

Gender Dimension of the Pension Reform in Bulgaria¹

I. Overview of the Reforms

Bulgaria introduced the Bismarck insurance schemes in health care and pensions in the previous century. In the period 1945-1989 the pension insurance relations were put on a different basis and they resolved problems of the centrally planned economy. The access to pension rights was extremely easy and the country possessed one of the most liberal pension schemes. Early retirement affected the denominator of the system dependency ratio by reducing the number of workers contributing to the pension scheme. As a result of this at the end of the socialist era disproportion was accumulated.²

Bulgaria inherited a mandatory pay-as-you-go system characteristic of the pre-transition systems of the region. There were several problems with the old legislation that required reform. These are summarized here.

In 1998 the government was attempting to create a sustainable social welfare system. The system relied on subsidies from the International Monetary Fund, the World Bank, and the European Union. Of 8.4 million Bulgarians, approximately 2.5 million were pensioners.³ The total labor force decreased in absolute numbers to 3,476,800 in 1998 from 3,564,200 in 1997. In 1998, there were 1,553,500 male (53.2 percent) and 1,367,200 female (46.8 percent) workers. In the first half of 1999, approximately 111,000 employees were laid off in the public sector—more than the entire decline in public employment during 1998. In June 1999, the absolute number of unemployed was 487,500, marking an increase in the officially registered unemployment rate from 12.2 percent in 1998 to 12.8 percent by mid-1999. The unemployment rate for men was 45.6 percent; for women it was 54.4 percent.⁴ Unemployment itself further reduced contribution revenues. Finally, the number of contributors and the amount of the income that they reported fell because of evasion. This last element was partly due to changes in the structure of employment from large state enterprises to small, private firms and self-employed individuals. In the new environment, it was much more difficult to collect taxes using the old tax collection apparatus.⁵

¹ The survey has been done by a team of experts from the National Social Security Institute (Hristina Mitreva, Zoya Slavova and Antoaneta Gancheva) and the Center of Women Studies and Policies (Roza Dimova and Tatyana Kmetova) with the financial support of the International Labour Organization Office in Budapest.

² The Pension Reform in Bulgaria – Two Years after the Start, *Borislav Tafradjiyski, Pobeda Loukanova, George Shopov, Dochka Staykova*, An International Workshop Population, Labor Market, Pension and Quality of Life in Transitional Countries.

³ Nations in Transit 1998: Country Report for Bulgaria, UNPAN, <http://unpan1.un.org/intradoc/groups/public/documents/nispacee/unpan008468.pdf>

⁴ Nations in Transit 1999-2000: Country Report for Bulgaria, UNPAN, <http://unpan1.un.org/intradoc/groups/public/documents/nispacee/unpan008363.pdf>

⁵ International Patterns of Pension Provision, Robert Palacios, Montserrat Pallarès-Miralles, April 2000, Social Protection Discussion Paper Series, No. 0009

Table 1
Labor force participation – male and female in EU and EUA countries, 1960, 1980, 2000, and 2050

male									female							
15-64					65+				15-64				65+			
Country	1960	1980	2000	2050	1960	1980	2000	2050	1960	1980	2000	2050	1960	1980	2000	2050
Bulgaria	88.4	82.7	77.2	77.2	38.3	18.8	10.1	8.6	68.9	70.4	71.4	68.8	8.5	3.9	3	2.5

Sources: EPC 2001, OECD 2003, ILO Laborstat 2003, UN Population Division 2002.

Old age benefits were based on the best three years of earnings out of fifteen. This was particularly advantageous for someone who had the opportunity to pay contributions on the basis of a minimum wage up until three years prior to retirement, when a full wage could be reported. This reinforced the above problem, since workers only really needed three years with reported high earnings and contributions.

The defined benefit formula contained no link between career contributions and benefits, and overall, no incentive to pay contributions. A contribution period of 25 years for men and 20 years for women was required for a full benefit, this redistributed resources from persons with long to persons with short earnings careers. It was also unfair, generally speaking, to base the benefit on three years which was clearly to the advantage of participants with steep earnings careers towards the end of their working life, at the expense of persons with flat earnings.

Finally, the ad hoc indexation practiced during so many years in combination with the above system deficiencies led to the perception that there was no real relationship between contributions paid and benefits received.

In 2000 Bulgaria began a large-scale reform of its pension and social services programs, which until that time had been state-run and state-subsidized. The most important social sector development was the actual start of the pension reform. Pursuant to the Compulsory Social Security Code and the Voluntary Supplementary Social Security Act, both adopted in 1999, the Bulgarian pension system has three pillars. The first pillar is the inherited pay-as-you go compulsory system, which is administered by the National Social Security Institute (NSSI). The second pillar consists of the fully funded compulsory supplementary system under which a small but growing portion of the contributions of workers born after December 31, 1959, goes into individual private pension accounts. The third pillar consists of voluntary supplementary retirement plans to which any person can openly contribute. This structure of the pension system was implemented in 1999 and 2000. In 2001, everyone in Bulgaria either chose or was assigned a private pension fund for the second pillar. As of January 1, 2002, all three pillars became fully operational and the structural reform process was completed. Since 2002 some nine pension insurance companies have been operating, as Bulgaria's aging population made this aspect of social services more critical. Employees make their mandatory pension contributions into one of the company funds. In 2004 some 2 million people were in the pension system, 500,000 of whom made additional voluntary contributions. In coordination with the 2005 minimum-wage increase, Bulgaria raised its lowest pensions by 22 percent and other pensions by 7 to 8 percent. In 2006 a pension reform set the minimum worker pension at 50 percent of minimum wage and the minimum pension for senior citizens at 45 percent of the figure designated as the

poverty line. The system has been hampered by a very low ratio of contributing workers to pension recipients—less than one-to-one—and by Bulgaria's very large gray economy, in which pension contributions are not enforceable.

The pension reform started after the Bulgarian government and parliamentary majority made a political decision that this reform was inevitable. The following actions were undertaken as a result of this:

- ✧ Regulation of the voluntary insurance system (3rd pillar, capital-based pension system, based on voluntary contributions to individual accounts).
- ✧ Reforming of the present pension system (1st pillar, obligatory pay-as-you-go system) by linking the amount of pensions with the insurance contributions, improving the collection of contributions and system administration, improving the formula for setting the pensions, restricting early retirement.
- ✧ Redirecting the mandatory insurance contributions towards the system of private occupational and universal pension funds (2nd pillar, mandatory pension system, capital-based with individual insurance accounts).
- ✧ This sequence was imposed by the problems of the day and the need to regulate the activities of the private pension funds in protecting public interest. However this sequence cannot be accepted as the most appropriate one because the main reforms in the first pension pillar had to take into account the enforced legal documents in the third pillar.
- ✧ Introducing opportunities for rent insurance for pension, performed by insurance companies.

Pre-reform pension systems throughout CEE and also in Bulgaria effected substantial redistribution of income from workers with higher earnings to those with lower ones. Schemes often calculated benefits on the basis of the final years of employment, or the years with highest earnings, and provided upper and lower benefit limits. As a common trend, pension reforms have eliminated many, in some cases all, of these redistributive elements. Pension benefits were linked more closely to lifetime earnings and the role of individually accumulated pension rights became more important for calculating the level of benefits. A closer linkage between contributions and benefits, as well as greater individuality in pension rights is therefore generally detrimental for women. Women are confronted with an inferior position in the labor market and do a disproportional amount of unpaid care work which results in shorter periods of life time contributions.

The private pension component, which was introduced in Bulgaria as a second pillar of the pension scheme, by definition is not redistributive. Pension savings are accumulated in individual accounts. At the moment of retirement, the accumulated savings (plus interest gained, minus administrative costs), is converted to an annuity that will pay a monthly benefit until the worker's death. Over the course of the working life of most workers, individual savings accounts for pensions contribute further to women's disadvantage in pensions. Again, this is mainly an effect of women's weaker labor market position (reflected in lower incomes and lower pension contributions), and their shorter total working life, mainly due to childcare breaks. One advantage of such a system, however, is that all contributions, even those paid during a short period of employment, are reflected in the savings accumulated. The second pillar represents an investment pension scheme which is mandatory, but only for people born after 1960. People born before that year have no accumulated savings in the second pillar. This will also raise the question about the compensations of people who will retire in the next 10 -15 years and don't have the chance to receive additional pensions from the second pillar. An interesting aspect is also how gender aspect will influence or could influence these compensation models.

II. The gender impact of changes in the pension system

In Bulgaria, the pension reform was based on several main principles:

- ✧ *Pluralism in types and forms of pension insurance - private and public, mandatory and optional, general and professional;*
- ✧ *Tree pillars;*
- ✧ *National solidarity between generations, employers and employees, people with high and low wages;*
- ✧ *Equality of insured persons and pensioners of both genders;*
- ✧ *Lowering the insurance burden and sharing the burden between employers, employed and self-employed persons*
- ✧ *Ensuring the correlation between insurance rights and insurance input.*

Although the reform was based on gender equality as a main principle, it could not eliminate the already existing inequalities for women and men and even deepened them. In the period of rapid change following 1989, eliminating these gender differences was not among the highest priorities for the reform. In these early years, gender equality was overshadowed by other concerns that were seen as more pressing, namely, the need for new benefits to protect workers and families against high inflation, job loss, and poverty. This paper analyses the four principle elements of the Bulgarian pension system – retirement age, pension rights for periods out of the work force for child care, changes in the public benefit formula and the benefit replacement rates – and the impact of the pension reform on gender equality in Bulgaria.

