friendly reforms on the Icelandic pension system.

5) Conclusions and discussion

In this chapter, I will discuss the conclusions of the quantitative analysis in the previous chapter in the context of theories from gender studies and research discussed earlier in the thesis. I will analyze the situation of the Icelandic pension system when it comes to women's position and gender discrimination, and suggest implications for actions to improve the situation of older women in Icelandic society.

Summary of previous chapters' conclusions

Chapter one provided an introduction to the subject of this research which can best be described with the key research questions: How does the different situations of men and women in Icelandic society affect women when they retire and start deriving pension? Is there a reason to change the arrangement of the Icelandic pension system in order to promote economic gender equality?

In the chapter I described the gender dimensions of Icelandic society that influence the economic situation of men and women and consequently their pensions in later life. I then discussed the methodology of the research, which is carried out from a feminist standpoint and based on statistical analyses. I presented the research questions (key questions and more specific questions) and the structure of the thesis before I moved on to next chapter to discuss the theoretical framework for the thesis.

I firstly introduced the pitfalls of dichotomy. Dichotomous ideologies on political actions to achieve gender equality by pitting "sameness" against "difference" is socially constructed to scatter the unity of feminists in their struggle for equality. Often this is called the "Wollstonecraft dilemma" by the feminist pioneer Mary Wollstonecraft. The answer to the dilemma is to unmask

the power relationships behind its construction and refuse to let it divide feminists along these binary lines. Next, I presented theories of women-friendly states versus theories of the oppressive patriarchal state. Both viewpoints provided useful perspectives in order to review the gendered society we inhabit, its weaknesses as well as potentials.

After discussing theories of marriage as a situation of unequal power between spouses, I discussed theories of women-friendly citizenship with an emphasis on economic autonomy. The traditional citizen-concept has been male-biased, focused on a (male) breadwinner and worker position, but recent trends suggest care work is achieving some status within this framework. Women-friendly citizenship is based on women's work being valued and their economic autonomy guaranteed. In this context, it has been discussed paying women for care work but care benefits are a contested subject, and their critics doubt that it really enhances women's autonomy and freedom. Also discussed was Nancy Fraser's universal caregiver model. The model rests on the notion that men must become more like women if gender equality is to be achieved. That means men must start to balance care and work in the same way as women.

The third chapter discussed previous research on pensions from a gender perspective. Some scholars have argued that welfare and social security are male biased, for example in benefit payments where benefits that men are more likely to receive are higher and less stigmatized than those benefits that women are likely to receive. Further, I discussed research on older women's poverty and found that older women are a particularly vulnerable group in regard to poverty or economic hardship, especially those who are divorced and widowed. This is a result of their typically low employment rates, gender pay gap and the subsequently low pensions. In addition, women have more responsibility for household and care work. Some research suggests that money is unequally regulated in household between spouses, and men are able to manage doing less unpaid work because of their larger contribution of wages to the home. Still, women tend to spend more of their money on their children than men do.

The chapter also further discussed care credits and their contested nature. It is positive to value women's work but if their work is valued much less

than work in the labor market, care credits can have paradoxical effects and create a situation where women are economically dependent, confined to the home and the primary individual responsible for care and household (instead of sharing of this workload between spouses). Lastly, the chapter discussed some factors necessary for a gender equal pension system, for example minimum income guarantees, abolishment of thresholds such as continuity in contributions to pension systems or minimum amounts or time of contributions, gender-sensitive life expectancy tables, among others.

Chapter four was divided into two main sections. The former provided information on the Icelandic pension system, its three-pillar structure—with some ideas of a fourth pillar sensitive to informal assistance from family and friends, housing provisions and access to healthcare. The pension system is comprised of the basic pension level from social security, occupational pension which is mandatory, and supplements from private pension savings which are voluntary. The strength and weaknesses of the system were discussed, finding that the basic pension is criticized for being very low and reductions come in effect too early. This is likely to affect women the most because of their historically lower employment participation, which leaves them with low occupational pensions. Some suggestions have been made to improve the system, among others the increase of minimum income insurance, which would prove beneficial to the most vulnerable group, the oldest women.

The latter section of chapter four provided statistical data relevant to the economic status and pensions of old men and women. Key conclusions from this section are that there is a considerable wage and income gap in Iceland that will affect pensions in the future. At present, older women's economic situation is unsurprisingly worse than men's. Women have earned less occupational and supplemental pensions and rely more on the social security derived basic pension benefits. The chapter found that the state's actions matter greatly from a gender perspective, and that the state is an influential actor in "doing gender". This is evident in the changes of the at-risk-of-poverty rates, but old women's poverty dropped significantly between 2009 and 2010, which I suggest can be attributed a great deal to reforms in the old age pension system with special

pension supplement and other actions in the welfare system. Lastly, I note that there is a certain lack of gender-analyzed statistics relevant to this study and will later in this chapter provide implications for data-gathering.

