Gender, the State, and Constructing the Old as Dependent: Lessons From the Economic Transition in Poland

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To critically examine the notion of the old as a "burden" to society, we use a political economic and gender-sensitive approach to explore the impact of the economic transition in Poland on retirement. Poland is an especially useful case for analyzing ways that divergent political economies shape the aging experiences of men and women, as differences between the two systems cannot be attributed to cultural variations. Overall, we find that old-age dependence in Poland is not inevitable; it is not created in a uniform manner for men and women; and it is not passively accepted by the old. Further, by examining economic activities in general, we show that retired men and women have been and are critical to the viability of both economic systems, albeit in different ways.

Key Words: Political economy, Gender, Retirement, Informal economy

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Understanding the social creation of old age, especially the "inevitability" of the old being a "burden" to society, is particularly critical in light of the heightened scrutiny that old-age policies are receiving worldwide. Once believed to signal political suicide, calls for the "reform" of social welfare policies for the old in the United States have proliferated. Within the rhetoric surrounding this debate, gerontologists and other advocates for the old have increasingly contrasted the "productive aging" deemed characteristic of most elderly persons with this image of dependence.

In this context, a comparative, political economic approach to aging and related State policies can yield valuable information. For example, international comparisons across socialist and capitalist welfare states can reveal both similarities and differences in the ways in which economically based power relations construct varying aging experiences, including the timing, nature, and extent of "dependence." Even more valuable, however, are historical comparisons across political economies within the same national context. The ability to compare divergent political economic systems within the same country reduces the likelihood that any differences in aging experiences are attributable to cultural variations. Such an opportunity is presented by the economic transformations occurring in Central and Eastern Europe.

At the same time, an understanding of the effects of political economies on aging experiences that considers only class relations is incomplete. It is unable to explain why, among the old within a country, particular groups are especially likely to be poor or to be constructed as "dependent" differently or sooner than others. Political economies do not exist independently of other systemic power relations; they are not, for example, gender-neutral. Examining the impact of political economies on the construction of aging, then, must consider how the gendered aspects of State actions result in gendered experiences of old age.

Economies in Transition: The Case of Poland

At the end of the 1980s, United States scholars had only cursory knowledge of the situation of the old in the former socialist countries. And despite the rapid growth of studies on Eastern and Central European countries in the 1990s, we still lack adequate knowledge about the impact of the transformation to market economies on elderly persons in general, let alone on diverse aging experiences.

Specifically, existing studies contain three general and interrelated shortcomings. First, many investigations focus primarily and somewhat uncritically on the situation of retirees before the onset of the 1989–1990 economic transformation (Piasny, 1989; Uscinska & Pracka, 1990). While this is important for providing baseline information, little evidence has been gathered on the situation of the old in relation to this transition. Second, those studies that more
thoroughly examine the years after 1989–1990 tend to focus on the negative effects of the collapse of communism, thereby contributing to the construction of victim-oriented images of post-communist countries (Ciechocinska, 1993; Fuszara, 1994; Heinen, 1990; Helsinki Watch, 1992; Regulski, 1992). Certainly, Central and Eastern Europeans have experienced a tremendous drop in living standards — a 30% drop in the region during 1990 and 1991 alone, and Poland was harder hit than many countries. At the same time, the situation has not worsened in a linear manner; some people have benefited from the economic transition. Furthermore, as our analysis of the informal economy will show, the population is neither passive nor helpless. Finally, with few exceptions (for example, Ferree, 1993; Moghadam, 1995), studies of the effects of socioeconomic restructuring tend to gloss over the gender dimension. This is especially apparent when investigators focus on the old (see, for example, Synak & Czekanowski, 1994).

In this context, illuminating the situation of Polish retirees provides an important case study against which other welfare states and their historical "trajectories" can be compared. Focusing on this population is especially useful in highlighting the gendered aspects of retirement because, given Polish women’s high labor force participation rates both before and after 1989, the majority of old Poles, including women, are retirees. Studying Polish retirees, then, contributes to the development of a theoretical and historical framework for understanding and alleviating existing age-related inequalities, especially concerning their roots in the worlds of paid and unpaid work.