1. Retirement age and length of service

Till the adoption of the Compulsory Social Insurance Code the workers, employees and farmers – cooperators, members of Labor Productive Cooperatives, culture workers and lawyers were eligible for length of service and old age pension after reaching the required length of service and age according to the defined labor categories:

For I category – 15 years length of service and 52 years of age for men and 47 years of age for women;

For II category – 20 years length of service and 57 years of age for men and 52 years of age for women;

For III category – 25 years length of service and 60 years of age for men and 55 years of age for women.

For all categories of labour the eligibility for pension is determined by two cumulative legal prerequisites – length of service and old age pension.

A differentiated approach was adopted in determining the necessary age and length of service depending on the labor category considering harmfulness, intensity, etc.

The Government set the type of labor and the respective labor category according to the nature and the particular working conditions, as well as the terms, conditions and procedure for acknowledging length of service for retiring. Persons became eligible for pensions under the conditions of the more favorable category if they had at least two thirds of the required length of

service for this category. At the same time the retirement was possible under different length of service for different types of categories by adjusting the categories and recalculating the length of service. If a person was eligible for more than one pension, he/she was able to receive (his/her choice) the full amount of one of the pensions and 50 percent of every other. There was an exception only in with regard to the pensioners – military disabled, who received the full amounts of both pensions – for military disability and for economic activity after reaching 60 years of age for men and 55 years of age for women.

There were projected deviations in the retirement regime, specified mainly by social considerations aiming at better social protection: women who gave birth to and raised 5 and more children till the children reached the age of 8, retired if they had 15 years length of service and 40 years of age for I labor category, and 45 years - for II and III labor category.

Another category of persons who retired under alleviated regime were the military staff, who after retiring were eligible for pension after 20 years length of service, two thirds, of which was actual military service regardless of age. The new social security legislation regulates the same alleviated regime for military staff, but instead of 20 years length of service it requires 25 years. Civil servants under the Ministry of the Interior Act and investigators also could retire if they have 25 years length of service, two thirds of which was actual service on investigation or within the structures of the Ministry of the Interior.

The new social security legislation in Bulgaria, in force from 01.01.2000, principally guaranteed gender equality of the social security rights and obligations for women and men. With regard to the pension awarded for lengths of service and old age, it seems that women have more favorable conditions. They can retire at a lower age than men all other legislative requirements being equal. However, in deepening the analysis of the gender impact of the pension reforms there could be found several arguments against this statement.

There is only one but rather essential difference in the pension insurance legislation – the age of retirement in the legally established first (joint liability) pillar. By 1 January 2006 men were eligible for pension for length of participation and old age when they complete the age of 63 and women when they complete the age of 58,5. The retirement age for women is stipulated to gradually increase until it reaches 60 in 2009. These differences are also transferred in the legally established second (capital) and in the voluntary third (capital) pillars because eligibility for pension from them is acquired after completion of the age of retirement according to the first pillar. As far as professional pension schemes are concerned⁶, the eligibility to pension appears *mutandis mutandi* when completing 60 years of age both for women and men. In the professional pension scheme women and men have equal pension rights. They receive personal pension benefit right with term of payment when the insured person has completed 60 years age.

The lower age of retirement for women has important consequences in the context of pension system development. In the first place, it gives women the opportunity to retire from active economic activity earlier than men. In the second place, the lower age of retirement involves that women will retire at shorter length of insurance periods. For example, regarding the most numerous category of pensioners, insured for the third labour category and for a pension for length of participation and old age, the difference between the average age for pension rights

⁶ The professional pension scheme are part of the second pillar mandatory pension system, and are designed to accumulate early retirement pension for the insured persons, working under the conditions of first and second labor category.

is varies between 5, 4 and 5, 7 years. Differences are observed also regarding the average length of participation. In the third place, that circumstance combined with the higher life expectancy after retirement for women leads to predomination of women in the total number of pensioners. By the end of 2005 the total number of pensioners having personal pensions was 2 137 476. About 57 per cent of them (i.e. 1 237 640 persons) were women and 43 per cent (935 836) were men.

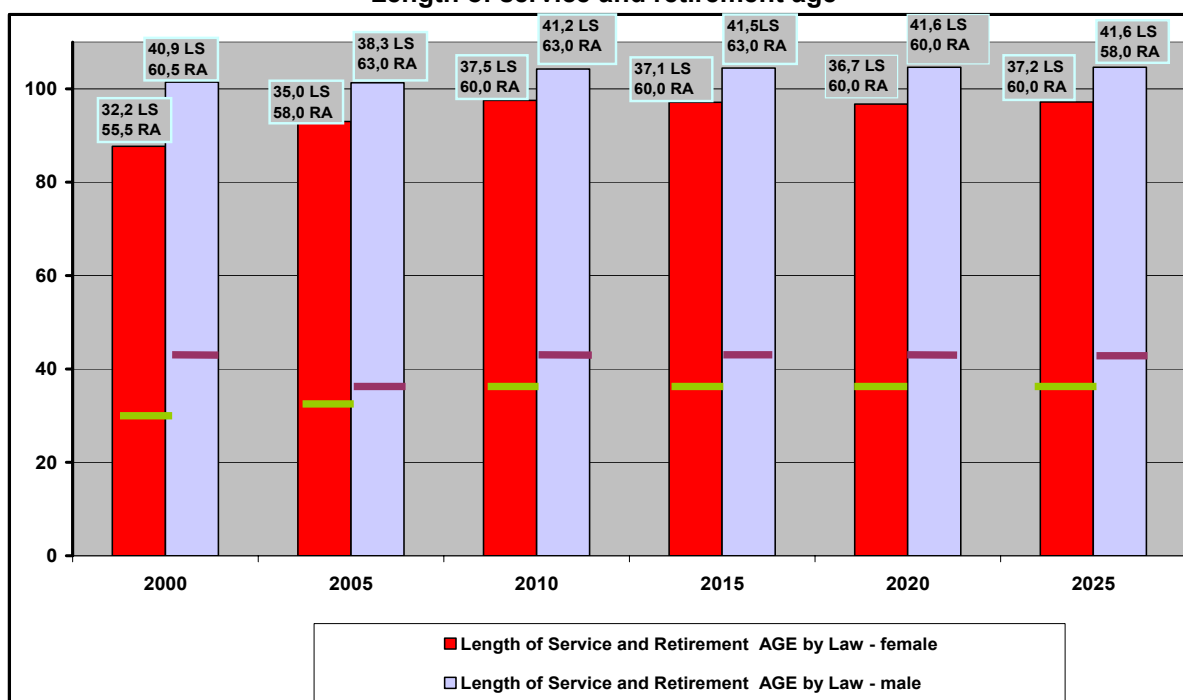
By introducing the point system for retirement, the insured person has to fulfill relevant requirements for length of service and old age. Under the new legislation the age for having right to pension was considerably increased. Gradually until 2009 the difference between women and men will be brought to three years. Actually this difference of three years like social contribution payment and insurance earnings gives influence upon pension benefit amount. However, in Bulgaria women traditionally retire earlier than men. And the public opinion is still in favour of this. Really for women the transition forwards higher pension age (from 55 years according the old Pension Law to 60 years according the new Social Security Code) for relatively short period of time is much higher than this for men (from 60 years according repealed old Pension Law to 63 years according to the new Social Security Code). These are the requirements for the third category of labour where the major part of the labour force falls. For this reason, now the pension age between the two genders is not equal yet and it is undesirable to be so. Concerning the first and second category of labour, the retirement age, the requirements are respectively: age 47 for women, 52 for man; and 52 for women, 57 for men. The number of pension points is the same as for the third category of labour. In the event that the minimum number of points is lower than required, eligibility for pension shall be acquired with 15 years length of insurance and 65 years of age for men and women.

Regarding the third category of labour the pension age will increase gradually by 5 years for women and 3 years for men. If on introducing the new social legislation the pension age for women and men had to be equalized, the increase for women would have been generally by 8 years. That sort of transition would have been too burdensome. With a view to this, women currently remain in a privileged position concerning the age required by law, which gives them the right to pension benefit for length of service and age. The privilege could be seen in the combination of factors and realities. For example, in small villages and towns in Bulgaria, where, unemployment is high, and for women over 50 years there are not so many possibilities for career development, the retirement is a better choice than unemployment. On the other hand in big cities people who are active after their retirement, have possibilities to continue working and receive at the same time remuneration and full amount of pension. Pensioners are in some cases a preferred category of workers, because employers do not pay social insurances for them.

