

UN Discussion Paper:

CEDAW, WOMEN'S RIGHTS AND RETIREMENT AGE IN VIET NAM

1. Introduction

The *Law on Gender Equality of the Socialist Republic of Viet Nam* (2006) (Article 22) calls for the National Assembly to supervise the mainstreaming of gender equality principles in draft legislation. The Law also stipulates that where an international treaty has been ratified, the provisions of that treaty shall be applied. The most comprehensive international human rights instrument addressing discrimination against women is the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW), which was ratified by Viet Nam in 1982. The removal of discriminatory provisions in existing laws and policies is a key element in bringing Viet Nam's legislation and policies in compliance both with the *Law on Gender Equality* and CEDAW. To this end, the UN has been collaborating with the Government of Viet Nam in the analysis and revision of legislation from the perspective of CEDAW.

One key area of legislation where gender discrimination clearly still exists is in the differential age of retirement for women and men at 55 and 60 respectively, as specified in the *Labour Code* and *Law on Social Insurance*. The differential retirement age for women and men in Viet Nam has been the subject of discussion for some time, most notably around the drafting of the *Law on Gender Equality* and the revision of the Labor Code over the last several years. It has repeatedly been tabled for further study.

The issues around retirement age are inextricably linked to the country's social insurance and pension systems and have implications for state finances, the labour market, poverty, health and well-being of the elderly population, as well as gender equality. These are complex policy issues that will need to be addressed. However, from the perspective of CEDAW and from international experience, it is clear that the differential retirement age constitutes direct discrimination against women, and is inadmissible under CEDAW norms.

This discussion paper has been prepared to advocate for equal retirement age in Viet Nam to address gender equality and women's rights issues inherent in this key agenda item. It will briefly summarize the relevant issues and provide recommendations, from the point of view of CEDAW and informed by international experience, on how best to address the issue of gender-based discrimination in retirement age.

2. CEDAW Anti-discrimination and Substantive Equality Norms

A core principle of CEDAW is that laws must eliminate all types of discrimination against women, both direct and indirect. **Discrimination** is defined as "any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, ... on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field." (CEDAW Art. 1).

Article 2 of CEDAW requires State Parties to condemn discrimination against women and to "take all appropriate measures, including legislation, to modify or abolish existing laws, regulations, customs and practices that constitute discrimination against women." CEDAW provides the analytical framework to identify and eliminate gender discrimination.

Direct discrimination refers to "an action or omission that has the purpose of discriminating against women" (Chiongson, 2010, p. 53) - for example, termination of employment on pregnancy, or preferential hiring of men. **Indirect discrimination** refers to an action or omission that has the effect of discriminating, even if it was not intended (e.g. although women may have equal access to senior positions in government, the fact that they are required to retire earlier than men may lead to discrimination in promotions to senior positions.) Importantly, "an act or omission may appear to be neutral towards or even beneficial for women, but its effect or impact can be discriminatory." (Chiongson, p. 9).

Furthermore, when applying CEDAW to the review of domestic legislation, it is important to clarify the standard of equality laid down in CEDAW. **Formal equality** refers to an approach in which “men and women are seen as similar; and therefore they will be provided with similar treatment without exceptions.” (Chiongson, pp. 51-52). This approach, also known as ‘gender-neutral’, is not sufficient to meet the standards of CEDAW. The standard of equality mandated by CEDAW is **substantive equality**, which means *de facto* equality or equality of results. There are times when temporary special measures are required to level the playing field, but distinctions based on a protectionist approach towards women do not contribute to substantive equality.

3. Specific CEDAW Articles and General Recommendation(s) Relevant to Retirement Age

3.1. CEDAW

Article 11 of CEDAW provides that State Parties “shall take all appropriate measures to eliminate discrimination against women in the field of employment in order to ensure, on a basis of equality of men and women, the same rights,” including:

- the right to work;
- the right to the same employment opportunities;
- the right to free choice of employment;
- the right to promotion, job security and benefits of service;
- the right to receive vocational training and retraining;
- the right to equal remuneration;
- the right to equal treatment in respect of work of equal value;
- the right to social security, particularly in cases of retirement, unemployment, sickness, invalidity and old age;
- the right to paid leave; and
- the right to protection of health and to safety in working conditions, including the safeguarding of the function of reproduction

CEDAW Article 11 also specifies that: “Protective legislation relating to matters covered in this article shall be reviewed periodically in the light of scientific and technological knowledge and shall be revised, repealed or extended as necessary.”

