

# **The gender equality: Pension and care across generations**

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**(Paper prepared for the joint expert group meeting on “Older Persons and Intergenerational Solidarity”, 10-11 October, 2023)**

Governments from all over the world have placed a high priority on achieving gender equality and empowering women and girls. Gender equality is listed as one of the UNESCO's two global priorities, the third goal under Millennium Development Goals, and also one of the seven Basic State Policies in China. Pervasive gender gaps, however, are still evident in most societies, even in welfare states. For instance, the ratio of female to male labor force participation rate stood at 84.3% in Germany, 75.7% in Japan, and 70.2% in Italy in 2022<sup>1</sup>. Gender inequality not only deprives women of their autonomy (Sen 1999), but also adversely affects social, political and economic functioning of the whole society, such as increased child mortality, bad governance and reduced economic growth (Branisa and Klasen 2013, Klasen and Lamanna 2009).

Another line of inequality, not unique for China, is the intergenerational imbalance that has been increasingly prominent. With the rapid population aging, the government and family are faced with mounting pressures to support the fast-growing elderly population. On the one hand, public pension system that is to reallocate resources from working-age population to the elderly suffers eroding fiscal sustainability. On the other hand, with the extending life expectancy and reduced fertility, the middle-aged single children are often burdened by taking care of their elderly parents and young children.

In this article we aim to explore the gender inequality in receiving public pension and family support from the intergenerational perspective in China. Government and family provide essential and supplementary support for older adults, and our examination contributes to a better understanding of gender inequality in welfare at old ages and the route of future reforms in China.

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<sup>1</sup> <https://genderdata.worldbank.org/indicators/sl-tlf-cact-fm-zs/>

## **1. Gender inequality in public pension transfers**

With a commitment to promote equal rights and opportunities between men and women, gendered affirmative action measures are being increasingly adopted, such as electoral gender quotas to enhance female representation in politics, parental and paternity leave to encourage participation of fathers in child care and of mothers in labor market (Borrell et al. 2014). However, gender has not been an explicit policy focus in pension program, that is essential in fighting against old-age poverty and improving equality across generations (Castro-Leal et al. 1999). China serves as a good economic and institutional context to investigate the pattern of gender inequality in public transfers, as China's government has made major strides in expanding pension coverage over the past two decades while their gendered implications remain unclear.

Due to decades-long urban-rural segregation and urban-priority development strategy, there were only two pension schemes in China prior to 2009, the Urban Employee Pension Scheme (UEPS) for urban enterprise workers and a separate scheme for civil servants. As a result, over one half of urban workers and 90 percent of rural elderly did not have any pension in 2004 (Shen and Williamson 2010). In order to provide protection for the underprivileged population, New Rural Pension scheme (NRPS) was first piloted in 320 rural counties (about 16 percent of total) in 2009, then expanded to 838 counties in 2010, and covered nearly all rural counties by 2012 (Cheng et al. 2015). At the time when the program was introduced, rural elders aged over 60 without prior contribution were entitled to the government-subsidized monthly basic pension of 55 RMB. Similar to the design of NRPS, Urban Resident Pension Scheme (URPS) for urban residents without formal employment including children, students, the self-employed and unemployed, was introduced in 2011 and was integrated with NRPS in 2014. By 2014, about 80 percent of all adult Chinese population were enrolled in some type of the public pension scheme.

To analyze the benefit incidence of public pension transfers by gender and age, we adopt the National Transfer Accounts method (NTA, Lee and Mason 2011). Based on the data from 2010 wave of China Family Panel Studies (CFPS), a nationally representative household survey, we first estimate the age-specific per capita public pension transfers for men and women separately, and smooth these age profiles to avoid biases from extreme values. Then we

calculate the aggregate public pension transfers at each age for men (or women) by multiply the per capita values and the male (or female) population at each age. Aggregate public pension transfers for men and women combined are then summed across ages, and compared with the national pension spending reported by government. Finally, the smoothed age profiles are adjusted upwards or downwards, so that the estimates derived from survey data could match the national total.

The estimates of per capita pension transfers by age and gender are presented in Figure 1. Gender differential in public pension transfers were pronounced beyond age 65. For instance, men aged above 80 received an annual pension of 6300 RMB, as compared with only 3567 RMB for female counterparts. Women's disadvantage in pension benefits results from their employment histories and the fragmented pension scheme. A much higher proportion of female elders were previously employed in agriculture, in informal sectors or unemployed with barely no entitlement to public pensions before 2009. After the introduction of NRPS in 2009, pension coverage has extended but vast difference in benefit generosity across pension schemes persists. In 2011, the average monthly pension of civil servants was 2,914 RMB and of urban enterprise employees 1,632 RMB, while the pension of urban residents without formal employment and of rural residents were merely 78 RMB and 58 RMB per month respectively (Wang, Beland, and Zhang 2014). Moreover, even under the urban employee pension scheme or civil servants pension scheme, gender gap in pre-retirement earnings and occupational rankings also leads to differentiated pension benefits.