We begin with a brief historical overview of the socioeconomic changes that have occurred in Poland. Next, we discuss the mechanics of retirement in Poland, before and after 1989, and relate these to the different political economies, socialism and capitalism. We then examine retirees’ situations before and after economic transformation. In particular, we focus on retirees’ standard of living, early retirement, and continued labor force participation rates, and gender variations in relation to each of these analyses. This latter analysis reveals that the deep poverty faced by the old, particularly women, is closely tied to political economic needs and gender relations, and the embodiment of these within State policies. Moving to the informal economy, we find again that retirees are integral to the survival of Polish families and the precarious Polish economy. However, the move to a privatized economy has had an important influence on the nature of retirees’ informal labor, and this influence has further differed by gender. While present conditions simultaneously provide both advantages and disadvantages to women retirees relative to men, the quality of life of all retirees, especially those who were poorer, has diminished. We conclude by discussing some trends relevant to future Polish retirees and briefly state the implications of our findings for a more historically contingent approach to retirement and old-age policies in capitalist countries.

The Context of Retirement Experiences in a Transitory Society

The socialist regime was imposed on Poland at the end of World War II by the Soviet Union. As in other socialist countries, the emergent Polish statehood encompassed several political economic changes, including the nationalization of industry, centralized short- and long-term planning, a collectivist welfare regime that allocated resources based on need, and the creation of an essentially one-party political system, dominated by the Polish United Workers’ Party (PUWP). In 1980, after several unsuccessful attempts to liberalize the regime, Polish workers, supported by the intelligentsia, undertook a concerted strike action, resulting in the registration of the Independent Trade Union, called Solidarity. Although Solidarity lost its legal status in December 1981, it continued to operate underground. In 1988, in the wake of Gorbachev’s liberalization of Soviet internal and foreign politics and Polish workers’ increased militancy, PUWP leaders began negotiations with the leaders of the outlawed Solidarity union about the country’s future. These so-called Round Table talks put in motion several reforms, including (1) the dissolution of the one-party system and the emergence of several competing ideologies and political parties; (2) the institutionalization of basic democratic principles, including freedom of speech and association; (3) a process of privatizing the means of production; (4) subjecting exchange and allocation to market procedures; (5) the emergence of Western-type industrial relations characterized by strike and collective bargaining rights; and (6) the simultaneous collapse of a bureaucratic, collectivist welfare regime and the extension of the “market and market type of allocation procedures . . . to social welfare” (Millard, 1988:1).

The political reforms were implemented almost immediately after the creation of the first noncommunist Polish government, led by Tadeusz Mazowiecki and composed mainly of former Solidarity members. Economic reforms followed, beginning in January 1990. Instead of a gradual process, the Polish government opted for “shock therapy” and rapid market reforms. This program called for “a free price system, drastic cuts in subsidies, a free trade policy, convertibility of currency based on a fixed rate of exchange, wage controls, a balanced budget, and elimination of ‘easy’ credit to state enterprises” (E. Zajicek & Heisler, 1993:1). In 1991, Jan Krzysztof Bielecki, a liberal economist, created the second noncommunist government that continued the philosophy and pace of economic change. As a result, the financial status of the most vulnerable segments of Polish society, including elderly persons, worsened. The election of October 1991, which brought to power the more economically moderate Jan Olszewski, a Christian Democrat,
therefore reflected the public’s increasing disenchantment with liberal economic policies. Olszewski promised to halt the economic reforms, especially the privatization of the economy. However, after only a few months in office, the new government received a no-confidence vote. The dissolution of the Olszewski government ended the first era of political transformation implemented by Solidarity-controlled governments.

In July 1992, Hanna Suchocka became prime minister and created a seven-party government that included both liberal democrats and Christian nationalists. In 1995, the first post-reform communist government, led by Jozef Olesky, a former secretary of the Central Committee of the PUWP, emerged in response to continued public opposition to growing economic hardship. Aleksander Kwasniowski, a former member of the PUWP and, at this writing, the new Polish president, successfully predicted that “the bulk of his voters would come from among the ‘losers’ in great political confrontations of the last decade: the unemployed, families deprived of the ‘safety net’ and the 9 million retirees — a quarter of the population — who cannot make ends meet on fixed pension incomes in the face of annual inflation still hovering around 30 percent” (Szulc, 1995:5).

Within the current situation, Polish retirees find themselves in a new and vulnerable political economic position. With the transition, Poland is faced with increased unemployment and high inflation, and the State is even more hard-pressed to meet the multiple demands of a population suffering the consequences of economic change. Yet, even within the weak economy, a sizable segment of the population is already drawing pensions (Laczko, 1994). Partly as a result of these factors, when the Social Welfare Act passed on November 29, 1990, the old became only one of several social categories competing for state assistance. Among these, the unemployed, the homeless, and the poor “are very strong groups in the local community pushing older persons into the background” (Synak & Czekanowski, 1994:24). Thus, dwindling resources and increasing needs presently affect Polish retirees’ experiences, and the differences by gender (See Appendix, Note 1).