Because of the breadth and comprehensiveness of CEDAW, a set of indicators has been developed by UN Women to assess Vietnamese law from the point of view of its compliance with the Convention. In relation to Article 11, Indicator 77 specifically asks: “Does legislation provide for an equal retirement age?” (Chiongson, p. 231). It is clear that the earlier retirement age for women impedes women’s equal right to work, to the same employment opportunities, to receive vocational training and retraining, to promotion, and to job security on an equal basis with men, and therefore impinges upon women’s substantive equality as defined in CEDAW. As protective legislation, it should be subject to review and revision based on up-to-date information about women’s abilities, rights and interests.

3.2. General Recommendation No. 27

CEDAW General Recommendation (GR) No. 27 on Older Women and Protection of their Human Rights clearly states that “... older women are particularly affected by different mandatory retirement ages to those of men **which constitutes discrimination on the basis of age and sex.**” It also notes that earlier retirement for women can lead to various types of indirect discrimination in terms of career advancement and the ability to accumulate pension benefits on par with men. Consequently, GR No. 27 concludes that (Par. 41):

“States parties have an obligation to facilitate the participation of older women in paid work without facing any discrimination based on their age and sex. States parties should ensure that special attention is paid to overcome problems that older women might face in their working life and that

they are not forced into early retirement or similar solutions. States parties should also monitor the impact of gender pay gaps on older women.”

And (Par. 42):

“States parties have an obligation to ensure that retirement ages in both the public and private sectors do not discriminate against women. Consequently, States parties have an obligation to ensure that pension policies do not discriminate against women, even when they opt to retire early, and that all older women who worked have access to adequate pensions. States parties should adopt all appropriate measures, including, where necessary, temporary special measures, to guarantee such pensions.”

4. Global Practices on the Elimination of Age-based Discrimination against Women

4.1. Global Trends

Since pension and old-age security systems differ so widely, it is difficult to make international comparisons. Research by OECD, IFC, the World Bank and other organizations reveals that, particularly in the more developed economies, the general trend has been to gradually eliminate the gender-based differential in retirement age, while at the same time increasing the retirement age for all citizens due to increased life expectancies and fiscal pressures. Almost all of the economies of East and Southeast Asia, with the exception of Viet Nam, are trending in a similar direction, while the economies of the former Soviet Union show a more mixed record.

A detailed study of trends in OECD pension regimes from 1939 to 2005 reveals that after World War II, many countries lowered the pensionable age for both men and women, with a steeper drop for women, but that: “The trend reversed about 1958 and accelerated during the 1990s; by 2035, only one country--Switzerland--will have a lower pensionable age for women than for men. ... Equality of pensionable ages for men and women was achieved in most countries having a lower age for women by raising the age for women to that of men. Italy and the United States were two exceptions, where the age for men was lowered.” (Turner 2005, pp. 9-10). The longer-term trend is toward convergence of male and female retirement ages at a higher pensionable age: “Looking forward, current plans will increase the average pensionable age to 64.6 years for men and 64.4 years for women in 2050.” (OECD, 2011, p. 33).

4.2. East and Southeast Asia

As Table 1 demonstrates, every economy in East and Southeast Asia, with the exception of Viet Nam, Cambodia, China and Taiwan, has the same retirement age for women and men, or is moving quickly in that direction. Taiwan is in the process of both raising and equalizing the retirement age while retaining some differentials for workers covered under the former system.