The gender discrimination effects on women's pension in Iceland

The key research questions of this thesis were how the different situations of men and women in Icelandic society affects women when they retire and start to derive pension, and if there is a reason to change the arrangement of the Icelandic pension system in order to promote economic gender equality. The results of the quantitative analysis provide an answer to the first question: there are extensive gender differences when it comes to seniors' pensions and income in labor market. Women are worse off in both cases. The situation of older women already deriving pensions is that of continued severe gender discrimination in wages and labor market opportunities over the last decades, resulting in much lower occupational pensions and supplement pensions, and women's greater share in payments from social security. It can be assumed that those cohabiting with a male are relatively better off than those living alone. This situation is compounded with older women's higher at-risk-of-poverty rate relative to men—especially among the oldest women.

The problem is therefore twofold: the discrimination problem and the poverty problem. Both problems are highly gendered, that is to say, they are the result of discrimination of women in society—discrimination that was a lot more severe when said women were active workers than in the present but its effects are nevertheless noted. Women today experience a higher degree of gender equality but the specter of past discrimination has not left this society, as the older women's position shows us. Furthermore, although these two problems are closely linked, it is possible that there are distinct solutions to both problems. Preventing dire poverty does not mean that the problems of other forms of injustice are fully resolved.

Perhaps the most serious long-term consequence of these arrangements is that this is not a problem of the past, haunting us in the present for only a

temporary period. According to the statistical analysis of the last chapter, women's wages are still only 83% of men's wages in 2010, the labor market is heavily segregated, women in all age-groups have lower rates of employment participation than men, they are much more likely to work in part-time jobs and leave the labor market earlier, and a gender pay gap appears in all occupations (tables 13, 6, 7, 8, 9, 10, 11 and 16). Research suggest women do the majority of unpaid housework and childcare (Þórsdóttir & Stefánsson, 2010) and women take longer parental leave on average than men, which traditionally lowers their income (and pensions) because of the limits on parental leave benefits (table 19). Thus, we can conclude that women still work for lower wages on average, they still on average participate less in the labor market and still bear a higher burden of household responsibilities, which are unpaid. This will mark their pension contributions when the time comes for them to derive pensions, and today's gender pay gap in the labor market will continue to haunt these women in years to come.

One of the conclusions is thus that the problem with gender discrimination's effects on women's pensions is a problem of the past, the present and the future. The intensity of the problem likely differentiates by period, and possibly there are different solutions to the problem depending on whether it arises from discrimination in the past or present. Since gender discrimination today is not as severe as in the past, with more women pooling more occupational and supplement pensions, the problem of the future will be different from the one we must deal with now. One can never predict the future with certainty and many factors which are unpredictable will affect the economic situation of older women in the future. The one thing we know for certain is that according to the present situation and systems, the labor market gender differences will stretch into women's old age.

The review of the Icelandic pension system with regard to possible gender discriminating aspects of the pension systems, leads me to the conclusion that the aspects of the occupational pension system are not gender discriminating per se. No onerous obligations for women appear in the system such as conditions of minimum contributions, length of periods of work or continuity,

which is the case in some other countries, as described in chapter three. The life-expectancy tables used in Iceland are women-friendly as they are gender-sensitive and the different life expectancies of men and women do not affect the calculation of pensions (Sigurgeirsdóttir, forthcoming). One could therefore say that women's situation within the occupational pension system is not the fault of the system; the fact is that women have through the years contributed less to the funds and therefore receive less pension amounts.

That said, the foundations of the occupational pension systems rest on an employment market that is predicated upon ideas about a (male) provider, and the system was not designed for women, as Price (2006) noted. The occupational pension system has its origins in a gender discriminating society, which values and rewards labor market participation which has through the years been a primarily male arena, and which does not economically value women's work in homes and their care for children. Still, some would assert that these are the most important roles to be performed within the society and should be looked upon with respect. But apparently respect and financial compensation can be mutually exclusive.

Ivošević (2009) has suggested that the increase in multi-pillar designs of pension systems is associated with the increase of private individual saving schemes and the narrowing of the public pay-as-you-go system. If the public system is weakened, it is likely that individuals who are vulnerable to poverty, such as older women, will not be able to rely on the system. Thus, the occupational system and its growth could pose a threat to the economic citizenship of women with low wages and lot of household responsibilities. In the times of increased divorce rates and rise of single-parent households which are headed predominantly by women (Statistics Iceland, 2012I), the poverty threat becomes even greater.

The occupational pension funds have no plans of compensating for the gender pay gap in society, let alone women's unpaid house-work. Still, many of the funds are run by worker's unions and governed by board members who represent employers—which prompts questions about the responsibility of the gender pay gap. For example, in the board of the Pension Fund of Commerce

(Lífeyrissjóður Verslunarmanna) there are four board members appointed by the trade union (Verslunarmannafélag Reykjavíkur) and four board members are appointed by the associations of employers behind the fund (which are Kaupmannasamtök Íslands/Merchant Association of Iceland, Samtök atvinnulífsins/Confederation of Icelandic Employers, Samtök iðnaðarins/The Federation of Icelandic Industries, Félag atvinnurekenda/Icelandic Federation of Trade og Viðskiptaráð Íslands/Iceland Chamber of Commerce) (The Pension Fund of Commerce, 2012). It may also be noted that only two of eight board members are females, which is not an unusual rate for Icelandic pension funds for that matter¹³.

