

The gender pension gap puts women at a greater risk of poverty

Despite substantial pension increases and other measures taken by the Government in recent years to alleviate the plight of pensioners, around 20.9% of pensioners in Malta were at risk of poverty in 2013, rising to 29.1% in 2019. This proportion is much higher than the EU average of around 18% and is a particular problem for older women.¹ These details were revealed in an evaluation of the National Strategic Policy for Poverty Reduction and Social Inclusion.

According to this report, in 2019, 30.5% of Maltese women were considered at risk of poverty compared with 27.4% of men. Moreover, it said that a *“major factor behind this discrepancy is the high rate of elderly females with no or little pensions, who would rely on the husband’s sole pension.”* This shows that the gender pension gap translates into higher poverty risks for older women compared to men.

The gender pension gap refers to the percentage by which women’s average pension income is higher or lower compared with that of men. Pension income consists of old age benefits, survivors’ benefits and regular pensions from individual private plans.²

In addition, in 2018, women in the EU aged over 65 received a pension that was 30.1% lower than that of men. Despite the fact that women received lower pensions in all EU Member States, the extent of the gap varies widely. The largest difference was observed in Luxembourg, where women aged over 65 received 43% less pension than men. Luxembourg was followed by Malta (42%). This means that Malta has the second highest gender pension gap in the EU (2018).³

*“The often substantial gender gaps in pensions reflect the gender gaps in remuneration, working hours and duration of working lives that women faced during their working lives.”*⁴ Pay differences between women and men may be rooted in gender segregation in employment and education, in lack of work-life balance and lack of women in decision-making positions.

¹ National Strategic Policy for Poverty Reduction and Social Inclusion 2014 - 2024 Implementation & Evaluation Report 2017 – 2019

² [https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200207-1#:~:text=In%202018%2C%20women%20in%20the,compared%20with%202010%20\(34%25\).](https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200207-1#:~:text=In%202018%2C%20women%20in%20the,compared%20with%202010%20(34%25).)

³ [https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200207-1#:~:text=In%202018%2C%20women%20in%20the,compared%20with%202010%20\(34%25\).](https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200207-1#:~:text=In%202018%2C%20women%20in%20the,compared%20with%202010%20(34%25).)

⁴ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2349&furtherNews=yes>

Furthermore, household and caring duties relating to children and older persons fall mostly upon women who had either not worked at all or whose working life had been cut short by family responsibilities. As a result, women do not have sufficient social security contributions to earn a decent pension.

By increasing women's participation in the labour market and their earnings throughout the lifecycle, women's economic independence is enhanced while curbing their risk of falling into poverty or social exclusion specifically in their retirement years.

With respect to this, the National Commission for the Promotion of Equality (NCPE) raises awareness on the need of family friendly measures at the workplace and offers training to companies' management and staff to foster gender equality at the place of work. The NCPE also investigates complaints of workers who believe they are victims of gender discrimination in pay. Besides, the NCPE constantly raises awareness in this regard through outreach initiatives. Indeed, in 2020, the NCPE concluded the EU co-funded project Prepare the Ground for Economic Independence (PGEI) that was launched in 2018. This project sought to address the gender gaps over the life cycle by increasing awareness on both the gender pay gap and gender pension gap.

The NCPE will continue working to highlight the way forward to closing the gender gaps over the life cycle that are translating into higher poverty risks for older women compared to men. As Nelson Mandela remarked, *“overcoming poverty is not a gesture of charity, it is an act of justice”*.

The National Commission for the Promotion of Equality (NCPE) can be contacted on: 2295 7850 or equality@gov.mt or our Facebook page.

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