**Table 1. Statutory Retirement Ages for Men and Women, 2010
East and Southeast Asia**

Country	Statutory Pensionable Age		Observations (Countries which have retained the gender differential are highlighted.)
	Men	Women	
Brunei	60	60	
Burma	n/a	n/a	Has no statutory pension system.
Cambodia	60	55	
China	60	50-60 (see observations)	Basic pension insurance (central government guidelines): Age 60 (men); age 60 (professional women), age 55 (nonprofessional salaried women), or age 50 (other categories of women). Age 55 (men) or age 45 (women) with at least 15 years of coverage, if employed in arduous or unhealthy work. In practice, the standard retirement age for women is 55 and for men, 60.
Hong Kong	65	65	
Indonesia	55	55	
Japan	65	65	
Laos	60	60	
Malaysia	55	55	
Philippines	60	60	
Singapore	55	55	
South Korea	60	60	Age 60 or older (men and women) (to be raised gradually to age 65 from 2011 to 2033)
Taiwan	60	60	The full retirement age will increase to age 61 in 2018, increasing gradually to age 67 by 2027. Insured persons with coverage prior to January 1, 2009, may opt for a lump-sum payment at retirement, with a 5-year age differential between men and women.
Thailand	55	55	
Vietnam	60	55	

Source: Social Security Administration (U.S.): *Asia and the Pacific (2010)*

In China, early retirement is very common, especially for women, and was particularly encouraged during the early years of the economic reform as one method of downsizing state enterprises. Currently, proposals to equalize and extend the retirement age are undergoing a government-mandated review. Equalization is supported by women's rights advocates. It is likely that the outcome will be both an extension of the retirement age and the equalization of the retirement age for women and men in certain job categories (e.g. government-employed professionals and white-collar workers), while retaining differentials for women and men working in particular sectors or types of work. It seems likely that, even if the differential is retained, there will be a provision of flexible retirement for women who choose to stay on in the workforce beyond the pensionable age (Fan, 2008).

Table 2 shows a different picture for the countries of the former Soviet Union, which bear some relevance to Viet Nam in terms of their handling of retirement in the transition to the market economy. Viet Nam was influenced by former USSR laws and policies that referred to women protection, and where it was considered a privilege for women to retire earlier than men. The perception was that women also need time to take care of their families and children. The section below will examine this position (p.7).

In the USSR, the female age of retirement at 55 was five years lower than that of males. As in China, in the transition period, early retirement was a common method used to reduce the workforce in the state sector, particularly for female workers, and the gender-based differentials in the official retirement age were retained. More recently, retirement ages for both women and men have been increased in many of these countries due to the financial strains on the system. While some have abolished the gender

differential¹, in the face of strong public resistance most have chosen to retain it even if they increase the minimum age.

**Table 2. Statutory Retirement Ages for Men and Women, 2010
Former Soviet Union**

Country	Statutory Pensionable Age		Observations (Countries which have eliminated gender differential are highlighted)
	Men	Women	
Albania	65	60	
Armenia	63	62.5	The retirement age for women is rising gradually to age 63 by 2011.
Azerbaijan	62.5	57.5	Since January 1, 2010, the retirement age is rising by 6 months every year to age 63 by 2012 (men) and age 60 by 2016 (women)
Belarus	60	55	
Bulgaria	63	60	
Croatia	65	60	
Czech Republic	62.2	60.7	The retirement age and required years of coverage are gradually increasing until reaching age 65 (men and women) in 2030
Estonia	63	61	The retirement age for women is being raised gradually until it reaches age 63 in 2016; the retirement age for men and women will be raised gradually from 2017 to 2026 until it reaches age 65
Georgia	65	60	
Hungary	62	62	Age 60 for insured persons who worked in arduous or unhealthy activities for 10 years (men) or 8 years (women); the retirement age is reduced by 1 year for each additional 5-year period (men) or 4-year period (women) of arduous or unhealthy work.
Kazakhstan	63	58	
Kyrgyzstan	63	58	
Latvia	62	62	
Lithuania	62.5	60	
Moldova	62	57	
Poland	65	60	
Romania	63.8	58.8	The pensionable age and contribution periods are rising gradually by 2015 to age 65 (men) and 60 (women)
Russia	60	55	
Serbia	64	59	The retirement age is increasing gradually by 6 months a year to age 65 (men) or age 60 (women) with at least 15 years of coverage by 2011
Slovak Republic	62	62	The retirement age for certain women is rising gradually to age 62 by 2015
Slovenia	63	61	
Turkmenistan	62	57	
Ukraine	60	55	
Uzbekistan	60	55	

Source: Social Security Administration (U.S.): Europe (2010)