Parallel to pension age, pension regulations require a fixed number of points (sum of age and length of service). This indicator also is different for women (94 points) and for men (100 points) in 2008, 2009 and later as presented in *Figure 1*. The six /6/ points difference corresponds to the 3 years difference in pension age between the two genders, and 3 years difference in length of service - women ($60 + 34 = 94$ points; men: $63 + 37 = 100$ points).

There is possibility in the criteria for pension approach (pension age and pension points) in Bulgaria at one later stage (in the future) to be equalized for both genders. However, this represents a kind of reserve for the social security system with a view to improve the dependency ratio (proportion between insured persons and pensioners). On the other hand this will be an advantage for the financial stability.

Figure 1
Length of service and retirement age



Source: National Social Security Institute, 2007

With respect to the pension calculation formula⁷ there is no difference between women and men, and both genders are fully equal in rights. While the new benefit formulas in the public pension scheme make no direct reference to sex and provide for equal treatment of women and men, de facto they will leave a large group of women with lower pensions. This is because women on average have lower lifetime earnings, and they figure prominently in the group of workers with lowest lifetime earnings.

Table 2
Legal age of retirement (2000-2006)

	2000	2001	2002	2003	2004	2005	2006
Legal age of retirement – women (years)	55.5	56.0	56.5	57.0	57.5	58.0	58.5
Legal age of retirement – men (years)	60.5	61.0	61.5	62.0	62.5	63.0	63.0

Source: National Social Security Institute, 2007

In the current environment of pension financing difficulties, shrinking or stagnant fertility rates, and a projected drop in the ratio of active workers to retired persons, achieving equality with respect to retirement age by revising men's retirement age to agree with women's is not a plausible alternative.

⁷ Pension Value = Length of Service %*Individual Coefficient *Average Insurance Income of the Country (12 months, before the date of his/hers retirement).

In some sense, movement in the direction of equal treatment is a losing proposition for Bulgarian women (we will argue below, however, that the typical woman pensioner retiring at age 60 will draw a pension equal to 22.4 percent of the average wage in the economy while her male counterpart will draw one equal to 30.4 percent. Should they both retire at age 65, the woman's pension would equal 29.2 percent of the average wage while the man's would equal 39.6 percent. In both cases the average woman's pension will be just 74 percent of the average man's. The difficulties associated with this change will probably fall most heavily on those women who, closest to retirement, have planned to retire under the old rules but find themselves on the verge of retirement under the new ones. But it may also fall on the young and the aging as women, working to more advanced ages, are restricted from performing traditional roles as care-givers of aging parents and grandchildren. Using that time for assisting aging parents or grandchildren is on one hand possibility to solve the problem with the lack of enough special social services for children and elderly, but on the other hand, it is lost time for the women in terms of contributions to the pension system. Assisting dependent members of the family is unpaid labour for that women but it is true that the pension reform is not well explained and not enough understood by people, especially as far as it concerns the particularities about discrepancies related to genders in the new pension environment.

2. Pension rights for non-working periods due to child care

The Bulgarian Labour Code and the Social Security Code provide for pension rights for non-working periods due to child-care for both genders. Regardless of whether child-care benefit is taken from insured or uninsured mother (even if there is no labour contract) until the little child completes three years of age, this period of time has been accepted as length of service and give a right to pension.

There is different approach concerning parental leave for child-care and short-term cash benefits in case of temporary incapacity to work or pregnancy and birth. The time spent on parental leave for child-care is not included in bases, on which the pension is estimated with regard to income amount. Thus, it is the preferable way to avoid lower paid periods out of work in order the pension not to be diminished. This time, however, is taken into consideration as length of service and it practically increases the pension benefit. The state budget pays contributions for this period because these periods are considered as covered insured periods. The short time benefits or sickness benefits, when insured person gives child-care or the mother is out of work because of pregnancy and birth giving, is included as base of pension estimation. When the insured income should be defined as base for pension calculation for this period, it is taken into consideration incomes from which are estimated short-term benefits.

The break in working career due to child-care for women reflects on qualification, skills, promotion and remuneration. When the woman is self-employed /self-insured person/, during the period of maternity, she is also under risk to loose positions, profits, incomes and qualification. Several factors reflect on the average lower pension benefit for women. This result is unavoidable because full gender equality does not exists in social life. When there is unbalanced situation entirely in society women compensate the lack of equality and as a result they pay off the negative price to this compensation. In the framework of family and social solidarity somebody should pay for child-care giving. The children are not only to the family but also to the society. Then who has to pay the compensation price?

The Bulgarian legislation has introduced parental leave when the couple virtually would prefer to realize it. On the other hand the men have legal possibility to use "parental leave" (with

exception compensated period until baby completes 9 months), but this is a very rare case. Actually the main justifying reasons are the higher man' incomes but this is one other issue.

Retirement age bonuses for raising children have been made available to either the father or mother, depending on the couple's joint decision. But traditionally Bulgarian mothers are the more active part in child-care and domestic activities despite better situation compared with other countries.

The stereotypes about the woman and man role in family and society are very powerful and not easy changeable. The gender equality principally is regulated by the national legislation but in the real life it isn't achieved in a satisfactory way. These are the reasons for having statistical data showing that women are in more disadvantageous position compared to men when we scrutinize the information given by indicators for gender proportion in pension system and social life as a whole.

The balanced reconciliation of professional and domestic obligations for women and for men would be favorable condition for achievement of gender equality to the acceptable extent. Besides supportive social security rights for women and for men, equal pay for equal work and so on, it is necessary also adequate infrastructure for working parents to be created with the aim to facilitate childcare and the flexible forms of occupation on labour market. Currently, there are not enough good conditions with respect to the mentioned factors mostly affecting single mothers and mothers with small children and thus additionally complicates the existing unfavourable situation for such groups. All of these issues have their own impact on the pension rights for periods out of the work force for child-care.

3. Changes in the public pension benefit' formula resulting on benefit levels for women and men.

The purpose of the new pension formula is to link more closely the insurance contribution of the persons and their pensions within the financial potential of the system. Also, this provides incentives for longer participation in the insurance system as each year of service has direct influence on the amount of the pension. With all other terms being equal, this makes the new pension formula fairer in comparison to the older one. In general, the pension formula promotes longer insurance, and payment of contributions on higher income. However, given the comparatively lower wage in the country and the lack of insurance culture these incentives are not fully operational.

With regard to women and men, the public pension benefit formula does not show differences between both genders. The determining elements to calculate the amount of pension are the same. If each of the elements (length of service, insurance incomes, individual coefficient) has equal value, as a result two persons, man and woman, would have absolutely equal pension benefit amount. That's evidence enough that there is no gender discrimination based on the pension calculating mechanism.

The average difference in pension benefit with negative sign for women is due to a great number of factors. Some of them, concerning women in the labour market and social security, are under observation to a certain extent and there are statistical data, legislation and regulations against gender discrimination. But others hidden factors operate secretly. The official policy doesn't pay attention to the very strong influence of gender stereotypes resulting from religion customs, education, and regional traditions. Namely, overcoming stereotypes for the roles of women and men in society are the principal sphere that actions need to be undertaken

in order to change the basis of the continuously reproduced ancient model for gender inequalities.

Bulgarian society still need an open debate on how to design in the best way the social security reforms with view to women low-income, feminized education, unpaid domestic activities and child-care sharing. It is necessary also to examine good models for encouraging women with low-income to help them toward economic independence. It is important to consider and develop more ways and possibilities to achieve equal independence for women and men as regards to their pensions and thus following the actions of the European Union, undertaken according to the EU Roadmap for equality between women and men, adopted by the EU Commission in 2006 and approved by the EU Parliament in 2007, which outlines as a priority area for EU action on gender equality for the period 2006-2010 the equal economic independence for women and men.

Only after such set of measures as a result we would observe an average proximate or equal pension benefit for both genders or may be with slight fluctuations.

4. New private pension system, including benefit replacement rates and the treatment of the differing average life expectancies of men and women in setting benefit levels (gender neutral versus gender specific life expectancy tables).

In 2003, the Compulsory Social Security Code and the Law on Supplementary Voluntary Pension Security were consolidated under the Social Insurance Code (SIC).

Equal treatment of women and men in computing private pension benefits will be advantageous for all women including those with low-incomes if there is requirement to use an average gender-neutral life expectancy in the biometric tables. In pension schemes that are based on individual savings accounts, at the moment of retirement, the savings accumulated in an individual's account will be converted to an annuity that will pay a monthly pension benefit until the worker's death. For calculating the annuity, it is crucial to estimate the retirees remaining life expectancy. An assumption needs to be made how many years the worker's savings must be stretched to cover (Fultz & Steinhilber 2003). To make this estimate, the average life expectancy of all workers in the retiree's age cohort is used as a statistical estimate. Knowing that women and men, on average, have different life expectancies, the question then is: Should separate estimations be made for women and men's annuity calculations, or should a single, joint life expectancy projection be used for both? The use of the latter will result in the payment of an equal monthly benefit for a man and a woman who retire at the same age with the same history of contributions. However, since women on average live longer than men, they will, on average, accumulate higher total *lifetime* benefits than comparable men. On the other hand, the use of gender-specific tables will give a man and a woman retiring at the same age with the same histories of contributions the same total *lifetime* accumulations of retirement benefits but will give the woman a lower *monthly* benefit because her savings must, on average, be stretched to cover a longer lifetime (Fultz & Steinhilber 2003). While countries have found different solutions to addressing this problem of great relevance for gender equality the issue remains unresolved in Bulgaria.⁸

⁸ Gender dimensions of social security reforms in transition economies, Silke Steinhilber, Expert, gender and welfare reforms in Central Europe.