One can wonder if it is the duty of the occupational pension funds to compensate for gender pay gap or unfair division of labor in the household. One view is that the pension funds have a duty to the people paying premium to the fund, and that their payments should not be used for others. That is the role of the tax system and social security. On the other hand, wherein lies the responsibility for occupational discrimination and gender pay gap? Should taxpayers pay for the open labor market's discrimination or is it the duty of the market? In addition, the gender pay gap leads to loss of income for the pension funds, since if women had as high wages as men that would mean more income for the funds.

Implications for women-friendly reforms

The other key research question is whether there is a reason to change the arrangement of the Icelandic pension system in order to promote economic gender equality. As has been discussed, the Icelandic pension system is not gender equal, and I will therefore now discuss a few implications for reforms for both Icelandic society and the Icelandic pension system, which would promote a women-friendlier welfare society.

¹³ The gender composition of boards of pension funds and what if any effect it has on the funds operation make an interesting research topic, but it is not within the scope of this thesis.

Basic pension and income guarantee

As noted in the chapter on gender and pension, many scholars have emphasized the importance of adequate basic pension levels for women who have accumulated little occupational pensions (Price, 2006; Ginn, 2003b; Jefferson 2009). The at-risk-of-poverty rate for women 65+ (6.6%) and especially 75+ (12.6%) (table 17) suggest that there are still a number of older women who have trouble making ends meet, and increasing the basic pension or the income guarantee in the Icelandic pension system would alleviate the danger of poverty for those women. This is also a seemingly gender-neutral operation, but with a gendered outcome since it would benefit more women than men. Alleviating poverty of older women with the use of the welfare system would constitute a part of a woman-friendly welfare society and compensate for the effects of a patriarchal society where women are discriminated against, as the labor market and wage discrimination discussed earlier are examples of. Implications such as this one would mean extra expenditure from the state.

Care-payments

Care-payments are usually paid from the state to (female) carers. There are options of paying such benefits to women who in previous decades were responsible for household and child-care in the homes, or providing such payments while also paying people (more often women) in this situation today direct benefits for care of family members (children, elderly and disabled people¹⁴) which they would have to pay premium of. There is also the option of granting acquired pension rights for care work—such as is done for example in Norway (NAV, 2012). This can be associated with the cash-for-care benefits which have been common in neighboring countries such as Norway and Finland, while this provision has very little roots or tradition in Iceland (Rannsóknarstofa í barna- og fjölskylduvernd, 2010).

As discussed in earlier chapters, the cash-for-care provisions are highly contestable. On the one hand the valuation of women's work in the home is a

¹⁴ It has also been suggested by disability researchers and people with disability that an even better arrangement would be to pay such fee directly to the one needing the care so that the person can hire and direct his or her own services.

matter of justice, but on the other hand such provisions run the risk in the long run of weakening the situation of the carer who stays off the labor market. As earlier noted, these carers are predominantly women, and this may also affect their economic position if the benefits are modest (Rannsóknarstofa í barna- og fjölskylduvernd, 2010).

Here we face the danger of the pitfalls of dichotomy discussed in the chapter on gender theories. Although words of caution are certainly in order when it comes to the gendered effects of cash-for-care, the cash-for-care provisions are not necessarily “a trap” for women, securing them in the homes for minimum pay. Even though the cash-for-care benefits in Iceland have historically been very modest (to put it mildly), there is not anything in the nature of the benefits that suggest that they should be so low. Higher cash-for-care benefits would serve to secure the economic citizenship of women (Kessler-Harris in Melby, Ravn & Wetterberg, 2009), and if the benefits were adequate, doing care work would appeal to more men according to Young (1995). This is not as radical a proposal as it might seem, considering that this was exactly the spirit of laws on parental leave in Iceland when the daddy quota was implemented in 2000, to increase men’s participation in the care of children by making sure that they would not receive a severe reduction in pay. When the law was implemented, parents received 80% of their salaries with no ceiling on payments (Einarsdóttir & Pétursdóttir, 2009).

As earlier discussed, Nancy Fraser’s theory (1994) of how we might reach gender equality rests on the prerequisite that men become more like women. Based on historical experience, that is not going to just happen without any motivation for men and the economic factor is very important. Numbers about parents’ uptake of parental leave already show the decline in fathers’ uptake levels as the benefits amounts are limited (table 19). Thus, an economic stimulus for care is maybe what is needed for men to become more like women. That being said, it must be clear that from a feminist perspective a traditional cash-for-care payment system with modest benefits would not reach the goals discussed above: securing the economic citizenship of women, valuing care work and appealing to men. Therefore, if implemented into the welfare system, cash-

for-care benefits must be adequate or such an operation could pose a threat to gender equality. Implications such as this one would mean extra expenditure for the state.

Eliminating the gender pay gap and labor market discrimination

The gender pay gap and labor market discrimination are affecting women's pension accumulations today, and this will result in their average lower pension compared to men in the future. Aspects of this discrimination are the gender segregated labor market and lower wages of occupational groups predominantly made up of women, such as care-professions like teachers and nurses. Also there is the unexplained gender pay gap (i.e. the average wage differential between men and women which is left unexplained when adjusted variables of difference have been accounted for), and the effects of women's heightened responsibility in the home, resulting in their shorter working hours. This is an example of the patriarchal aspects of society, resulting in discrimination against women. And every day this pattern persists is another day that women's future pensions continue to be lower than men's.