Our ensuing discussion highlights two critical arenas of State actions in relation to retirement experiences in Poland. We turn first to the most obvious realm, the pension system. In terms of age and years of work, eligibility rules have not changed, but the benefit formula has been altered significantly. Second, we will show how the needs of the State influence individuals’ work and retirement options. We will indicate particular State actions that have constrained or enhanced early retirement, continued labor force participation of retirees, and participation in the informal economy. In both historical contexts, the State has created a dependent population — retirees — to address the needs of other population segments. One contradiction, especially now, is that the positions of both retirees and the State are more vulnerable as a result.

Pension Systems
The retirement age in Central and Eastern European countries is generally well below 65, and it differs for men and women. Poland has two different retirement options which emulate the gender discrepancy extant in the geographical region. To draw a full pension under the first option, a man can retire at age 65 after 25 years of paid work and a woman can retire at age 60 after 20 years of work. The second option allows individuals to withdraw from the labor force before reaching “official” retirement ages on the basis of the number of years worked. This “early retirement” can occur at age 55 for women after 30 years of labor force participation and at age 60 for men if they have worked for 35 years. The trend has been toward early retirement despite the fact that, both before and after 1989, retirement in Poland typically has decreased individuals’ standard of living.

Pensions Under Socialism
Under socialism, Polish pensioners fell into two groups, based on the laws in effect when they retired. The pensions of those who withdrew from the labor force before 1983, the “old wallet,” were not adjusted to reflect increases in living costs. In contrast, the 1982 Old Age Pensions for Workers and Their Families Bill created a system of pensions that were index-linked. In 1989, the majority — 64% — of Polish retirees fell into this latter group (Help Age International, 1993).

Before 1991, the pension rate was calculated at 100% of a worker’s base salary up to the first 3,000 zlotych, and then at 55% of the remaining amount. A worker’s base salary could be derived from the average monthly pay during one of two time periods: either the last 12 months worked or a period of 24 consecutive months worked during the last 12 years. The minimum pension could not be lower than 90% of the lowest national mean monthly wage, and the maximum could not exceed 100% of the pay base on which the pension was calculated.

Under the communist regime, a combination of nonindexed pensions and sharply rising prices meant that retirement pensions were often lower than subsistence-level. Between 1975 and 1985, the Polish cost of living increased by nearly 600% (Gwoyni Urzad Statystyczny, 1991). Thus, a 1985 survey of individuals’ needs assessments within Polish households found that those who perceived their material conditions to be the worst included persons depending on retirement or disability pensions and those over age 65. In addition, more than half of the pensioners reported great difficulty in meeting even basic needs, and nearly one-fifth of these found it “impossible to do so” (Frackiewicz & Frackiewicz-Wronka, 1988:251). Indeed, in terms of expenditures, retired people spent 54% of their total household income on food, compared with 42.5% in workers’ households and 44.4% in worker-peasant households. Furthermore, poverty rates were highest for the old, with 27% falling below the subsistence threshold (Laczko, 1994). At the same
time, stark social inequalities existed among the old, with a very small number possessing very high retirement benefits, exclusive health care provisions, and low-cost access to rest homes, sanatoria, and other scarce goods (Dietl, 1988).

**The Post-Socialist Pension System**

The present pension system, created by the Pension Act of 1991, contains some significant changes that have affected the retirement income of both men and women. First, the number of years used to establish the salary base for calculating pensions increases every year. For example, a worker who applies for retirement before 1993 now must choose 3, rather than 2, consecutive years worked during the last 12 years to serve as the base for calculating a pension. Ultimately, an individual retiring after 1999 will be required to choose 10 consecutive years worked during the last 20 years.

Second, the method for calculating pensions has been changed. In contrast to the previous two-step approach, the present pension formula comprises a three-tier system. The first tier gives pensioners 24% of the average national salary. The second tier adds 1.3% of the current equivalent of a retiree's salary for each year worked, and this amount is based on the years chosen. The final tier adds 0.7% of the retiree's salary for years that the retiree did not contribute to the retirement fund (Tracy & Steinmeyer, 1994). The minimum pension cannot be lower than 35% of the average national wage that provided the basis for the most recent pension indexation, and the maximum cannot exceed 100% of the retiree's salary base.

Third, the Pension Act of 1991 made income-testing a reality. Retirees can earn up to 60% of the average national wage without penalty. Earnings between 60% and 120% result in a loss of the first pension tier — the component that reflects 24% of the average national wage. All benefits are retracted if a retiree earns 120% or more of the average national wage.