In summary, to the extent that a worldwide trend can be discerned, it is towards increasing the retirement age for both women and men. The literature indicates that the combination of fiscal and demographic realities (the growing cost of maintaining a large cohort of retired workers, whose life

¹ In Hungary the retirement age increased from 55 for women and 60 for men, in a decade-long phasing-in process that first equalized the retirement age at 62 in 2000 for men and 2009 for women. The statutory retirement age for both sexes will reach 65 by 2022 (OECD).

expectancy is increasing, on a shrinking base of younger workers) is pushing the extension of the retirement age overall, but that it can be a politically difficult and technically complex process (Turner). However, while the general tendency in Asia, as in the OECD countries, is to equalize the retirement age for women and men at the same time, the same is not true of the former Soviet Union, where only a few countries have eliminated the gender differential even as they have raised the retirement age.

The decision to eliminate the gender differential, where it has occurred, has been motivated by a combination of factors that play out differently in different countries, including pressure from women's rights advocates, younger women's changing professional expectations, changes in concepts of gender equality and women's roles in society, changes in social attitudes regarding the abilities and needs of older women, the longer life expectancy of women, and the burden on pension systems created by a shorter contribution period and longer period of pension coverage for half the population. In short, "Changing views as to the treatment of men and women in social policy have led to a move towards equality of pensionable ages for men and women, which in nearly all cases has occurred through increasing the pensionable age of women." (Turner, p. 26).

In countries where the differential has been retained, such as many of the former Soviet Union countries, there is often a less favourable social and political climate supporting improvements in women's rights and more support for protective measures; early retirement is seen as a scarce entitlement which many women are reluctant to relinquish, despite the potential benefits for women and for society as a whole.²

4.3. Summary of Lessons Learned and Good Practices

The available research indicates that:

- The gender differential has been eliminated in most of the OECD countries and is being eliminated throughout East and Southeast Asia, usually in association with pension reforms and a general increase in retirement age for all workers;
- Equalization of retirement age is associated with complex public policy decisions and ideally requires a period of discussion and consultation in order to ensure that the differing social and economic impacts are addressed equitably;
- Most countries that have equalized the retirement age have had a gradual phasing-in over a number of years in order to allow workers and employers time to adjust to the new regulations, and so that the reform does not unfairly disadvantage one age cohort of workers;
- Public information and awareness campaigns on the benefits of equalizing the pension age are helpful in creating social consensus in support of this policy; and
- Changes in retirement age are being accompanied by broader reforms in pension systems to increase their long-term viability and help economies adapt to changing economic and demographic contexts.

5. Situational Update on Retirement Age for Women in Viet Nam and its Impacts

5.1. Background and Characteristics of the Retirement System

The differential retirement age for women and men in Viet Nam dates back to the 1960s, and was established as preferential treatment for women, taking into account their domestic responsibilities as well as stereotypes about the physical weakness of older women in comparison with men (Sabharwal and Huong, 2007). Early retirement was seen "as a reward and compensation for multiple burdens of

² *Analysis of resistance to equalization of the retirement age from several Eastern European countries can be found in the ILO series, The Gender Dimensions of Social Security Reform. It notes a number of interacting motives for resistance, related to the conflicting "triple roles" of women as workers, caregivers, and social-service providers: "The difficulties associated with this change will probably fall most heavily on those women who, closest to retirement, planned to retire under the old rules but find themselves nearing 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."* (ILO, 2003, p. 34).

women.” (Chiongson, p. 232). The retirement age of 55 for women and 60 for men is mandatory for most public-sector employees but optional for private-sector employees, although most workers claim their pensions at the statutory retirement age (World Bank 2008, p. 9). There are numerous job categories where early retirement is permitted, but invariably these retain the gender differential. It should also be noted that the official retirement age applies only to a small proportion of the population who are workers in the non-agricultural formal sector (originally only the public sector, but since 1995 also applied to the private sector), and that, as in many countries, there is a larger share of women than men in the informal sector, meaning that a larger proportion of female workers have no access to pensions at all (Asian Development Bank, 2005; World Bank, 2006).³

The total number of pensioners was estimated at about 1.6 million in 2006, about 45-47% of whom were women. Pensioners represented about 7.7 percent of the population 45 years old and above (World Bank, p. 26-27). There is no prohibition on working while collecting retirement benefits, and post-retirement employment is common among female retirees, who work in the informal sector, as consultants in their former work units, or as self-employed workers or business owners. Many retired women also continue to work in family enterprises, with or without pay. In addition to paid work, many female retirees provide unpaid domestic labour and childcare to family members.

