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“Have social security systems converged? Cross-country evolution of old age benefits during the XXth century”

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The worldwide extension of public insurance constitutes a key economic phenomenon that has translated into significant welfare gains for covered populations. Despite this, its impact has been uneven and there are currently non-trivial differences in the levels and forms of welfare provision. Therefore, it seems clear that path-dependencies and welfare traditions are still shaping the present forms of social insurance (Esping-Andersen, 1990).

The persistence of differences in welfare provision constitutes the core of social convergence debates. The literature has been especially fruitful in analyzing the effects on social policy of recent phenomena such as the last wave of economic globalization (Myles and Pierson, 2001; Rodrik, 1997; 1998; Hicks, 1999; Agell, 1999; 2002; Alsasua et al., 2007). Most of this research has concentrated on the cases of individuals with complete work histories and taking pensions as the object of analysis, since they arguably constitute the most important welfare state item, either in terms of their impact on covered populations or the amount of public spending devoted to them (EC, 2006). This perspective leaves aside those workers with interrupted histories who, as a consequence of the calculation rules applied pension regimes, see their pension incomes drop. One of the groups most affected by this phenomenon are women, partly because of longer periods of inactivity due to child rearing and care duties, as well as labour market segmentation (Dion, 2008: 137-8; James et al., 2003; Leitner, 2001). From a more general perspective, the recent changes in labour paradigms towards more casual work only add relevance to the problem of interrupted work histories and the adaptation of pension systems to this reality.

My proposal aims at approaching the social convergence debate from a long-run perspective in order to identify the historical trends in the evolution of family protection and

gender-related provisions during the twentieth century. In particular, I will build a database of pension legislation for a sample of countries to simulate pension outcomes for type individuals in each country and point in time (ILO, US SSA; similar methodology in Johnson, 1999; Palme, 1990). In this framework, the cross-country analysis will help us to understand the trends in international convergence of pension systems, whereas the within-country (among different earnings levels) will reveal the evolution of inequality in each of the cases studied.

In the light of the abovementioned problem related to incomplete work histories, I propose to explore, for the sample of countries under study, where and when pension calculation rules were most/least ready to “forgive” work interruptions by looking at the difference between ‘complete history’ pensions and interrupted ones. The latter would correspond to the type case of a (female) worker with a certain number of children and unemployment periods. The hypothesis to test is whether pension systems have tended towards lower gaps between the two variables and if cross-country differences have also decreased.

Nevertheless, protection systems provide some counterparts to this problem in the form of contribution refunds or family support mechanisms (Frericks and Maier, 2008; Barr and Diamond, 2008: 140-144). Therefore, I will also examine if these compensating tools were effective in correcting for the losses caused by employment interruptions. In this way, it will be possible to identify the countries (or worlds of welfare) that were most favorable to family policy and if, from the long-run, cross-country perspective, there is a common trend towards increased family protection.

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