There are also several interesting contrasts between men and women in pension transfers. First, pension benefits for women aged in the late 50s were higher than those for men, as a reflection of earlier withdrawal from the labor market for urban females. Urban female workers legally retire and are entitled to pension at the age of 50 or 55, while urban male workers need to wait until the age of 60. Second, pension benefits for men increased substantially over age. For instance, average annual pension benefits were 2,662 RMB for men aged 60, and doubled by the age of 78. In a stark contrast, pension benefits received by women rose much more slowly over age and even declined at very senior ages, due to both the lower coverage rate and lower benefits per beneficiary among the oldest-old women. China's 2010 census data also showed that only one fifth of women aged 80 cited public pensions as their major financial

source, in contrast to nearly 40% among men aged 80.

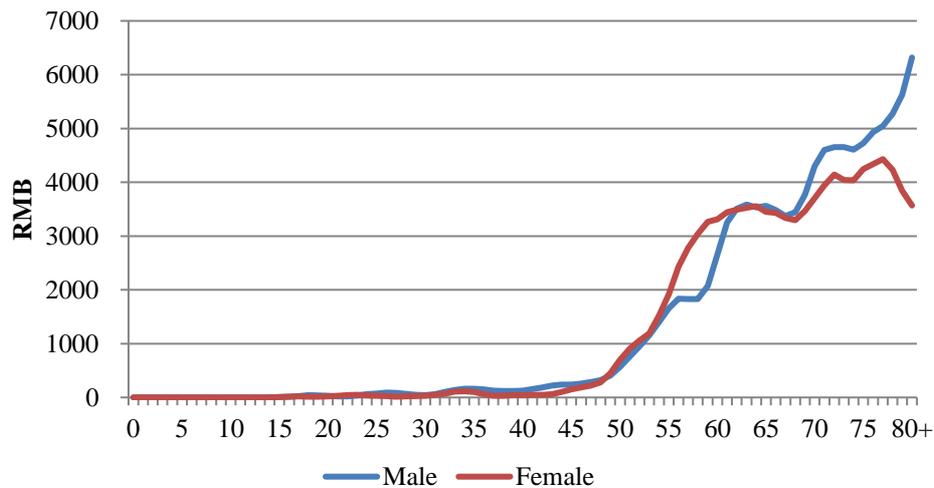


Figure 1 Per capita public pension transfers by gender and age, 2010

Source: author's calculation based on 2010 wave of CFPS and government pension spending.

## 2. Gender inequality in family support

With persistent Confucian culture and filial piety in China, family support remains as a key source of old age support. Intergenerational co-residence is generally deemed as a structural manifestation of family support in China. Between 1982 and 2020, the census data shows that the three-generation family has been stabilizing at round 18 percent of all types of households in China, as compared with merely 2 percent for Europe in 2010 (United Nations 2017).

Existing research on three-generation households, the structural context of family support, leaves two key issues largely underexplored. First, scant attention is paid to within-family dynamics among extended families. Researchers often note that while the household provides members with crucial support, coresidence with adult children could also create tension due to the stress of caregiving, unpleasant interactions or loss of independence (Guo et al. 2016; Hansen and Slagsvold 2015). Second, structural solidarity could transcend the boundary of the household. Geographical proximity could become a more relevant structural concept than coresidence. Multiple surveys in China reveal that the ideal living arrangement regarded by both elderly parents and adult children is “a bowl of soup’s distance” rather than under the same roof, as nearby living maintains frequent contact and mutual support while at the same time assures independence and privacy (Zhang 2012).

Therefore, to explore the gender inequality in family support, we go beyond coresidence by taking into account of the parent-child proximity and the quality of relationship between elderly parents and their children. We use the data from Chinese Longitudinal Aging Social Survey (CLASS) in 2014, which is a nationally representative survey targeting older adults aged 60 and over. One unique feature of CLASS is that it includes detailed questions on intergenerational relationship, including proximity, contact, exchange, and relationship quality with each adult child.

Living proximity to adult children is constructed as a three-category variable, “coresidence with children”, “children living in the same village/neighborhood but not under the same roof”, and “children living further away.” CLASS contains three questions that measure both the positive and negative aspect of parent-child relationship quality. The positive aspect is whether the parent feels emotionally close to the child (Close=1; Not close=0). The negative aspect is measured by two indicators. One is based on a question of whether the parent thinks the child does not care enough about him/her (Never=1; Sometimes or often=0). The other is on whether the older adult considers the child as too demanding (Never=1; Sometimes or often=0). If the respondent scores 1 in all of these three aspects with his/her coresident or nearby children, we code this as having a good relationship with them. Otherwise, it is coded as a zero, indicating poor relationship quality with children.