As figures in the chapter on statistics show us, we have come a long way just from the year 2000, not to mention all the progress made before that over the last decades. But gender discrimination is persistent and progress has been said to be too slow. The elimination of labor market discrimination would balance the future pension payments. This is however obviously not as easy to do as reading or writing about it. Effort is needed, both on behalf of the state and the market in eliminating this injustice. Here too we can lean on Fraser's theory (1994) of the universal caregiver, and emphasize that a change will probably never materialize unless men start behaving more like women. A change of attitude, tightened controls and heavier fines in the events of gender discrimination, better tools of measurements, and ultimately more gender equality in all spheres of society—as they are interconnected—are some of the key-instruments in creating a more gender-equal labor market.

Occupational pension funds shouldering social responsibilities

As earlier discussed in this chapter, one can wonder about the responsibility of gender discrimination in the labor market and why this should be a problem of taxpayers and the state. If we leave out the gender segregated labor market, and even women's lower employment numbers of past and present, we still have the unexplained gender pay gap, which is a direct gender discrimination and a result of a patriarchal relations in society. It is food for thought as to whether the labor market has a responsibility in stopping and correcting this discrimination. If occupational pension funds would shoulder their social responsibilities, one way to compensate for this discrimination would be to reduce it through pension benefits, for example with guaranteed minimum pension for all members, or women getting a "pension raise" equal to the average percentage of gender pay gap at the time of their labor market participation.

Sharing of pension between spouses

In Iceland the sharing of pensions is possible between spouses, as discussed in chapter four. This represents a way to share wages within a household, and is in accordance with Hanna Haavind's (1984) recommendations that the terms of the marriage contract be made explicit to improve the contract and make it fairer. Sharing of pensions between couples can be an acknowledgement and reward of women's contribution to the home. However, it is unlikely that this provision will replace or completely compensate for full employment participation. Moreover, this is only option available for cohabiting couples, and it does not affect the situation of single women. Furthermore, this provision does not guarantee the equal sharing of pensions in the event of divorce if an agreement has not been made about the sharing of pension prior the divorce, as this provision is optional but not mandatory.

According to the 102nd article of Icelandic marriage laws (nr. 31/1993), a spouse can demand that occupational and supplemental pension entitlements not be subjected to distributions of assets in the event of divorce. Other assets of the couple's income are subject to distribution between the separated couple. In the existing laws, there is a provision entailing that if it is deemed as unfair to the

other spouse that pension entitlements are not a subject of distribution in the event of a divorce, it is possible for them to demand compensation. This provision was tried in the Supreme Court of Iceland in 2002, when a woman who had been a homemaker for 18 years in marriage, won a case which secured her financial payments of 2.5 million ISK from her ex-spouse (Fékk hlut í lífeyri eiginmanns við skilnað, 2002). Although this verdict created a precedent, it does not necessarily guarantee the equal distribution of the value of pension entitlements in the events of divorce, since merits of cases are different from case to case, as the assessment of courts is as well.

In 2010, there was a discussion in Norway as to whether to make the distribution of pensions mandatory in events of divorce, which was the suggestion of “Kvinnepanelen” or the Women’s council, appointed by the Norwegian minister of equality. Further discussion even brought forward the views of those who considered that pensions should be shared between couples regardless of events as divorce (Foreslår å frata men pensjon, 2010). These are implications which the Icelandic legislators could consider, and which would not result in more expenditures for the state (though this does little for the group of women that is estimated to be worst off, those in single households).

There also rose, however, feminist criticisms made in Norway about the proposal, arising from the same grounds that foster worries about cash-for-care payments. Like the cash-for-care, this provision could result in supporting a society where women are dependent, whether on their husbands or the state, and men are considered providers while women are not encouraged to adapt to the rules of society and take control over their own lives (Bitsch, 2010). So although a just action, there are worries that this will be mitigated by undesirable results for women’s independence. While this sharing is already possible in Iceland, although not mandatory, there are no data available suggesting how widely this option is used among pensioners and what impact it has. That’s an implication for data gathering and further research.

A women-friendly pension system

One of the more specific research questions was what factors shape a gender-equal pension system? I will now provide an overview of those factors, according to the chapter's findings.

A women-friendly pension system is firstly not structurally biased towards women, and secondly it must have its roots in a women-friendly environment. According to Ivošević, (2009), a tight linking between contributions and benefits perpetuates the labor market inequalities, extending the gender pay gap to a gender pension gap. According to this, the very emphasis on occupational pension has been and is women-unfriendly. Redistributive elements as minimum income guarantees and guaranteed old age pensions are the most efficient tool to reduce gender difference in pensions, according to Ivošević. In her research, Ivošević expresses some worries about this matter because her estimation of what she describes as a tighter linking between work careers and benefits with the retreat of the welfare state. In many other European countries other than Iceland—where women's labor market participation has in fact been high for many years—this could lead to a more significant gender difference in pensions and threat of poverty among women.