**Consequences of Economic Transformation and the 1991 Pension Act**

**Standard of Living**

The recent financial situation of Polish retirees can be gleaned from a variety of figures. In 1987, the average pension was 66% of the average salary, but by 1989 this percentage had decreased to 56%. Immediately after the transformation, it rose to 65% but then dropped to 62% in 1992 (Synak & Czekanowski, 1994). How can we interpret how these figures reflect the quality of life of the typical Polish retiree? (See Appendix, Note 2). To address this issue, we must consider them in relation to the overall change in Poland.

First, after 1989, all Poles experienced a dramatic drop in standard of living. In addition to heightened unemployment levels, those able to continue work-
incomes in addition to their pensions (Zakład Ubezpieczeń Społecznych, 1992; Velkoff & Kinsella, 1993).

Economic transformation of the State has dramatically altered this situation. The employment level of the old has declined since 1989. In addition to income testing, which penalizes retirees for engaging in paid labor, other legal changes serve to discourage employers from hiring older workers (Laczko, 1994). In 1993, the employment rate of those aged 55 and over was about 20%. Recent estimates concerning the 65-and-over age group suggest that between 5% and 12% of them are in the labor force (Laczko, 1994; Synak, 1994).

The State and Early Retirement

The population of Central and Eastern European countries is younger than that of Western nations. In 1985 and 1990, the Polish median age was about 30 and 32.5, respectively, and only 9.4% and 10.1% of Poles were age 65 or over in each of these years (Glowny Urzad Statystyczny, 1994; Velkoff & Kinsella, 1993). Yet in 1980, 12.8% of the population drew a pension. By 1992, this figure increased to 18.7% (Glowny Urzad Statystyczny, 1991; Synak & Czekanowski, 1994). This “burden of social dependence” is not primarily a demographic phenomenon; rather, it is social in nature. That is, the escalating numbers of pensioners clearly are not due to a large rise in old people. In 1990, 49.1% and 24.1% of Polish men and women pensioners, respectively, were below the official retirement age, and among workers displaced in 1993, 10.8% turned to early retirement and disability (Zakład Ubezpieczeń Społecznych, 1992; Glowny Urzad Statystyczny, 1994). In fact, early retirees account for a full one-third of all pension expenditures (Laczko, 1994). Given the precarious financial situation of retirees, how can we account for this large number of early retirees?

To understand the genesis of the early retirement trend, we must look at State actions undertaken during the later years of the communist regime. To maintain full employment levels, retirement was encouraged and inducements to retire early were created. First, if one continued to work while drawing a pension, these years were incorporated into future pension levels, thus enhancing long-term benefits. Second, there was no pension penalty or ceiling on income earned in retirement. Third, workers in hazardous occupations, such as mining, were offered even earlier retirement or disability pensions than other workers (Laczko, 1994). As a result, in 1985 and 1990, respectively, 2.1 million and 2.3 million Poles received retirement pensions and 1.9 and 2.1 million Poles collected disability pensions (Glowny Urzad Statystyczny, 1994). Both pensions were also used to reduce the number of persons employed without creating further unemployment (Laczko, 1994).

Early retirement not only has a negative financial impact on individuals, it also carries an ideological price. Early retirement reinforces the notion that aging individuals are unproductive, and it changes the way society perceives the “old,” so that this perception begins to be affixed to persons at age 50 (Laczko, 1994). An especially troubling consequence of the growth in early retirement directly affects women. Because women’s “skills tend to be regarded as redundant at an earlier age than men’s” (Laczko, 1994:22), the effects of early retirement are even more damaging to women. The present political economic context ensures that older women are especially disadvantaged in finding or retaining employment. First, capitalist hiring practices favor young, pretty women (Moghadam, 1995). Second, workplace ageism already affects women at younger ages than men (Rodeheaver, 1990). Finally, the lack of codified sanctions against either ageism or sexism perpetuates both practices (Moghadam, 1995; Synak, 1994).

Gender Consequences of Retirement and Pension Changes

Whether we examine the economic context for changes in Poland before or after 1989, it is important to note that Polish pension benefits have been calculated in a way that is similar to market economies such as the United States. That is, pension amounts were and are still based upon years of employment and wage levels. As a result, pension policies have also reinforced gender (and class) inequities in the workplace. The present system does, however, tend to narrow the gap between the richest and the poorest retirees because the salary base for a retiree’s pension cannot be higher than 250% of the average national wage (Koral & Skipietrow, 1995). Nevertheless, gender differences remain. Those who were paid less, even if they worked a similar number of years, receive lower pensions. The gender wage gap in Poland has been similar to that in the United States; women have received about 66% of men’s earnings (Laczko, 1994). As a result, a difficult financial situation for women during their working years only becomes worse in retirement.