As shown in Figure 2, 44% of the older adults coresident with their children and 18.9% have children living in the same village or neighborhood. Moreover, among those who coreside with or live close to children, about three quarters maintain a good relationship with their children, namely, they are emotionally close to their children, and their children care enough about them and are not asking for too much. The gender differential is noticeable. First, 46.5% of female older adults coreside with their children and 20% live close to children, as compared with 41.5% and 18.1% for male counterparts. Second, among those who coreside or live next to their children, a larger proportion of female older adults retain a harmonious relationship with their children than that for male elderly.

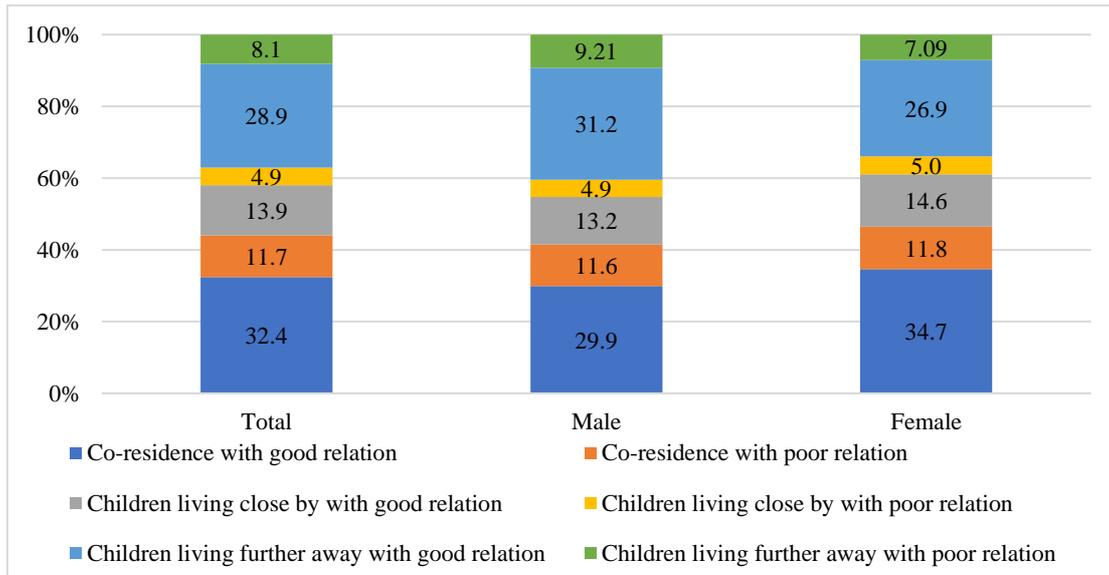


Figure 2 Parent-adult children relationship quality by proximity and gender

Source: author's calculation based on 2014 wave of CLASS survey.

We also proceed to investigate the impacts of living proximity and relationship quality on the life satisfaction for male and female older adults.<sup>2</sup> Living close to children and also maintaining a good relationship with them could significantly enhance the life satisfaction of older adults and such a positive effect for females is more than twice as big as that for males. Conversely, co-residing with their children but suffering a poor relationship with them significantly lowers older parents' life satisfaction, and the negative effect is more pronounced for males than that for females.

## Conclusions

Our study presents a mixed picture of gender inequality at old ages. On the one hand, the gender gap in public pension benefits persists and is getting wider at more senior ages. The root of female disadvantage lies in their occupational and earning disadvantage prior to retirement, as well as in the fragmented design of pension programs. Although the government has strived

<sup>2</sup> The ordered logit models are applied. We construct a five-category variable to incorporate both proximity and relationship quality: children living further away (as the reference group), children living close by but suffer a poor relationship with the nearby children, children living close by and enjoy a good relationship with the nearby children, coreside but suffer a poor relationship with coresident children, coreside and maintain a good relationship with coresident children. Life satisfaction is based on responses to the survey question: "On the whole, how do you feel about your life?" The answers range from "unhappy", "so so", "happy", to "very happy". It is an ordinal variable (1-4), with higher score representing more satisfaction with life. To save space, the regression results are not presented but available upon request.

for expanding pension coverage among underprivileged groups (the rural, and the unemployed) over the past twenty years, the entitlement to pension benefits is directly linked to residence and employment history, may exacerbate the existing gender gap in economic well-being at older ages. On the other hand, female elderly receive more family support than male elderly, as reflected by a higher likelihood of living with or close to their children and maintaining a high-quality relationship with their children. Moreover, the significance of family support for older parents' life satisfaction is more noticeable for females than that for males. Therefore, the female advantage in receipt of family support, to some extent, could counteract their disadvantage in receiving public pension transfers.

Gender stratification persists in all societies and complete gender equality is not achieved overnight. With growing advantage in female educational attainment and a gradual unification of social security system, China can expect to have a smaller gender gap, at least in benefiting from public pension transfers, in the coming years. However, the rapid expansion of older adults poses greater strains on pension system and family support, which may lead to rising intergenerational conflicts. Along with the effort to improve gender equality and guarantee the welfare of women, the government should also avoid overburdening the younger generation.

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