Those demographic processes and most of all the high total mortality level and the existing differences between men and women exercise influence on the change in population's life expectancy at birth.

Over the period 2003-2005 the total life expectancy at birth was 72, 55 years, respectively 69, 02 years for the males and 76, 34 years for the females. But on account of the unfavorable demographic development over the last decades the increase in the total life expectancy was extremely low. Over a period of 25 years, from 1980 to 2005, that index rose by slightly over 1, 4 years. The increase among women was larger, 2, 8 years, while only 0, 7 years was the value for the men.

In long-term run the projections are that the demographic development of Bulgaria will continue to be unfavorable:

Table 3
Basic demographic characteristics of Bulgarian population over the period 2006-2050

Calendar period	Average annual population	Crude birth rate*	Crude death rate*	Crude rate of natural increase
2006–2010	7 617 thousand	9.08	15.67	-6.59
2011–2015	7 328 thousand	8.99	16.54	-7.55
2016–2020	7 037 thousand	8.82	16.98	-8.16
2021–2025	6 756 thousand	8.78	17.22	-8.44
2026–2030	6 494 thousand	8.77	17.53	-8.76
2031–2035	6 248 thousand	8.73	17.93	-9.20
2036–2040	6 024 thousand	8.72	18.19	-9.47
2041–2045	5 832 thousand	8.87	18.27	-9.40
2046–2050	5 680 thousand	9.32	18.29	-8.97

* Per 1 000 of total population

The leading trends in the demographic development of Bulgaria will remain in the long-term run, too. Notwithstanding to the expected rise of the total fertility rate its level will be below the theoretically defined rate of stationary reproduction and its value will change within the range of 1,33 in 2010, 1,45 in 2030 to 1,65 in 2050. The projection points out that the fertility will remain at too low levels which, in combination with the expected high mortality will lead to permanent negative value of the natural increase during all the period to 2050. As a result till 2050 the population of the country will decrease by approximately 1 937 thousand people to 5 680 thousand people.

The demographic decline shall inevitably affect the sustainability of the Bulgarian pension system. The gradual increase of the minimum age for retirement and decrease of the number of those entitled to an early pension are the principal measure to combat the unfavorable demographic changes. Although these measures concerne both women and men it should be taken into account that there are some discrepancies between them.

Retired women are exposed at a higher risk of poverty compared to retired men. For example, in 2005, the percentage of women living in poor households was 23 per cent against only 9 per cent among men.

Pensions are of higher importance for overcoming poverty among men than among women. They are the reason to reduce the poverty risk by 62.5 per cent for men, while it is as little as 50.1 per cent for women aged above 65.

Table 4
Poverty level by gender and age groups for the period 2003-2005 (in percent)

Age group	2003			2004			2005		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
65 +	14	8	19	16	5	23	18	9	23
0-64	14	13	15	15	15	16	13	14	13
75 +	20	10	25	20	7	28	23	12	31
0-74	14	12	15	15	13	16	13	13	14

Source: National Social Security Institute, 2007

The structure by gender of employed in the country is similar to the structure by gender of employed in the EU Member States. The employment rate among men (15-64) in 2005 was 60 per cent, while among women of the same age group it was by 9, 3 percentage points lower, i.e. 51, 7 per cent.

Table 5
Main indicators of employment and unemployment over the period 2000-2005 (in percent)

	2000	2001	2002	2003	2004	2005
Employment rate (15-64)	49.9	49.2	50.3	52.5	54.2	55.8
Employment rate – females (15-64)	46.3	46.8	47.5	49.0	50.6	51.6
Employment rate (15-24)	18.8	18.9	18.9	20.7	21.5	21.6
Employment rate (55-64)	20.8	23.9	27.0	30.1	32.5	34.7
Unemployment rate (15+)	16.9	19.7	17.8	13.7	12.0	10.1
Youth unemployment rate (15-24)	35.3	39.5	36.5	28.2	25.8	22.3
Long-term unemployment rate (over 1 year)	9.3	11.9	11.7	8.9	7.1	6.0

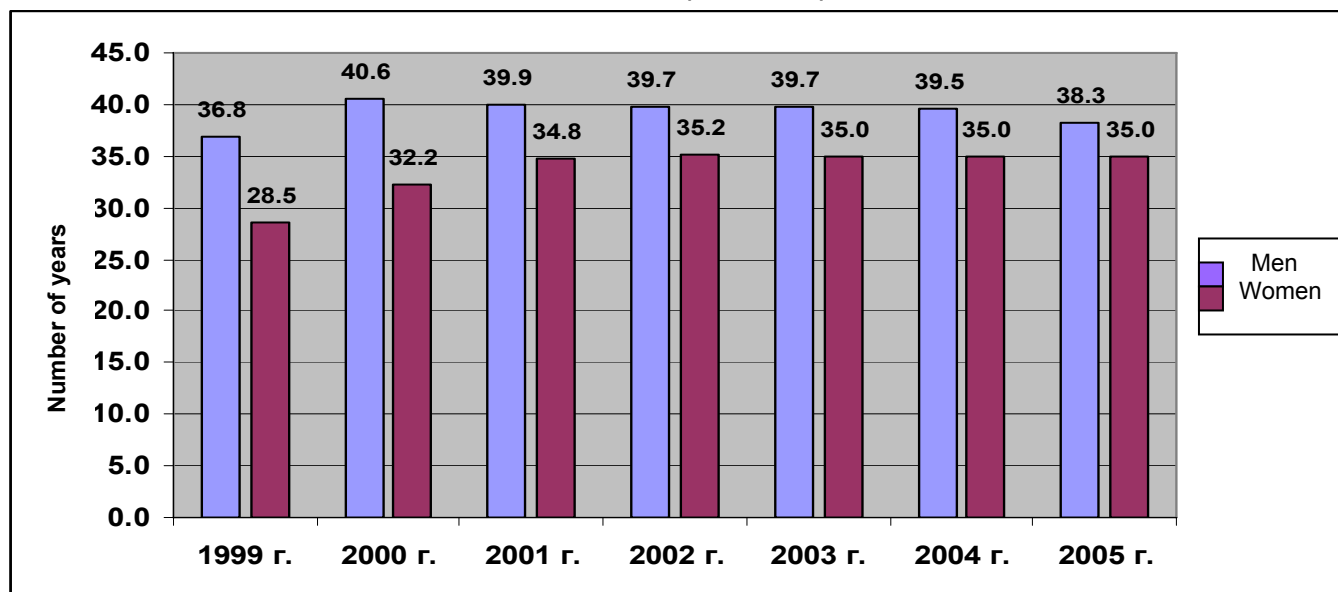
Source: National Social Security Institute, 2007

In the sphere of the equal opportunities between the genders the main target of the Bulgarian pension policy is to develop such labour insurance legislation, which would take into account and encourage the application of principles of equality and equal opportunities between women and men. Many efforts are put in this direction – both in related with transposing of leading Directives of the European Union and regarding the ratification of the main conventions of the International Labour Organization in the context of the equal opportunities between the genders.

Due to the harmonization process, at present the national pension legislation in force does not treat differently men and women. This applies to all pension schemes in the three pillars of the Bulgarian pension system, as well as to the professional pension schemes in the third voluntary pillar of the pension system, introduced in 2006.

In the context of the sex differences in the length of participation in employment the focus should be put on the tendency of limitation of the present differences reproduction in the future. The length of service is the most important element in the pension formula and the presence of large differences will inevitably impact the size of pensions of men and women. Such differences are observed at present as well. In the first place, the risk of poverty among women over 65 is much higher in comparison to that among men. In the second place, elderly people living alone live at the highest risk of poverty, and particularly those in the highest age group. Women again are the most vulnerable among them.

Figure 2
Differences in the average length of participation of the pensioners with newly allowed personal pensions for length of participation and old age (Article 68 of the Social Insurance Code) for men and women (1999-2005)



Source: National Social Security Institute, 2007

The reforms undertaken in the sphere of the guaranteed minimum payments, pensions updating and possibilities created to receive supplementary allowances and to receive more than one pension will undoubtedly have effect on improving pension adequacy for women. They alleviated the unfavorable impact of the extremely generous retirement regimes for women and disabled persons in the old Law on Pensions (modest requirements regarding old age and length of participation, opportunities for retirement at very short insurance contribution)⁹.