In pay-as-you-go systems (which are more common in Europe, while Iceland's three pillar system relies heavily on funding system of the occupational pension funds) the structure of an income base interval is important. An income base interval based on the best years, or end years, results in a lower gender bias than a career average base (average earnings over one's full career) due to women's career-breaks. Access to pension-schemes for part-time workers (the majority of whom are women) has also been an issue in the EU, and today the denial of such access constitutes indirect gender discrimination (Ivošević, 2009). Other forms of access limitations are minimum retirement age (which has in many countries been lower for women), regular contribution requirements, minimum contribution periods and minimum earning-thresholds—all of these access limitations can be found in various pension-schemes in Europe according to Ivošević's research (2009). In a women-friendly pension system, such access limitations would be eliminated.

The use of gender-sensitive life-expectancy tables is also important. If pensions are calculated with regard to the estimated life expectancy of each gender, women would lose out because of their average longer life expectancies. A more women-friendly option is to not take gender-difference into account and determine the pension regardless to differences in life expectancies. This method is used in the Icelandic pension system. Other aspects that are important to take into account are the provisions for care credits and parental leave. Access for both parents to parental leave have to be secured, as must their pension rights through the period of care-giving be secured. If not, the gender pension gap that already exists will be amplified further, as women have in the past and still take up the majority of parental leave. In Iceland, a premium is paid from parental leave benefits but people (most often women) in unpaid care-giving work have not had an independent right to pension benefits based on this work (as earlier discussed, such rights are seen as controversial). General social security provisions have compensated for this.

Rights derived from family relations, if such rights are available, must not be gender biased but available to both men and women, such as survivor's benefits. Furthermore, the rights should be available regardless of the form of cohabitation, including same-sex partners. Such rights are based on the notion of dependency but even though there is an increasing trend in the proportion of women in the labor force, women still continue to be the primary care providers in their families, and the women deriving pensions now most certainly were. Therefore, provisions regulating derived pension rights from family relations are still of much relevance for older married or widowed women today (Ivošević, 2009). However, provisions too tightly linking women's earnings to men's can also be a problem, such as means testing earnings of a spouse. Such provision can undermine women's economic independence, which has been recognized in Iceland where such means testing was abolished in recent years.

Based on the fact that the vast majority of seniors derive basic pensions from social security (see table 22), and women derive less from occupational pension funds and more from social security (see tables 21 and 23), it can be concluded that adequate basic pensions, redistributive elements and securing

the rights of women to pensions regardless of their employment history, are most important in securing income security for women already deriving pensions. In the future, eliminating wage differences and gender differences in the labor market (and subsequently unequal distribution of work in the homes) is of no less importance for the future of women's economic independence.

A few words on gender-analyzed data and information

A pivotal part of doing gender research is access to gender-analyzed data. According to Icelandic laws on the equal status and equal rights of Women and Men, article 1 and 16 (Lög um jafna stöðu og jafnan rétt karla og kvenna nr. 10/2008), statistics on behalf of government agencies and businesses should be gender-analyzed both when data is gathered and in its publication. While this research on the gendered aspects of the Icelandic pension system was carried out, I frequently encountered a certain shortage of gender-analyzed data important to the research. This problem has also been pointed out by for example Bjarnadóttir and Árnadóttir in their analysis of the gendered aspects of the financial crisis (2011), and I can easily agree with their criticism. Lack of information about the different situation of men and women increases the risk that false assumptions are made, official actions are taken that do not have the intended effect or hidden problems remain unsolved.

Among the many observations made by Bjarnadóttir and Árnadóttir are that no public statistics seems to be gathered about homemakers and data about the users of cash-for-care services are not available in a gender-analyzed format from the municipalities providing such services. This is an example of information that would be informative for this research. As discussed in the previous chapter, there are additional limitations to data important to this research. Information on number of cases where a couple decides to share pensions is not available at the Icelandic Pension Funds Association (Landssamtök lífeyrissjóða). Gender-analyzed labor market exit year statistics are not available in the Statistics Iceland database, although I managed to obtain the information from OECD data. Information on recipients of unreduced social security old age benefits are not

available by gender (statistics of the Social Insurance Administration of Iceland), and figures on sources of pensions income, or pensions incidence on total income in old age, are also lacking—no public agency seems to keep track of this information or at least not make it available to the public. The tax commissioner of the State provides information on income and taxes of individuals by sex and marital status on the one hand, and on the other by year of birth. Combined data for gender and age is thus not available publicly, but luckily special calculation information was gathered via a detour for this research. This provides an implication for data gathering and categorization of data, as prescribed in Icelandic laws.

Implications for future research

My mission for this thesis was to shine a light on the economic situation of women in retirement, with regard to their unpaid labor and historically lower employment participation. I consider this mission partly accomplished, having provided information on their situation and suggested implications for reforms. However my research is limited by it being a quantitative study with very impersonal data on a very personal issue. According to the at-risk-of-poverty rates for 2010, there are still, for example, 12.6% of women aged 75 years and older living in poverty (table 17). The situation of this group and others particularly vulnerable must be studied further in order for them to live a decent life. Their situations must be known in order to analyze how they may be improved, what needs are not being met and how best to respond to these needs. In this case qualitative research might be as well suited as quantitative research—a combination of these two approaches is an interesting option.