Gender bias also stems from other sources. As we noted, the age for full retirement in Poland differs by gender. This disparity is based upon a recognition of women’s primary responsibility for reproduction in the home, but it penalizes women. Before 1991, because of the gender difference in required age at retirement and in work experience, men were more likely than women to receive the 1% increase in pension benefits given for each full year of work over and above 20 years. Thus, the median monthly pension figures, which are not reported separately by gender, overstate retired women’s financial position.

After 1991, the new pension calculation system introduced even more pervasive gender differences in retirement benefits. First, an unequal value has been assigned to men’s “productive” and women’s reproductive roles. Under the new calculation system, retirees receive a percentage of their base salary system for each year that they contributed to the pension fund. This percentage is cut by half for years of temporary withdrawal from the labor force as a result of, for example, parental leave, sick leave,
leave to care for sick or elderly family members, and leave for university studies and military service. Women are more likely to experience intermittent work histories for these reasons. Furthermore, circumstances that might actually serve to promote one's career and subsequent earnings are the main reasons that men might temporarily withdraw from paid labor. This gendered construction of pension rules therefore worsens the already discrepant economic situations of women and men retirees.

Women also appear to be more adversely affected by other pension law changes than do men. For example, men usually work more years than women and they are paid more. Consequently, men will have more years at higher wages from which they can choose to establish the salary base for calculating their pensions. Thus, both of the criteria the State established — pay level and number of years worked — result in disadvantages for women.

Gender and Poverty

We have already suggested that because of the current economic and pension situation, a substantial number of Polish retirees are likely to be impoverished. While the pensions of the pre-1983, “old wallet” retirees were finally tied to cost-of-living increases in 1990, the percentage of old persons requiring special financial assistance from the state in 1991 was double the rate just a few years before (Synak & Czekanowski, 1994). Obviously, poverty is an experience that retired men and women share. For several reasons, however, it is especially common among women.

As is typical elsewhere, old Polish women are more likely to be unmarried than old Polish men. Among persons aged 65 and over, more than three-fourths of men but less than one-third of women are married. Although divorce rates have been relatively low among all Poles — and less than 3% of the old are divorced — widowhood rates stood at just over 40% for women aged 65 and over. Over half — 56% — of women above age 70 are widowed, especially since women in this age group were most affected by wartime death of their spouse (Velkoff & Kinsella, 1993).

Living alone increases the risk of poverty, and gender also plays a role in who lives alone. Gender differences in marital status are reflected in old women’s higher incidence of living alone — and in poverty. Indeed, the largest increase in social assistance recently has been for single individuals. Retired women’s marital status also makes them more likely to live with children. Consequently, only 1.5% of old Poles lived in “social care homes” in 1989 (Velkoff & Kinsella, 1993).

Such living arrangements, living alone or with children, combined with women’s lower pensions, result in the strong likelihood for women retirees to be dependent — on either the state or children — for survival. Unfortunately, neither source currently is in a position to respond adequately. State financial resources are constricting as demand is increasing, and retirees of both genders constitute only one of many groups clamoring for assistance. In addition, the new political ideology mandates less State intervention (Synak & Czekanowski, 1994). At the same time, rising unemployment and decreasing real wages have ensured that most families are ill-equipped to assist retirees. Welfare alternatives based on either the private sector or volunteerism have not yet emerged in Poland to ease the situation (Synak & Czekanowski, 1994).

Nonetheless, to conclude that women retirees are necessarily “dependent” as a result of their material situation ignores two critical related aspects: the importance of the informal economy and the role of unpaid labor. This conclusion also overlooks the ways in which humans act to both construct and resist retirees’ “dependence.” The dynamic, complex, contingent, and gendered nature of Polish retirees’ status is further illuminated below in our discussion of gender and retirement in relation to the informal economy.

Retirement and the Informal Economy

The Political Economic Understanding Context of Retirees’ Informal Labor

Informal labor and its relationship to Polish retirees requires discussion of several issues. Informal economies, which provide goods and services through nonmarket, nonregulated channels, exist in a variety of forms in different countries, and retirees engage in a number of these activities (Calasanti & Bonanno, 1992). An exploration of retirees’ lives during the economic restructuring process in Poland affords us the opportunity to examine the interaction between socioeconomic structures and the formal and informal economies. In addition, both before and after 1989, the Polish welfare system has consisted of three main sectors: (1) the state sector, (2) the nonstate sector, including the Roman Catholic church, whose assistance was crucial to many dissidents and others affected by the extreme shortages of the 1980s, and (3) the informal sector (Les, 1992).

Thus, the informal economy has been pivotal to all age groups in Poland. Since 1989, it has become even more critical for Poles. As Laczko (1994:21) reminds us, “a substantial proportion of ‘workers’ in economies in transition do not work in the official economy.”

