

The challenges for policy derived from gender inequality in family and working lives can be systematized in three lines:

- 1) To raise social awareness and challenge the ideological roots of gender representations
- 2) To introduce measures in order to reduce and eliminate gender differences in society
- 3) to reduce or compensate the cost of these differences and particularly the costs derived from having and rising children.

The cost for rising children are of three different types:

- direct costs (goods and services that they consume)
- opportunity costs (lost incomes derived from the consequences of having children for the job and professional career) and
- indirect costs (in terms of Social Security rights and provisions). I will concentrate my intervention in this third aspect.

Social Security systems which are based on the contributory principle, as is common in continental Europe, recognize provisions depending on the amount and time paid during the working life biography. This is particularly true for all provisions securing income once social risks materialize and even more in the case of pension provisions. The mathematical formula for calculating the amount of the pension right varies over time and by country. In the past it was not uncommon to calculate the pension rights taking into account the whole period of time where payments were made, but only the amount paid during the last years of the working biography. Due to the reforms accomplished in the last years to adapt the system to the ageing process of the national population and in order to guarantee its financial sustainability, there has been an increase in the years taken into account to calculate the pension rights. This implies, on one side, that people have to pay for longer periods of time to get the same amount as before the reform and, on the other, that in the calculation of the amount of the pension all (or nearly all) payments done during the working biography are taken into account. The consequence of this kind of reforms is, among other things, that all inequalities suffered during the working biography are reproduced by the pension systems. In particular, the income reduction and therefore the reduction in social security payments derived from:

- Part-time or full time parental leave
- Being fired because of the difficulties for balancing family and working lives
- Voluntary interruptions of the working biography as a consequence of caring for family members

- The reduction of the career opportunities due to these same reasons

are all incorporated and reproduced in the calculation of the pension right. In other terms, all costs of caring which impact on the job career are suffered not only while caring but also at later life stages while being a pensioner.

¿What can policy designers do in order to compensate the indirect costs that can derive from caring? The solutions depend, obviously, from the specific legislation. In the case of Spain, some measures have been taken to compensate for these indirect costs. These measures are:

- Full-time leave periods (which are unpaid in Spain) are credited till three years in terms of the insurance career and till two years if it is taken as part-time leave (working time reduction). The amount which is considered paid to the system is the mean payments of the six months before taking the leave.
- Working market exists, voluntarily or forced by the employer (being fired because of maternity or leave use), between the 9th month before giving birth and the 6th year of the child are credited with 290 days (9 months) per child from 2019 onwards.
- Both measures are gender neutral

To introduce the consideration of the indirect costs of caring is relevant in the context of the reforms taken in the frame of the adaptation of the Social Security payments to the ageing population, because the projections of the sustainability of the system in the long run foresee all a reduction in the replacement level of the pension in relation to the former salary. The EU Ageing report 2015 foresees for Portugal a reduction of this replacement level from the actual 57.5% to a 30.7% by mid of the century.