In addition, it would be interesting to study the discourse about benefits such as old age benefits. When discussing benefits, the Icelandic words “lífeyrir” (pension) and “bætur” (compensation) are often used, along with “uppbót” (recompense), “greiðslur” (payments), “uppbætur” (supplements) and “styrkir” (subsidies). The words not commonly used are “réttur” or “réttindi” (rights). Must it not matter for the recipients, whether they (and others) perceive the

payments made to them as “rights” instead of “compensation” or “subsidies”? Such words imply that these payments are not earned. This mirrors Fraser's (1987) and Leitner's (2001) criticism about androgynous social security system positioning “masculine” insurance schemes as “right-bearers” while “feminine” insurance benefits are stigmatized for not being regarded as earned. This also reflects the importance of equal citizenship, society's recognition of all its members and abandonment of the idea that those that are not self-sufficient are of lesser worth (Young, 1995), as discussed in chapter two. It is not only the payments that matter, the discourse and its effects on self-value of recipients also matters.

In context with the implications I have outlined for a more women-friendly pension system, a detailed analysis of their strengths and weaknesses, as well as an action-plan and cost analysis must be made if those options are to be taken seriously. In that case some data not available for this research will be necessary, among the most important in this regard are data on the number of couples splitting pensions between them. Knowledge of what influences men's and women's pension accumulation and working behavior will better equip us to estimate the possibilities of this provision.

The notion of a fourth pillar added to the pension system is a very interesting one, and sadly I was not able to find enough literature about this provision to make proper suggestions about its potential. It remains an interesting research topic, both because of its potential recognition of informal personal assistance to pensioners, thus acknowledging care as a part of the structure of the pension system, but also because of its ideas of housing as a part of the pillar. As earlier discussed, Icelanders currently in the labor market generally have high housing loans and debts which they may not be able to finish paying before they retire. Therefore, the situation of housing for people in old age needs to be addressed sooner rather than later. Available and affordable health care also remains an important issue for old age pensioners, especially those with low income. In addition to this, I also would like to encourage a study in a similar spirit as Pahl's in 1995 and 2008 be made about the allocation of money within households in Icelandic society. I find this a very exciting topic and

in much need of research. Such research could shine an even better light on women's economic position.

A haunted society

From a feminist point of view, women's work in household, childcare and care of elderly and disabled family members has been exploited by society. Although this work has been pivotal in the function of our society, it has absolutely no value when it comes to both salary and pensions. Women's response to this, and society's response to their demands, has been their entry to the labor market seeking economic independence, but still more unpaid domestic work rests on their shoulders than their spouses. This has changed very slowly over the years with men's greater participation in household work and childcare. In this paper, Nancy Fraser's theory about the key to gender equality being men becoming more like women has been emphasized, but what does this involve? Here it has been reasoned that greater economic value placed upon care-work might work towards this goal. But this could possibly halt the course of gender equality in the labor market by fixing women in the home. Also, it seems just a bit peculiar that it must be necessary to pay men to do the work women have done without pay for centuries. Nevertheless, it might be what is needed to create a more gender equal society.

It is necessary to consider many perspectives to secure women's adequate pensions both in the present and in the future. From this research we can conclude that the structure of the occupational pension system seems to be not gender-discriminating, as the access limitations outlined previously, both in this chapter and earlier in the thesis, do not exist in the Icelandic pension system. The occupational pension system is however very closely linked to employment and the wages of members, and the emphasis on labor market participation in the whole Icelandic pension system has led to substantial gender difference in pensions. It will continue to do so while women's labor market earnings and participation continues to differ substantially to men's. In this research some implications to compensate for this have been outlined.

Society must consider how the ghosts of past gender discrimination are haunting our mothers and grandmothers today. A daring question is thus whether or not society bears the responsibility to correct these injustices? It comes down to a question of what kind of a society we have made. Does this society consider this gender discrimination to be a real problem? And if so, how are we as a society going to react? Or will we perhaps choose the status quo and wait for our own ghosts to haunt us?

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Annex

Table 2: Population by sex and five year groups												
Year	2000											
Age	55-59			60-64			65-69			70-74		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
	11953	49.8%	50.2%	9686	49.3%	50.7%	9782	48.5%	51.5%	8433	47.3%	52.7%
Year	2005											
Age	55-59			60-64			65-69			70-74		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
	15493	51.3%	48.7%	11622	49.4%	50.6%	9282	49.0%	51.0%	8987	47.5%	52.5%
Year	2010											
Age	55-59			60-64			65-69			70-74		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
	18202	50.9%	49.1%	15122	50.9%	49.1%	11075	48.9%	51.1%	8578	48.3%	51.7%
(Statistics Iceland, 2012a)												

Table 3: Average life expectancy at birth (in years)			
	1996-2000	2001-2005	2006-2010
Male	77.1	78.9	79.4
Female	81.4	82.8	83.1
(Statistics Iceland, 2012b)			