The importance of the informal economy to retirees’ quality of life can be seen in their reliance on this sector for income. More old people report participation in the paid informal economy than in the formal sector. In fact, 20% of those aged 55-64 and 15% of those aged 65 and over report that they are engaged in such labor (Laczko, 1994). Importantly, these figures indicate paid labor only. They do not convey the extent or range of other activities in which retirees engage, or how these relate to the age and gendered effects of economic restructuring.

A major difference between communism and the present market economy in Poland revolves around
the availability of goods. Within the shortage economy that prevailed in communist Poland, the issue was not so much the cost of basic goods, as these were government subsidized, but the ability of individuals to actually locate and purchase commodities. Typically, the purchase of even basic foods required waiting in long lines for hours, a task that many workers simply were unable to do. By performing this activity, retired people, particularly those with low incomes, could offer an important resource not available to their younger family members: time to queue for food (Laczko, 1994).

Retirees’ role in commodity acquisition was thus crucial in shaping family relationships. Although some retirees may have exchanged this service for provisions they could not otherwise afford on their pensions, families were dependent upon these older members for their survival. Furthermore, some retirees also were paid to purchase goods for nonfamily members, thereby providing themselves and their families with supplemental income. Economic transformation in Poland, then, may play a vital role in constructing dependence for the old. While this transformation reduces the disposable income of all generations, it also shifts the balance in family relations. As the market economy makes more goods available, standing in line is no longer the prerequisite for purchase. Instead, money is. Thus, retirees’ most valuable resource—free time—is no longer valuable for this purpose. At the same time, poorer retirees, a disproportionate number of whom are women, have lost an additional source of income.

Gender, the Informal Economy, and the Construction of Dependence

The impact of economic transition on retirees’ informal economic activities and the creation of dependence is not uniform. To understand how this economic involvement shapes diverse retirement experiences, it is critical that we remember that the informal economy includes both reproductive and productive, but not necessarily paid, labor. The influence of gender relations on retirees’ informal economic activities can be seen in gender similarities and differences in the frequency and forms of informal activities. As with the formal sector, the informal economy is stratified by gender. Although both women and men are involved in the informal economy, they differ in the types of activities performed, whether or not it is paid labor, and, if paid, the level of remuneration.

According to Laczko (1994), women’s options within the informal economy are constrained. Women retirees are less likely to find paid employment in the informal (or formal) sector because of the perception that they are less productive than men. Furthermore, their ability to pursue paid activities is limited by the demands unpaid labor places upon them. In addition to the usual caregiving that involves parental or spousal care, economic transformation has increased old women’s caregiving burden. Under the present socioeconomic conditions, many child care facilities are being closed or privatized. Therefore, they are accessible only to those who can pay high prices. As a result, elderly women are increasingly asked to care for grandchildren—a critical, but unpaid, activity. Finally, should women retirees find paid informal labor, they tend to receive lower remuneration than men. In many ways, then, sexist and ageist workplace experiences in the formal economy are mirrored in the informal economy as well.

Beyond the obvious financial impact, the implications of gender differences in informal economic activity on retired women’s dependence are not clear-cut. In fact, it may well be that some of those same aspects that constrain old retired women in the informal economy also make them less dependent by strengthening their family position. Although retirees are no longer needed to stand in line for food, time is still a potentially useful commodity that they possess. The availability of this time, in combination with the life skills, means that they can—and indeed do—contribute much to family’s survival. And, of course, these skills tend to reflect the gendered division of labor. Thus, while both men and women engage in gardening, an increasingly important subsistence activity in some Central and Eastern European countries (Busheiken, 1994, personal communication), retired women’s provision of child care constitutes a resource not generally available to their male counterparts. This resource may allow women to redress a loss of familial status as a result of privatization. Women retirees’ domestic labor may therefore either reinforce or stave off the perception—and the reality—of “dependence.”

Certainly the financial hardship experienced by most Poles during the years of transition rendered paid informal labor a particularly valuable activity. Yet old women, who retire with lower pensions than men, are not as likely as men to engage in such labor. As a result, they are not in a position to contribute financially to families. At the same time, as has been noted in Russia, where “the babushka (Russian grandmother) is almost a family necessity” (Velkoff & Kinsella, 1993:75), performing unpaid domestic labor constitutes a viable strategy for retired women to resist dependence. Examining the experiences of retired women therefore reveals the necessity of including unpaid labor in understanding the relationship of the informal economy to retirement and the social construction of dependence.