Apart from the differential retirement age, there are other differences between women and men in the way the pension system is set up and financed. These policies on the whole tend to narrow the gender gap in pensions for some women, and somewhat offset the effects of earlier retirement and lower contributions for women; however this is not true for all groups of women or men.⁴

The net effect of the differential retirement age and other inequities in the pension system is illustrated in Table 3.

Table 3. Characteristics of Male and Female Pensioners, 2001 – 2007

	2001	2002	2003	2004	2005	2006	2007
Age at retirement (years)	54.4	54.5	53.4	53.6	53.2	52.6	52.6
For men	57.1	56.9	55.7	55.8	55.6	54.5	54.3
For women	51.8	52.2	50.4	50.7	51.8	51.1	51.1
Pension amount (VND thousand per month)	455	459	644	648	699	859	1,204
For men	530	511	709	712	750	895	1,226
For women	388	413	584	588	669	831	1,184
Wage on which contributions are paid (VND thousand per month)	553	581	743	779	975	1,159	1,220
For men	591	616	795	836	1,048	1,241	1,307
For women	514	547	691	723	903	1,076	1,127
Length of contributions (years)	31.2	31.7	30.8	31.0	30.9	30.3	30.1
For men	33.8	34.0	31.8	32.1	32.9	31.9	31.6
For women	28.8	29.6	29.5	29.7	29.6	29.1	28.8
Ratio pension to contribution wage (%)	82.3	79.0	86.7	83.1	71.7	74.1	98.6
Men	89.6	82.8	89.2	85.2	71.5	72.1	93.8
Women	75.4	75.5	84.5	81.3	74.0	77.2	97.0

Adapted from: World Bank (2008)

This table supports the following conclusions:

- The actual age of retirement was lower than the statutory age for both women and men, and declined for both groups during the period under study, but the decline was greater for men.

³ It is very difficult to obtain precise data for any country on the proportion of women in informal employment. According to the World Bank's Viet Nam Country Gender Assessment (2006, p. 39), "the percentage of women who are unskilled and in the non-agricultural self-employment category is significantly higher than for men (70 and 53 percent respectively in urban areas; 67 and 49 percent in rural). These women are mostly in the informal sector."

⁴ See World Bank (pp 9-16) for a detailed economic analysis.

This is largely due to differential access to early retirement schemes during this period and the fact that workers derive little added benefit from longer service under the current scheme;

- Female pensioners' pre-retirement wages averaged about 87% of those of male pensioners (on average for this 7 year period); and
- Female pensioners' pension amount was about 84% that of male pensioners on average over this period, although the ratio rose steadily between 2001 and 2007.

Apart from the inequities in both wages and pensions, the broader economic concern is that, based on current trends, with women's longer life expectancy and a slower rate of population growth, the pension system will not be able to sustain itself in the long run in its present form. Thus detailed analysis leads a recent World Bank report to conclude: "In the case of the pension system in Vietnam, reaching gender equity requires the equality of men and women's retirement ages as well as the design of a new pension formula." (World Bank, p. 16).

5.2. Impacts of Differential Retirement Age on Women in the Workforce

The retirement age differential reverberates throughout the working lives of women in Viet Nam, contributing to other direct and indirect forms of discrimination against women and affecting income, promotion, training opportunities, and the proportion of women who reach senior positions in the government, civil service and other key organizations. Some specific impacts:

- The lower retirement age for women results in fewer years worked than men, hence lower wages and less opportunity to maximize their wages over their career span;
- The lower retirement age compounds the effect of other interruptions in women's working lives, such as child-bearing and domestic responsibilities, in shortening women's working lives and thus their wages;
- Both of these factors also contribute to lower pension contributions for women - and thus lower benefits - by limiting their length of service. This is only partially offset by the contribution formula that favours women;
- Training opportunities for women are curtailed because there is often a cut-off age for participation in further training for women after age 45 (and for men after 50), which also curtails their advancement to senior positions;
- The lower retirement age results in fewer opportunities for women to be promoted to higher-ranking positions compared to men. According to the World Bank: "When there is a vacancy in the management and leadership positions in an institution, managers consider the age of applicants because the person who is promoted is expected to work in that position for a significant length of time." (World Bank, p. 33). Regulations in many organizations stipulate differential ages for male and female applicants in the appointment and promotion of public officials, which contributes to the situation where qualified women are not considered for promotion to leadership positions;
- Lack of promotion opportunities prevents women from reaching the highest grade in the salary scale, which impacts not only their wages but also their eventual pensions;
- The provision of earlier retirement for women leads some employers to discriminate against older workers by pressuring them to retire - either to be replaced by younger workers at lower salary, or to avoid investing in improving working conditions for older female workers. As the World Bank study (p. 44) observes: "When these enterprises know that in the future their employees will not have access to early retirement at age 50 ..., they will need to improve their working conditions so that women remain productive until age 55."; and
- Looking at Vietnam Household Living Standards Survey (VHLSS) data, it is clear that female public officials are disadvantaged by retiring at 55 years old. Public officials' salaries peak in the previous year to retirement. The average salary of female public officials in 2009 was around 7% lower than the average salary of male officials. However, in their last 10 years of work, the difference jumps to almost 14%, harming future female public officials' pensions.

As shown in Table 3, the retirement age differential continues to have a negative impact on women after retirement, as their lower level of contribution throughout their working lives translates to lower

monthly pension payments. This has negative implications for the economic well-being and health of older women, whose life expectancy is significantly higher than men's.

5.3. Social Impact of Differential Retirement Age

The broader social impacts of barriers to women's participation in decision-making roles in government, public service and business must also be taken into account. Viet Nam has been commended for having a high proportion of women in politics compared to other countries in the region, with over 25% representation in the National Assembly. However, women account for only 12% of Ministers, 7% of Deputy Ministers, 12% of Directors and 8% of Deputy Directors in the civil service (Sabharwal and Huong, p. 2). The proportion of women in senior positions in key areas such as education and the judiciary is also low, even in sectors where women predominate (World Bank, 2006). Any efforts to improve these statistics, in line with the MDGs and Viet Nam's National Strategy on Gender Equality will be made more difficult as long as the earlier retirement age is in place. As the World Bank Country Gender Assessment (p. 45) points out: "Women who have less opportunity for training and skills development are less likely to be in higher level positions, and the pool of women with the qualifications to compete against men for public office or elected positions is also reduced." The broader impact of this situation is that, without a critical mass of women in senior decision-making positions, policies and programs continue to be planned and designed from a predominantly male perspective, overlooking the needs, priorities and interests of women and resulting in ill-formed policies, laws and decisions. This imbalance in decision-making is the result of a number of different factors, but it is evident the inequitable age of retirement plays an important role.

Apart from its impact on older women, earlier retirement also affects the career paths and aspirations of younger women, especially university graduates. In addition to their delayed entry into the job market, they may have also missed opportunities due to childbirth and domestic responsibilities. Discrimination (e.g. in access to training or promotions) stemming from earlier retirement compounds the barriers to career advancement (World Bank, 2006).

6. Conclusions and Recommendations

The foregoing analysis supports the conclusion that, from the perspective of CEDAW and women's human rights, the differential retirement age for women and men is unwarranted and should be eliminated. This section presents the arguments in support of this policy change, and outlines the key elements in the roadmap to eliminate gender discrimination in the retirement system.

6.1. The Case for Eliminating the Gender-based Differential

In summary, there is a strong case for eliminating the gender differential in retirement age. Key arguments in support of this position include:

- **Gender equality and women's human rights:** From the perspective of CEDAW the differential retirement age is a form of discrimination against women, and it also fosters other forms of indirect discrimination. The differential retirement age infringes upon women's equal right to work, to the same employment opportunities, to training, to promotion and to job security - and therefore violates the standard of substantive equality set out in CEDAW.
- **Pension financing issues:** Financing the lower retirement age for women will likely become more and more difficult in the future, particularly as larger numbers of private sector employees enter the system. According to the World Bank: "From a strict financial point of view, gender equity in the pension system should be promoted and women's retirement age increased." (World Bank, p. 37). On the other hand, raising the retirement age of women would strengthen the financial viability of the system by increasing women's contributions and decreasing the number of years they would collect a pension.
- **Pay equity:** Early retirement of women contributes to income gaps between women and men both in their working lives and post-retirement. Working longer would allow women to earn higher wages, contribute longer to the fund, and thus earn a more equal pension upon retirement.