Table 4: Population projection by age and sex 2011-2060 (increase in percentages from 2011)						
	65 years and over			Total		
Age	Total	Male	Female	Total	Male	Female
2011	39173	18013	21160	318452	160006	158446
2020	33.9	38.9	29.7	7.2	7.4	7
2030	83.9	92.5	76.6	16.5	16.7	16.2
2040	117.9	128.1	109.2	24.6	24.8	24.4
2050	142.4	154.8	131.9	31	31.2	30.8
2060	147.9	173.8	144.5	36.1	36.5	35.6
(Statistics Iceland, 2012c)						

Table 5: Old-age dependency ratio (65+/15-64 years) for 2000/2005/2010			
	Old-age-dependency ratio (%)		
	2000	2005	2010
Iceland	17.8	17.9	17.9
EU-27	23.2	24.7	25.6*
*Data from 2009, Data for 2010 not available. (Sigurgeirsdóttir, forthcoming; Eurostat Statistics Database, 2012)			

Table 8: Temporary employees, part-time employment and self-employment rate of men and women, 2000/2005/2010									
	Temporary employees as percentage of the total number of employees (+25 years)			Part-time employment as percentage of the total employment (+25 years)			Self-employed as percentage of the total employment (+25 years)		
	2000	2005	2010	2000	2005	2010	2000	2005	2009*
Men	3	4.8	8	7.6	5.4	7.5	15.47	14.4	11.1
Women	4.4	6.3	9.2	45.2	34.8	30.5	8.2	5.3	5.8
*Figures for 2010 not available									
(Eurostat Statistics Database, 2012)									

Table 9: Employed persons (%) by occupational groups and sex			
		Males	Females
Legislators and managers	2000	72.7%	27.3%
	2005	72.7%	27.3%
	2011	61.3%	38.7%
Professionals	2000	49.8%	50.2%
	2005	46.8%	52.9%
	2011	40.6%	59.4%
Associate professionals	2000	44.1%	55.9%
	2005	43.2%	56.8%
	2011	43.5%	56.5%
Clerks	2000	18.0%	82.0%
	2005	15.3%	84.7%
	2011	36.1%	64.1%
Service and sales workers	2000	30.1%	69.9%
	2005	34.1%	65.9%
	2011	40.2%	59.8%
Agricultural and fishery workers	2000	77.7%	23.3%
	2005	77.8%	22.2%
	2011	87.3%	12.7%
Craft and related trades workers	2000	83.5%	16.5%
	2005	88.0%	12.0%
	2011	89.3%	10.7%
Plant and machine operators	2000	90.6%	9.4%
	2005	91.6%	8.4%
	2011	86.4%	12.3%
Elementary occupations	2000	50.0%	49.2%
	2005	51.2%	48.8%
	2011	51.6%	48.4%
(Statistics Iceland, 2012d)			

Table 10: Employed persons (%) by sex and occupational groups 2010		
	Males	Females
Financial intermediation	40%	60%
Public administration	49%	51%
Education	24%	76%
Health services, social work	28%	72%
(Statistics Iceland, 2012e)		

Table 14: Consumer price index		
Average	2000	199.1
	2001	212.4
	2002	222.6
	2003	227.3
	2004	234.6
	2005	244.1
	2006	260.6
	2007	273.7
	2008	307.7
	2009	344.6
	2010	363.2
	2011	377.7
(Statistics Iceland, 2012g)		

Table 15: Replacement rate						
Aggregate replacement ratio of income from pensions of persons aged 65-74 and income from work of persons aged between 50-59, 2003, 2005 and 2009						
	Total		Males		Females	
	2005	2010	2005	2010	2005	2010
Iceland	0.5	0.48	0.45	0.44	0.57	0.54
(Eurostat Statistics Database, 2012)						

Table 16: Gender pay gap by occupation – Regular salaries in the private sector			
	Women's wages as a percentage of men's wages		
	2000	2005	2010
Managers	69%	69%	80%
Professionals	83%	79%	87%
Technicians and associate professionals	64%	64%	74%
Clerks	81%	83%	93%
Service workers and shop and market sales workers	71%	66%	79%
Craft workers	NA	88%	NA
General, machine and specialized workers	79%	82%	84%
NA: Not available (Statistics Iceland, 2012h)			

Table 20: Number of pensioners as a percentage of the population 67 years and older 1998-2010				
<i>Year</i>	<i>Number of pension recipients</i>	<i>Population 67 years and older</i>	<i>Pensioners as % of population 67 years and older</i>	<i>Percentage of 67 years and older of total population</i>
2000	25,123	29,097	86.3%	10.3%
2010	25,072	33,883	74.0%	10.6%
(Social Insurance Administration Iceland, 2011)				

