Introduction

This chapter is devoted to the definition of concepts, the construction of indicators, and the choice of data. The idea is to seek the simplest way to bridge the gap between the macro representation of ageing indicators and the micro experience of individuals, in this case to highlight differences between men and women. Given the decision to survey experience across countries, a further matter of importance is ensuring that the data used can be compared: that they have similar meaning and coverage. A further issue is that the data and the indicators must be able to feed into policy discussion by shedding light on social processes in a transparent manner.

We approach the issues in a slightly unorthodox fashion: we first introduce and outline the definition of indicators and indicate the data to be used. We then take a step back and examine literature on gender inequalities on pension, which, in a sense, is what gives life to our indicators. We thus set the stage for the analysis of our own indicators in chapters 3 and 4.

A Gender Gap in Pensions Indicator

An indicator is a construct halfway between the worlds of policy discussion and that of data. It provides a bridge of understanding that summarizes a picture of the world that statistics give, but in a manner that can inform policy and give meaning to public discussion. Atkinson et al. (2002) discuss the general issue in a report commissioned by the EU to suggest indicators in the field of poverty and social inclusion. Theirs was an example of a highly charged area in emotional terms, poverty. In that case, there coexisted strong (frequently value-informed) presuppositions which needed to be translated to yield indicators with a precise quantitative
meaning, while still doing justice to the notions these indicators were attempting to portray. Their report deals extensively with the characteristics a good indicator should have. Following their approach, an indicator tracking gender imbalances in the field of pensions should:

- be easily understood,
- be available on an annual basis,
- be available and comparable across countries, and
- should complement existing indicators in current use. In the advanced economies this would mean indicators of the risk of poverty but also gender pay and earnings gaps.

Given the above, in the European context the only realistic source of data is the EU Statistics on Income and Living Conditions (EU-SILC) (Eurostat, 2011; Verma and Betti, 2006). This is a questionnaire-based survey, which draws a random sample covering the entire population and is currently conducted annually in all 28 EU member states. Considerable effort is expended to standardize answer categories to make them internationally comparable. The last available data are based on the survey conducted in 2011; given that the question posed to respondents refers to the past year, the situation reflected in the data is that pertaining to 2010. The same survey is used to construct other EU structural indicators, most notably those connected with social inclusion and the risk of poverty; its properties, advantages and drawbacks, are well understood. As the survey has been conducted with only minor changes since 2005, SILC information is also comparable over time.

EU-SILC asks households detailed questions about income sources of all their members, whether from employment, from property or social transfers. Social transfers are defined in such a way as to include under the same heading both first pillar (state pensions) and second pillar (occupational pensions). The two pillars cannot be distinguished (reflecting a judgment that at least in some systems the demarcation between the two may rely on fine distinctions), a matter of some importance in the current investigation. In contrast, individually negotiated pension packages (the third pillar) are distinguished. A feature of EU-SILC that is problematic is that (in most countries) survivors’ pensions paid