Our examination of the gendered effects of economic restructuring on retirement would be incomplete if we did not point to a few of the gendered effects of privatization on working-age women and men. These issues are important when we consider future retirees. Overall, the change from communism to a market economy has led to a variety of severe economic hardships. As we suggest, women bear a disproportionate share of these hardships. This can be most readily seen when we examine the issue of employment.
Sources of Future Gender Differences: Labor Force Participation

During the planned-economy era, full employment was the official policy in Poland. Thus, in 1989 unemployment stood at less than 1%. However, unemployment has risen rapidly with the advent of privatization. In 1991, unemployment was close to 9%, and by 1993 it had risen to almost 15% (Centrum, 1992; HelpAge International, 1993; Laczko, 1994).

In the spring of 1992, women constituted over half (53%) of the unemployed, and their rate of unemployment was rapidly increasing (Janowska, Martini-Fiwek, & Goral, 1992; Moghadam, 1995). Among those women aged 18–34, many of whom are single mothers, fully two-thirds were unemployed (Janowska, Martini-Fiwek, & Goral, 1992). Recent data on unemployed single mothers indicate that 91% fell below subsistence levels. Of these, only 50% could reach the halfway point of the poverty line (Moghadam, 1995). Perhaps women’s joblessness is exacerbated by the resurgence of an ideology of domesticity in Central and Eastern Europe. Moghadam (1992) suggests that this ideology may serve the function of legitimating economic reorganization and unemployment. Since Polish law does not offer women the protection of equal opportunity or affirmative action, decentralization and privatization most likely will continue to have divergent impacts on male and female employees.

The effects of gender differences on paid work and family spheres are also apparent when we consider the increasing difficulty in finding child care. It is critical for single mothers to find employment, and present financial difficulties make it increasingly important for two-parent families to have two incomes to survive. Yet, even if a woman finds and keeps employment, she faces the additional obstacle of finding child care. The withdrawal of government-subsidized child care under the present system resulted in both fewer child care centers and, of those remaining, expensive child care centers. As a result, privileged women are virtually the only ones who can afford child care.

Finally, women also face increased economic dependence on men and the resurgence of a conservative, profamily ideology that defines women’s place in terms of their reproductive capacities. These economic and ideological trends are exacerbated by women’s decreasing participation in the political institutions that influence decisions about privatization, marketization, and the restructuring of the welfare state. Neither women’s limited labor force options nor their lower pay are considered in the present or future pension schemes. In fact, gender is not acknowledged or addressed at all. Both women and men continue to be viewed as the “same” — that is, as “workers” without domestic labor responsibilities, who are thus defined according to a male norm. At the same time, future generations of Polish women retirees will be faced with a pension system that ignores most of their reproductive labor. In some respects, then, gender inequities may become even more deeply institutionalized than in the past, a situation that will probably create an even more dire situation for women pensioners.

Discussion and Conclusion

In summary, the problems — and possible solutions — that contemporary and future Polish retirees experience stem from the interactions of age and gender relations and the form of economy. In many respects, the economic transition has led to a decline in the standard of living for the majority of Poles. As Moghadam (1995:353) argues, “the policies of the new regimes in East Central Europe actually created poverty and social inequalities.” However, retirees are a special group, the members of which find themselves in certain anomalous situations in the evolving economy. On the one hand, they are used to help keep unemployment low. On the other hand, their low pensions compel them either to accept low-waged jobs, thereby keeping wages depressed, or to engage in paid or unpaid labor in the informal economy. Retired women are especially disadvantaged because of their positions in the domestic sphere and workforce. State legislation has served to codify the relationship between work and family in terms of both pensions and continued paid employment. One consequence is that poverty is especially prevalent among single women, including pensioners (Moghadam, 1995). Although retired women’s caregiving duties further constrain their movement in the paid informal economy, such unpaid labor may position them to maintain some degree of importance in what might otherwise be a dependent family relationship. At the same time, the trends in gender relations in the workplace and family already discussed raise grave concerns about the present and future cohorts of retired Polish women.

Regardless of the gender differences, one critical similarity between men and women retirees is clear: They are integral to the new, privatized economy through their vast involvement in the increasingly important informal economy. This point can be easily missed if one looks only at their declining labor force participation in the formal economy. Indeed, the decreased formal labor of the old is dialectically related to the potential of the “new” economy: Their absence in the labor market decreases unemployment levels while simultaneously “freeing” them to draw State pensions low enough to encourage their presence in the informal sector. At the same time, going through this economic transition means that the State does not have the surplus to raise pensions, or the ability to force emergent, tenacious firms to pay mandated contributions. It also does not have the leeway to encourage longer labor force attachment.