Table 21: Recipients of old age pension benefits and related social assistance 2010						
	Recipients in December 2010			Expenditure 2010 in million ISK		
	Males	Females	Total	Males	Females	Total
Old age pension	10,455	14,658	25,113	3,311	4,723	8,034
	42%	58%		41%	59%	
Pension supplement	8,719	12,909	21,628	5,065	8,569	13,634
	40%	60%		37%	63%	
Spouse benefits	5	11	16	7	16	23
	31%	69%		30%	70%	
Home care payments	-	12	12	1	16	17
		100%		6%	94%	
Household supplement	2,052	5,199	7,251	391	1,000	1,391
	28%	72%		28%	72%	
Additional supplements	455	989	1,444	55	109	164
	32%	68%		34%	66%	
Special pension supplement	970	2,083	3,053	113	218	331
	32%	68%		34%	66%	
(Social Insurance Administration Iceland, 2011)						

Table 22: Recipients of unreduced social security old age benefits as a percentage of the total number of pensioners				
	2000		2010	
	Number	Ratio	Number	Ratio
Total old age pensioners	NA		25113	
Basic pension	23,861	94.8%	20,080	80%
Pension supplement	9,927	39.4%	747	3%
Household supplement	4,256	16.9%	246	1%
NA: Not available (Social Insurance Administration Iceland, 2011)				

Table 23: Total expenditure of pension per month and average pension payments by sex in December 2010							
Pension fund	Number of pensioners		Pension expenditure per month in thousand ISK		Average pensions per month in thousand ISK		Women's average pension as a ratio of men's average pension
	Men	Women	Men	Women	Men	Women	
Almanni lífeyrissjóðurinn	370	71	50,123	4,327	135	61	45%
Eftirlaunasjóður FÍA	100	0	44,127	0	441	0	0%
Eftirlaunasjóður Reykjanesbæjar	46	69	7,412	4,616	161	67	42%
Eftirlaunasjóður starfsmanna Hafnarfjarðarkaupstaðar	69	124	10,840	8,131	157	66	42%
Eftirlaunasjóður starfsmanna Útvegsbanka Íslands	42	82	6,748	6,579	161	80	50%
Festa lífeyrissjóður	1,295	1,671	51,867	43,287	40	26	65%
Frjálsi lífeyrissjóðurinn	149	105	4,597	2,310	31	22	71%
Gildi lífeyrissjóður	3,981	4,725	234,805	135,970	59	29	49%
Íslenski lífeyrissjóðurinn	9	4	129	19	14	5	33%
Lífeyrissjóður Akraneskaupstaðar	55	101	6,178	5,071	112	50	45%
Lífeyrissjóður bænda	1,546	1,274	49,054	25,352	32	20	63%
Lífeyrissjóður bankamanna	254	329	64,075	44,520	252	135	54%
Lífeyrissjóður hjúkrunarfræðinga	4	623	565	125,164	141	201	142%
Lífeyrissjóður Neskaupstaðar	14	25	2,721	1,653	194	66	34%
Lífeyrissjóður Rangæinga	156	162	3,976	4,607	25	28	112%
Lífeyrissjóður starfsmanna Akureyrarbæjar	107	140	14,334	8,724	134	62	47%
Lífeyrissjóður starfsmanna Búnaðarbanka Íslands hf.	73	129	20,822	21,435	285	166	58%
Lífeyrissjóður starfsmanna Húsavíkurkaupstaðar	28	29	3,144	1,527	112	53	47%
Lífeyrissjóður starfsmanna Kópavogsbæjar	56	121	6,267	7,052	112	58	52%
Lífeyrissjóður starfsmanna ríkisins	4,201	5,604	796,472	551,156	190	98	52%

Lífeyrissjóður starfsmanna Reykjavíkurborgar	500	851	74,746	66,972	149	79	53%
Lífeyrissjóður starfsmanna sveitarfélaga	441	492	20,842	8,172	47	17	35%
Lífeyrissjóður starfsmanna Vestmannaeyjabæjar	45	73	3,333	2,440	74	33	45%
Lífeyrissjóður verkfræðinga	172	2	28,632	129	166	64	39%
Lífeyrissjóður verslunarmanna	2,082	3,674	182,190	154,192	88	42	48%
Lífeyrissjóður Vestfirðinga	453	382	25,393	11,668	56	31	54%
Kjölur lífeyrissjóður	441	114	26,119	2,155	59	19	32%
Lífeyrissjóður Vestmannaeyja	414	253	30,819	7,859	74	31	42%
Sameinaði lífeyrissjóðurinn	2,817	188	171,078	4,618	61	25	40%
Stafir lífeyrissjóður	1,381	1,052	106,292	24,905	77	24	31%
Söfnunarsjóður lífeyrisréttinda	2,195	2,310	53,405	38,503	24	17	69%
Stapi lífeyrissjóður	1,752	2,246	91,997	75,038	53	33	64%
Total	25,248	27,025	2,193,103	1,398,151	116	55	47%
(The Financial Supervisory Authority Iceland, 2011)							

Table 25: Additional contribution to pension funds in 2010							
	Single				Consolidated taxation		
	Men	Women	Total		Men	Women	Total
Population	60,067	58,815	118,882		62,299	62,341	124,640
Deducted additional contribution to pensions fund (in million ISK)	1,946	1,651	3,597		5,779	3,306	9,085
Mean contribution (ISK)	32,400	28,074			92,766	53,029	
(The Tax Commissioner of the State, 2012)							