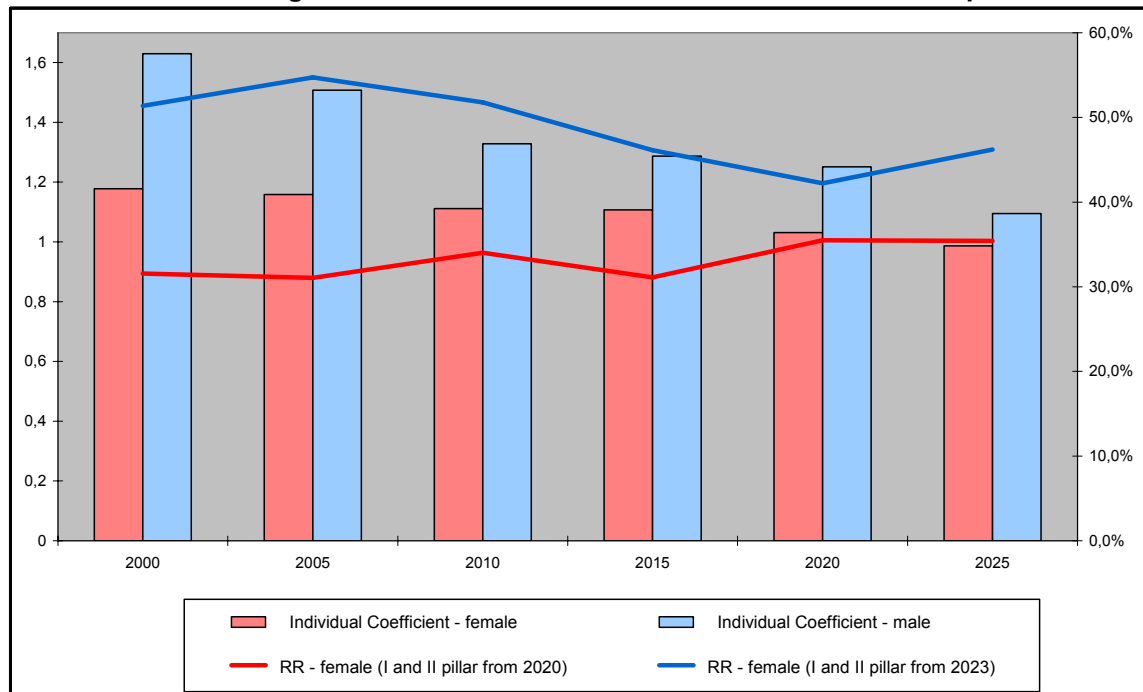
When the new pension insurance legislation was introduced, the absence of long enough length of service, the pension insurance at low insured incomes and the inflation waves led to a great expansion of inequality in the sizes of the pensions.

At present, a main target of the pension and income policies is not to allow the reproduction of those differences under the new pension insurance legislation. Grounds for such fears exist. By 31 December 2005 the average size of new pensions for length of participation

⁹ According to the old Law on Pensions women retired at the age of 55 and 20 years insurance length of participation for the most numerous third labour category (compared with the age of 60 and 25 years insurance length of participation for men).

and old age for men exceed by more than 34 percent those for the retired women. That difference cannot be explained only by the shorter length of participation of women but far more by the large differences in the insured income. Data for the average individual coefficient¹⁰ of the persons receiving new pensions illustrate that difference.

Figure 3
Average individual coefficient for women and men - I and II pillars



*RR –replacement rate

Source: National Social Security Institute, 2007

By 31 December 2005 men, retired and classified in the third labour category with a new pension for length of participation and old age, had during the year an individual coefficient of 1,508 compared to only 1,159 for women in the same labour category and eligible for the same kind of pension. That determines a difference of more than 30 per cent and means that the average incomes on which the men had been insured exceeded by about 51 per cent the average insured income for the country for the period used for determination of the pension size. For women the same index was only about 16 per cent.

The differences in the average individual coefficient and the length of service for women and men are the reasons for the 15 percent distance between women and men at the level of their benefit replacement rates. Women (from 2020) and men (from 2023) should have the right to receive additional pensions from the second pillar. According to the present legislation in force, it could be expected that there will be an increase of their incomes and a growth of their replacement rates with 15-18 percent. The question is whether it is possible the distance between women's and men's average individual coefficients to be diminished and if no, what could be done meanwhile having in mind that the pension value in the next 15-20 years will

¹⁰ The individual coefficient represents the ratio between the average insurance income of the individual and the average insurance income for the country. The women's average insurance income is 85 percent of the men's average insurance income, which reflects to the lower individual coefficient of women.

depend on the balance between the principles of the social solidarity and the individual input, characteristic for the I –st and II-nd pillars.

The reasons for difference in the average individual coefficient must be sought in lower remuneration for work of the women as a whole. According to data of the National Statistical Institute, in 2005, the average percentage difference in the remuneration of the hired persons was nearly 18 percent in favor of the men. The differences are observed in almost all economic groupings of activities. Highest differences are observed in sectors with different concentration of women and men due to professional segregation.

Table 6
Difference in the remuneration and distribution of the hired persons under labour and legal relations under the Law on Civil Servants by sex and economic activity in 2005 (preliminary data)

Economic activities	Percentage difference in remuneration by sex (percent)	Distribution of hired women (as percent of the total number of hired women)	Distribution of hired men (as percent of the total number of hired men)
Total	17,77	100,00	100,00
Real estate, renting and business activities	-0,71	4,45	7,45
Construction	-0,10	1,70	11,63
Transport, storage and communication	8,87	4,66	10,21
Public administration and defence; compulsory social security	13,18	7,09	4,80
Other community, social and personal service activities	13,21	5,16	4,61
Hotels and restaurants	13,56	4,91	2,67
Farming, hunting, forestry and fishing	14,75	2,00	4,51
Education	19,58	13,63	3,78
Financial intermediation	21,08	2,02	1,04
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	21,22	15,21	13,42
Electricity, gas and water supply	23,59	1,44	3,86
Mining and quarrying	27,91	0,48	2,26
Manufacturing	31,23	28,33	27,36
Health and social work	31,68	8,94	2,40

Source: National Social Security Institute, 2007

In second place, an essential reason for the lower size of the women's pensions is the women's insured income in some periods when of decrease. Such period is the 315 days of maternity leave when women receive maternity allowances. For this period women are eligible to receive allowance covering 90 per cent of the income on which insurance installments were paid for the six previous months. The maximum size of the allowance must not exceed the average daily net remuneration of women for the mentioned period. Although this period is acknowledged as a part of the length of participation without paying insurance installments, the income, taken into account for calculation of the pension size, for this period, is the size of the allowance received.

Moreover, there is a high probability the differences of the insured income size of men and women during the insurance period to be transferred after their retiring. The grounds for this belief are mainly two.

The first reason are the more often interruptions of women's contributions to the pension system. Although the time of receiving short-term compensations against insured risks (maternity, general disease, reduced work capacity due to a temporary condition or incapacity)

from the funds of the State public insurance is acknowledged as length of service giving access to the pension from the joint liability first pillar, the unfavorable fact that during such periods, the insurance with the second capital pillar of the pension system is discontinued remains. In the context of the differences between women and men, these are periods such as pregnancy and maternity leaves (315 days) and leaves for raising a child until it reaches two years of age, compensation for taking care of a diseased family member. Although all types of leaves, respectively compensations (save pregnancy and maternity leaves) may be given to the husbands, this is not a proper solution at least regarding women's access to pension eligibility from the capital pillar.

As a result, the shorter period of insurance in the supplementary pension insurance funds for women leads to decrease of their percentage in the total number of the persons insured with such funds. In all cases, the combination of those two facts leads to a lower size of the money accumulated in the individual lots of the women, compared to those of the men.

In 2005 data on the monthly average number of the persons insured in supplementary mandatory pension insurance does not give any grounds to talk about significant differences by sex. If about a little over 2, 1 million is the total of the insured persons, the number of the insured women and men is almost equal with a slight predominance of the women.

Table 7
Number of insured persons in supplementary pension insurance funds by sex in 2005

Supplementary pension insurance fund	Average of the first quarter	Average of the second quarter	Average of the third quarter	Average of the fourth quarter	Monthly average
Insured persons in UPF (number)					
Total	2 041 508	2 105 369	2 164 279	2 218 134	2 132 323
Men	1 003 552	1 043 822	1 077 116	1 106 860	1 057 837
Women	1 037 956	1 061 547	1 087 163	1 111 274	1 074 485
Insured persons in PPF (number)					
Total	176 737	177 717	179 105	181 319	178 720
Men	148 820	149 801	151 126	152 982	150 682
Women	27 917	27 916	27 979	28 336	28 037
Insured persons in AVPF (number)					
Total	532 497	538 315	541 586	546 661	539 765
Men	313 135	316 133	318 232	320 982	317 121
Women	219 362	222 181	223 354	225 679	222 644

Source: National Social Security Institute, 2007

However, in the professional pension funds, the number of the insured women is considerably smaller than that of the insured men. The monthly average number of insured women in 2005 amounted to nearly 15, 7 percent of the total number of persons, insured in professional pension funds. This can be explained with the fact that persons working in heavy working conditions (1st and 2nd labour category) and insured in such funds are traditionally men.