In general, an institutional vacuum emerges in transitory societies in the wake of the elimination of old social institutions and the relative absence of new ones. As a result, a high degree of uncertainty and institutional fluidity permeates social life in these societies (Podgorecki, 1994). Furthermore, as
societies undergo transition, a variety of social groups will struggle to have their views and needs incorporated into the new social order. When there is social and economic upheaval, the numbers of such voices can increase as new needs arise. Before economic transformation, Polish elderly persons constituted a special interest group that was granted state support based on their age status. According to Article 70 of the Polish Constitution:

(1) The citizens of the Polish People’s Republic have the right to health protection in the event of illness or disability. (2) A wider implementation of this right is granted by: (a) an expansion of social insurance for professional and non-professional workers in the event of illness, old age, or disability, including various additional forms of social assistance; (b) social assistance for the handicapped (cited in Les, 1992:156).

However, with the increased unemployment and high inflation that have accompanied the transition to capitalism, there has emerged a heightened demand for social services and support from the total population well beyond what Poland’s fledgling economy can accommodate. In this context, Polish retirees’ lack of political clout or a high degree of political involvement (Synak, 1994) becomes crucial. They enter the struggle for State assistance with quieter voices, and they become easy scapegoats of transition.

This brief examination of the diverse experiences of Polish retirees as a result of a changeover in economic systems gives us insight into the nature of old-age dependence in general. The similarities and differences across social historical contexts in Poland as well as between contemporary Poland and the United States make it quite clear that such dependence is not a “natural” by-product of aging, but is socially created in relation to economic forms and intersecting power relations. It also makes it clear that such dependence is not constructed in a uniform manner, but rather in particular ways for different groups. For instance, encouraging early retirement — by either the State or private firms — among productive older workers creates dependence in exchange for benefits derived by more powerful segments of the population. In the formal economy, older workers are directly and indirectly manipulated to control labor supply and costs of production. Minimal pension levels serve to depress wages of all workers by providing retirees with an income that needs to be supplemented by additional earnings. At the same time, the existence of even low pensions ensures that job-based remuneration need not be a “living wage.” Furthermore, the work of retirees in the informal economy is vital to alleviating the social and economic costs of economic transition. However, tying pensions to market wages reinforces class and gender inequities and creates conditions conducive to particular forms of dependence among men and women retirees.

An examination of gendered retirement experiences also shows that the construction of the “old as a social burden” is not unique to capitalism. Despite the “credits” given to reproductive labor under the Polish communist system, linking pension levels to wages ensured that the worker identity — an identity that is also implicitly defined as that of a man — remained central (see Ferree, 1993). The transition to capitalism in Poland did not create a gendered pension system that fostered dependence for the first time; it was built upon previously established inequities. Thus, the position of women retirees takes on a different, but not wholly new, expression.

Finally, our discussion points to the significance of looking beyond numbers or indicators of material conditions in order to understand the sources and effects of diverse retirement experiences. These conditions must be considered within their dynamic context. Interpretation demands that we be sensitive to the complex interplay of power relations, including gender relations. This requires that we begin to see political economies as gendered and that we explore the interaction of political economies with gendered power relations in the family realm. Importantly, understanding these aspects of aging experiences can also illuminate ways in which gender relations in the family give retired women potential sources of resistance to their dependent states not generally available to men. Indeed, the situation of retired Polish women cautions us against facile generalizations of their situations. To be sure, they are financially disadvantaged. But attention only to the monetary aspect blinds us to their resources and strengths. In particular, examining the situation of Polish retired women warns us against interpreting aging experiences only within the context of the formal economy, or of paid labor alone. Ignoring unpaid labor not only clouds our view of old people’s social reality, but also limits our ability to see their strengths, their importance to society, and the wide array of potential “solutions” to created dependence. Comparisons across historical experiences highlight the ways that interactions among socio-economic structures, and formal and informal economies, shape social institutions, such as retirement, and ultimately aging experiences. And understanding the dynamic and historical nature of aging restores agency: Experiences are malleable, and they can be — are — influenced by human actions.

References

Busheikan, L. (personal communication, July 15, 1994).
For the purposes of our discussion, the comparison years will vary somewhat. Generally, we refer to pre- and post-1989 when talking about the effects of economic transformation, that is, changes in the overarching economic system on retirees. However, the pension system itself changed in 1991. Therefore, we also discuss retirement experiences and incomes before and after this institutional reform.

2. The pension/average salary ratio becomes less valuable as an indicator over time because the private sector — with its higher wages — is not included in deriving the average salary (Synak & Czekanowski, 1994). Importantly, the State benefits from this calculation method because it masks the increased age-based inequality at the same time the private sector is growing.