- **Secondary forms of discrimination:** Early retirement creates barriers to women achieving decision-making positions in government, public institutions and the private sector. Equal retirement would eliminate this inequity and allow women to compete for positions with men on a level playing field. This is particularly relevant to women in government and professional women.
- **Social impacts:** Early retirement for women constitutes a loss to society of a large cadre of experienced and skilled personnel, and creates barriers to achieving equitable participation of women in senior decision-making roles. At the same time, younger and more well-educated women would benefit from eliminating the gender-based differential, as this would improve their career prospects and make them more competitive in the labour market in the longer term. Research shows that raising the retirement age for older women will not affect youth employment since these are two distinct labour market segments.
- **Viet Nam's international status:** Early retirement for women is an artefact of an earlier era in Viet Nam's history. The social and economic environment has changed, protective measures for women are no longer warranted, and the retirement system needs to change in order to keep pace with the rest of ASEAN, East Asia and OECD countries.

While the arguments in favour of eliminating the gender differential in retirement age are persuasive, as in other countries where this has been accomplished, there will be some resistance to such a far-reaching policy change. Various studies have shown that a significant portion of the public (male and female) and employers polled in surveys are in favour of retaining women's earlier retirement (Look at Vietnam, 2009). Some groups of workers will not benefit or might even be negatively affected by the reform. These perspectives will have to be investigated through public consultations, and taken into account in order to design a system that addresses the legitimate concerns of different groups and mitigates any negative impacts. At the same time, campaigns to raise public awareness of the rationale, benefits (and potential costs) of the reform will be necessary.

6.2. Implications for Other Policy and Legislation

Changes in the retirement age will have an impact on many areas of policy and legislation, including the Labor Code, Law on Social Insurance, and any other law, regulation or policy that stipulates differential ages for appointments, promotions and access to training. Therefore, a concurrent comprehensive review of all the relevant legislation from a gender equality and women's rights perspective will be required to ensure consistency with the retirement reforms.

7. Recommendations and Roadmap to Eliminate Discrimination in Retirement Age

This section proposes a general course of action to eliminate the gender-based differential in retirement age for substantive gender equality, pragmatic economic reasons to ensure affordability of the pensions system. This is also important because Viet Nam is a middle-income country and needs to keep pace with the region and the world. More detailed policy options are beyond the scope of this paper, and in any case have been put forward elsewhere, for example by the World Bank in *Women's Retirement Age in Viet Nam: Gender Equality and Sustainability of the Social Security Fund*, 2008.

- The government should proceed with reforming the gender-based differential in retirement age.
- The reform should be phased in gradually and in increments in order to spread the impact over successive groups of retirees, and give prospective retirees and employers time to make the necessary adjustments.
- The reform should be accompanied by gender-sensitive education and awareness-raising campaigns to inform all citizens of the benefits (and potential costs) of the reform. Any such information campaigns should be grounded in the anti-discrimination principles of CEDAW and the *Law on Gender Equality*.

- A roadmap should be made for implementing retirement age equalisation and include a significant public outreach component to educate government officials, private employers and the general public on the rationale for policy change.
- Special provisions should be put into place for workers who may be disadvantaged under the reform. One such group that has been identified in various studies is disabled women, who under the current system have the option of claiming a disability pension at age 45. Most policy recommendations propose retaining this option.
- The government should monitor the impacts of the reform on different categories of women workers, and ensure that mitigation measures are put in place to address any negative impacts.
- In the longer term, the government should also explore ways of extending the retirement system to workers in the informal sector, migrant workers, domestic workers and rural workers, who currently have limited access to pensions, as a way of broadening the reach of the pension system to include the full spectrum of working women.

Annex 1. References

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