Significant differences by sex are observed concerning the participation in supplementary voluntary pension insurance funds. In 2005 the monthly average number of insured persons was

around 540 000. The percentage of insured women in the total number of persons insured in such funds was 41, 2 percent and their number was by 94 447 persons or by 42, 4 percent smaller than the number of the insured men.

Differences are registered also in the context of the sums, accumulated in the insured persons' individual lots. Data for 2005 show that in all funds for supplementary pension insurance the size of the money accumulated for the insured women was smaller than that for the men.

Table 8
Differences by sex in the size of the money accumulated in the individual lots of the insured persons for 2005 (in percent)

Supplementary pension insurance Funds	by 31.03.2005	by 31.06.2005	by 31.09.2005	by 31.12. 2005
UPF	16,71	18,63	18,76	19,28
PPF	32,25	31,37	31,11	31,52
AVPF	36,97	35,46	35,13	35,14

Note:

UPF –universal pension fund;

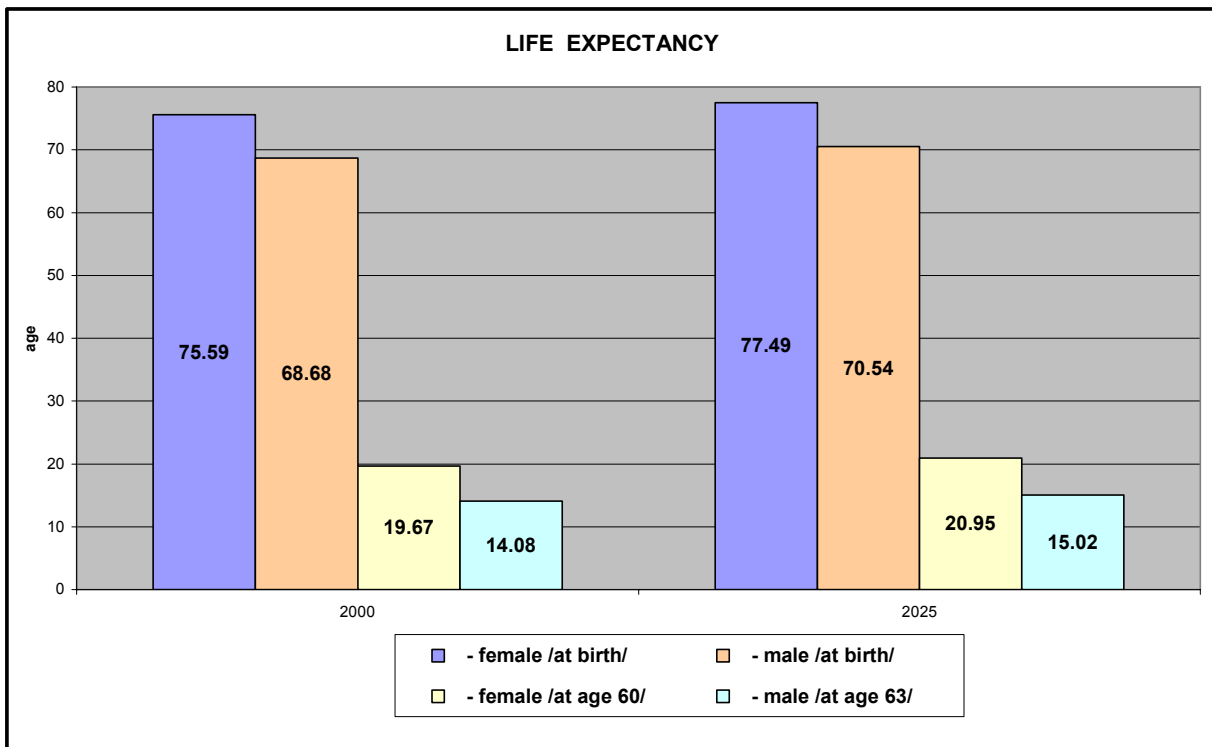
PPF – professional pension fund;

AVPF – supplementary voluntary pension fund.

Source: National Social Security Institute, 2007

The second essential circumstance is contained in the mechanism, which is used to calculate the size of the life pension for old age in the legally stipulated capital pillar. The size of the life pension for old age depends of three factors: biometric tables, technical rate of interest and money accumulated in the individual lot. On the one hand, women become eligible for pension earlier (difference in the age of retirement), they have shorter length of participation, they more often interrupt their insurance career and have a lower insured income. This, *mutandis mutandi*, will lead to a smaller sum in the individual lot. But on the other hand, the average period of receiving a pension for the women is longer than that for the men (5 years longer in average in 2005 as a total for the joint liability pillar stipulated by law). The reason is the higher life expectancy of women at the age after the completion of the age of retirement. These differences and the use of a different life expectancy for men and women when drawing up the biometric tables would lead to lower monthly sizes of the life pension for women even if an equal amount of the money is accumulated in the individual lot.

Figure 4



Source: National Social Security Institute, 2007

In addition, as it is obvious from Table 9, despite women's longer life expectancy, women are liable not to be in good health for more of their (longer) life. This is partly due to the greater health problems faced by older people, but it is noticeable that older women face more health problems than do older men. For example, in the population aged more than 65, the HALE (Healthy Average Life Expectancy) become greater for men than for women, the HALE being 4.03 years for men in the 70-74 age group, compared to 3.7 for women in 2001 (down from 4.3 and 3.9 respectively in 1996). Logically, more health problems lead women to more expenses for medical care and lower quality of living conditions because of lower incomes after retiring.

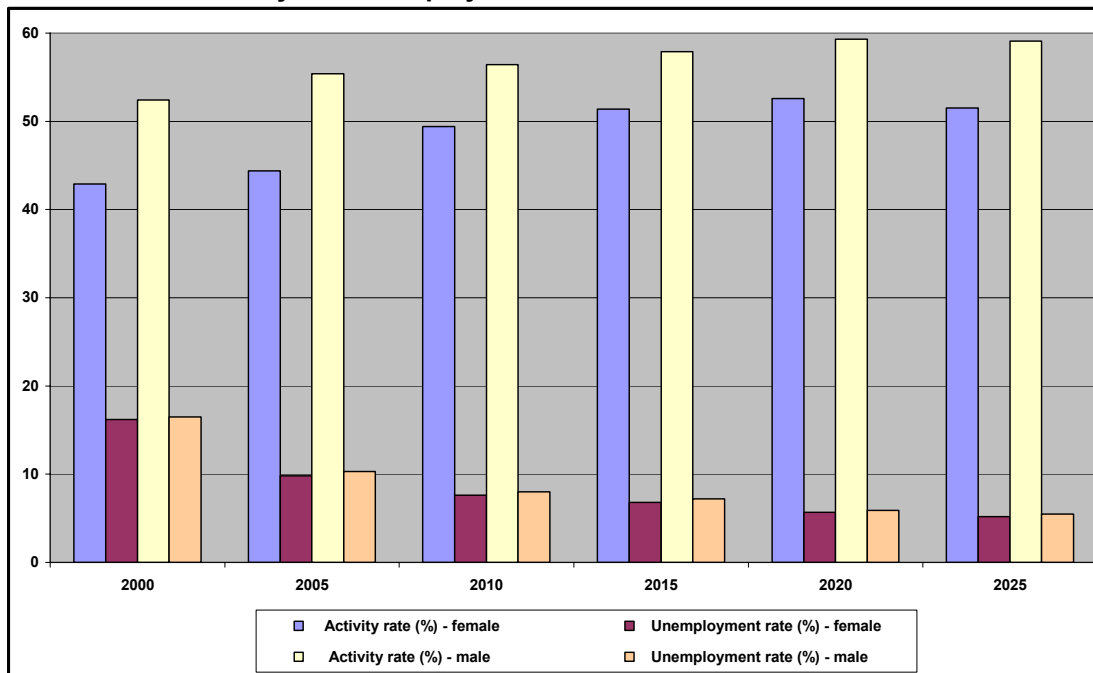
Table 9*Healthy Life Years in Bulgaria – 2001 – 1)*

Age groups	Men		Women	
	Average life expectancy	Expected healthy life years	Average life expectancy	Expected healthy life years
15-19	54.30	45.38	61.11	47.24
20-24	49.51	40.71	56.23	42.50
25-29	44.80	36.18	51.36	37.83
30-34	40.08	31.65	46.52	33.35
35-39	35.43	27.13	41.71	28.75
40-44	30.91	22.84	36.96	24.46
45-49	26.61	18.78	32.31	20.24
50-54	22.65	14.93	27.77	16.26
55-59	19.01	11.86	23.37	12.54
60-64	15.63	8.83	19.17	9.06
65-69	12.61	6.05	15.20	6.20
70-74	9.80	4.03	11.58	3.72
75-79	7.40	2.37	8.44	1.95
80+	5.49	1.35	5.89	0.97

1) Source: (Health Interview Survey) conducted by the National Statistical Institute in parallel to the Population Census carried out in March 2001. The excerpt covers 3810 noninstitutionalized households of 10,122 persons. Harmonized data on the population of 15 and over-15 age as covered by the survey are included in the data base of Eurostat.

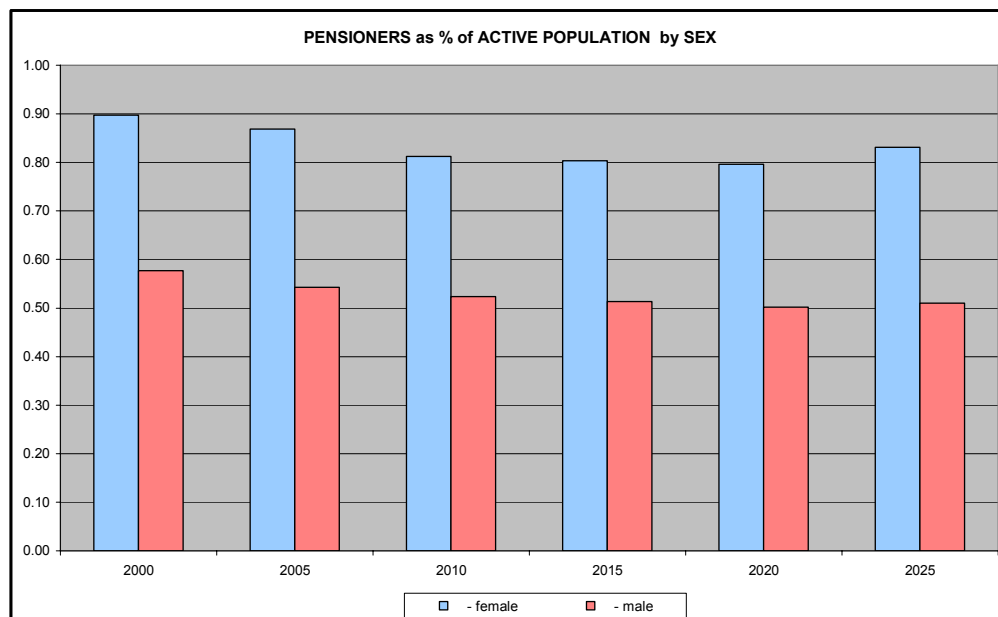
The third group of problems are consequent on the lower women's economic activity and on their lower employment levels (see Table 5) : both of these are circumstances that restrict their access to the insurance scheme. The most vulnerable occur to be women in the lowest and in the highest age groups. For example, in 2005 the economic activity of women aged 15-24 was only 24, 5 percent whereas the average value for men was 31, 1 percent. The same is true about the group aged 55-64 where the share of those economically active was even lower: 27, 8 per cent among women which makes 22, 1 percentage points fewer than man's share. There are significant differences among these age groups considering their employment levels. Again in 2005 the average level of employment was 51, 7 percent whereas employment among the lowest (15-24) and the highest (55-64) age groups was respectively 19, 4 percent and 25,5 percent.

Figure 5
Activity and unemployment rates for women and men



Source: National Social Security Institute, 2007

Figure 6
Labour activity of pensioners



Source: National Social Security Institute, 2007

Challenges are most of all associated with overcoming hardships on the way to finding a first job for young women, assistance for young mothers in cases when family commitments have impeded remaining with employment, and improving employment eligibility of old unemployed women whose knowledge or skills did not meet the requirements of the labour market.

The State policy in the labour market is responsive to these problems. The Law on Encouragement of Employment contains a definition of “groups in unequal position on the labour market” where unemployed young people are included as well as lonely mothers with children of up to 3 years and unemployed women aged over 50. This is visible from the specificity of the measures taken: special lawful stimuli for employers so the latter should hire unemployed from the above groups in unequal position on the labour market, while the National Action Plan on Employment contains several programmes targeted at priority facilitation of women’s access to the insurance scheme.

5. Open Coordination Method

After the Lisbon European Council of March 2000 all EU member states co-ordinate their policies for combating poverty and social exclusion on the basis of a process of policy exchanges and mutual learning known as the 'Open Method of Coordination' (OMC). From 2006, three policy areas provide the framework for this process one of which is the adequate and sustainable pensions. Member States have to prepare for the challenge of accelerated demographic ageing which will make it more difficult to provide adequate pensions in a financially sustainable way. In March 2006, the European Council adopted a new framework for the social protection and social inclusion process. There is a new set of common objectives: three overarching objectives and objectives for each of the three policy areas of social inclusion, pensions and health and long-term care. Member states should submit annually strategic reports to the European Commission and in 2006 Bulgaria presented its first national report.

According to the National report on the strategies for social protection and social inclusion of the Republic of Bulgaria 2006-2008 submitted within the framework of the Open Coordination Method a real challenge to the policy of adequacy is the risk of poverty among elderly people and particularly among the most elderly people – over the age of 75. Among all the ages the most vulnerable groups is that of lonely living extremely elderly people, and particularly women.

The differences in pension rights per gender reveal that women still face a number of limitations to their access to social security rights. They are in a rather worse position not only on the labour market, but also in view with their labour incomes. Indicative of this are the low rates of employment, the huge interruptions in their social security carrier due to unemployment, periods of upbringing children, taking care of dependant relatives as well as the level of average individual coefficient for women.

Bulgaria faces serious demographic challenges, particularly migration – currently 733 000 people work abroad and hence do not make social security contributions in our system. The progressive shrink in the overall size of the population and particularly of the youth suggests that in the future the labour force in Bulgaria will be ever limited in number and ever older.

III. Recommendations:

1. Having in mind the life expectancy biometrical tables we may state that it is more or less predictable that more than the half of the Bulgarian population should accomplish the requirements for access to pensions for insurance and old age. The group in high risk of not acquiring insurance rights is especially women (20 percent of the risk group) and they should be subject to special policy measures and programmes.
2. The most crucial obstacles for the women's access to the pension system are the lack of length of service, the past or expected periods of unemployment and forced and not regulated and in some cases not paid employment. For example 227 women per 100 males are unpaid family workers¹¹. With regards to diminish the oppression of the pension system to these persons, it is necessary measures for their flexible or full time employment and retirement to be developed.
3. Women are more often part-time workers¹² and they are the predominant part of the unemployed group of the population – not currently interested in finding work – 145 females per 100 males due to several reasons as discouragement, family and caring obligations gender stereotypes for the role of women etc. These facts are also of importance for the state and for people to make the right decisions about diminishing the negative effects of their lower contribution base.
4. After the amendment of the labour legislation in 2001 and the implementation of the minimum insurance thresholds for professions and economic activities as well as with the introduction of the mandatory registrations of all labour contracts, the grey scale economy was reduced but it is still far from disappearing. It is then of high importance when developing further improvements of the pension system these particularities and especially numbers and gender of “the employed” in the grey economy to be taken in consideration.
5. Another aspect that could be developed more is the advocacy for continuation of the working career of women and men after their retirement. The deficiency of the labour force that could contribute to the first pillar of the pension system does not comply with early retirement or retirement at any cost of people who are still active. This is more applicable for women than for men having in mind their restricted possibilities to acquire the same length of service as those of men.
6. It still lacks summarized information dedicated to the broad public, giving more options for women and men aging and coming near to the retirement to make an informed choice and prepare themselves for the realities of the pension reform. There were many indexations of the pensions and many debates on the positives and the negatives effects of the reform but few people understand clearly what the real gender risks are and how they could be diminished. Raising the awareness and the insurance culture of the society is a process of mutual interest for the employers and their organizations, employees, trade unions, national institutions and nongovernmental organizations and it should be as much coordinated as possible in order to achieve positive results.

¹¹ Based on first quarter 2005 Labour Survey, NSI Bulletin 1/2005, p65.

¹² Based on first quarter 2005 Labour Survey, NSI Bulletin 1/2005, p 75.

Annexes:

Table A 1
Projections of Old-Age Dependency in EU and EUA Countries 2000-2050
(ratio of people aged over 64 to working age population, percent)

Country	2000	2010	2020	2030	2040	2050
Austria	25	29	32	44	55	55
Belgium	28	29	36	46	51	50
Denmark	24	27	34	39	45	42
Finland	25	28	39	47	47	48
France	27	28	36	44	50	51
Germany	26	33	36	47	55	53
Greece	28	32	36	42	51	59
Ireland	19	19	25	30	36	44
Italy	29	34	40	49	64	67
Luxembourg	23	26	31	40	45	42
Netherlands	22	25	33	42	48	45
Portugal	25	27	30	35	43	49
Spain	27	29	33	42	56	66
Sweden	30	31	38	43	47	46
United Kingdom	26	27	32	40	47	46
EU average	27	30	35	44	52	53
Bulgaria	24	24	29	34	41	53
Cyprus	18	20	26	32	34	39
Czech R.	20	22	32	38	47	59
Estonia	23	25	30	36	42	57
Hungary	21	23	29	33	40	50
Latvia	23	26	29	37	44	56
Lithuania	21	24	26	35	40	43
Malta	18	22	32	39	40	46
Poland	18	18	26	33	37	50
Romania	20	20	24	26	36	45
Slovak R.	16	17	23	30	36	47
Slovenia	20	24	32	44	53	64
EUA average	20	22	28	35	41	51

Sources: EU countries - EPC 2001, EUA countries - UN Population Division 2002.

Table A 2

EMPLOYED BY OCCUPATION AND SEX**Tabl. 2**

Economic activity	Female to Male	AllIncome Female to AllIncome Male	EA AllIncome to Total AllIncome	Female to Male /participat in I pillar/	AllIncome Female to AllIncome Male	Female to Male /participate in I and II pillar/	AllIncome Female to AllIncome Male
Manufacture of wearing apparel; dressing and dyeing of fur	6,44	0,87	0,63	6,64	0,83	6,38	0,88
Manufacture of textiles	4,02	0,76	0,81	4,21	0,75	3,95	0,76
Health and social work	3,78	0,74	1,30	3,58	0,75	4,02	0,73
Education	3,46	0,90	0,87	2,69	0,89	4,78	0,98
Hotels and restaurants	1,68	0,90	0,60	2,09	0,79	1,58	0,92
Manufacture of food products	1,27	0,82	0,61	1,33	0,75	1,24	0,86
Trade	1,07	0,83	0,75	1,11	0,80	1,06	0,83
Public administration	1,06	0,82	1,07	1,22	0,93	0,97	0,76
Real estate, renting and business activities	0,55	1,16	0,92	0,34	1,42	0,72	1,01
Construction	0,14	1,10	0,81	0,14	1,09	0,14	1,10
Total	0,93	0,85		0,92	0,88	0,94	0,83

Table A 3

Female average insurance income in comparison to male average insurance income by sectors

Sectors	Female to Male	AllIncome Female to AllIncome Male
Manufacture of wearing apparel; dressing and dyeing of fur	6,44	0,87
Manufacture of textiles	4,02	0,76
Health and social work	3,78	0,74
Education	3,46	0,90
Hotels and restaurants	1,68	0,90
Manufacture of food products	1,27	0,82
Trade	1,07	0,83
Public administration	1,06	0,82
Real estate, renting and business activities	0,55	1,16
Construction	0,14	1,10
Total	0,93	0,85

Figure A 1
Employment by occupation and sex

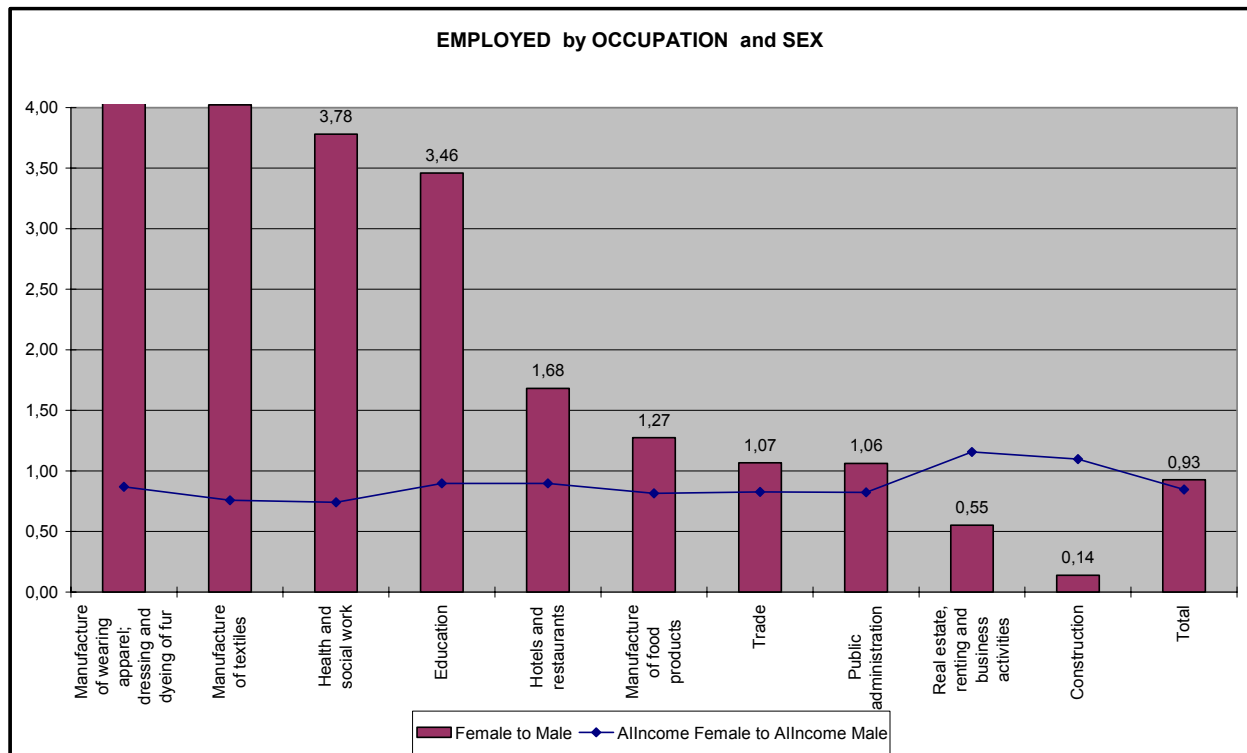


Table A 4
Employed by sex and level of education

LEVEL OF EDUCATION	Female (in %)	Male (in %)
Total	0,47	0,53
Higher		
Degrees Bachelor, Master, Doctor	0,57	0,43
Degree Specialist	0,71	0,29
Secondary		
Secondary vocational	0,37	0,63
Secondary general	0,60	0,40
Lower secondary	0,40	0,60
Primary or lower	0,45	0,55

Table A 5
Employed by occupational class and sex

Occupational class	Female to Male	AllIncome Female to AllIncome Male
Legislators, senior officials and managers	0,47	0,93
Professionals	1,91	0,81
Technicians and associated professionals	1,77	0,83
Clerks	2,55	1,04
Service workers and shop and market sales workers	1,72	0,89
Skilled agricultural and fishing workers	1,12	0,92
Craft and related trade workers	0,43	0,62
Plant and machine operators and assemblers	0,40	0,78
Elementary occupations	0,74	0,98

**Table A6
MAIN INDICATORS**

	2000	2005	2010	2015	2020	2025
	reported data		forecasts			
1. POPULATION OF 15 YEARS OF AGE AND OVER	6 882 935	6 671 699	6 417 230	6 128 296	5 888 149	5 699 720
- female	3 564 896	3 466 273	3 346 243	3 203 823	3 082 338	2 983 901
- male	3 318 039	3 205 426	3 070 987	2 924 473	2 805 811	2 715 819
2. Activity rate (%) - total	47,5	49,7	52,7	54,5	55,8	55,1
- female	42,9	44,4	49,4	51,4	52,6	51,5
- male	52,4	55,4	56,4	57,9	59,3	59,1
3. Unemployment rate (%) - total	16,4	10,1	7,8	7,0	5,8	5,3
- female	16,2	9,8	7,6	6,8	5,7	5,2
- male	16,5	10,3	8,0	7,2	5,9	5,5
4. Insurable income						
- female - in % to Average insurable income	89,1	89,5	89,1	89,6	89,8	89,9
- male - in % to Average insurable income	111,0	112,2	111,9	111,9	111,6	111,2
5. Pensioners - in % to active population						
- female	0,90	0,87	0,81	0,80	0,80	0,83
- male	0,58	0,54	0,52	0,51	0,50	0,51
6. NEW OLD AGE PENSIONERS BY LENGTH OF SERVICE - total	36,0	35,9	39,5	39,5	39,4	39,5
- female	32,2	35,0	37,5	37,1	36,7	37,2
- male	40,9	38,3	41,2	41,5	41,6	41,6
7. Retirement AGE						
- female - by Law	55,5	58,0	60,0	60,0	60,0	60,0
- statistical data	56,1	58,6				
- male - by Law	60,5	63,0	63,0	63,0	63,0	63,0
- statistical data	59,7	64,0				

8. Individual coefficient						
- female	1,178	1,159	1,112	1,107	1,031	0,987
- male	1,630	1,508	1,329	1,287	1,251	1,095
9. Replacement rate						
- female (1 pillar)	31,6%	31,0%	34,0%	31,1%	30,3%	28,8%
- (2 pillar)					5,2%	6,6%
- male (1 pillar)	51,4%	54,7%	51,8%	46,1%	42,2%	38,6%
- (2 pillar)						7,6%
10. Life expectancy						
- female /at birth/	75,59					77,49
- female /at age 60/	19,67					20,95
- male /at birth/	68,68					70,54
- male /at age 63/	14,08					15,02