EUROPEAN DIPLOMATIC PARTNERS' AND SPOUSES' PENSIONS: PROBLEMS AND SOLUTIONS

POLICY PAPER

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The European Union Foreign Affairs Spouses, Partners and Families Association (EUFASA) is an international non-profit association (Association Internationale Sans But Lucratif or AISBL) under Belgian law.
The purpose of EUFASA is to promote the exchange of information and ideas among its member associations, thus improving the support of spouses, partners and families of officers employed by European Ministries of Foreign Affairs (MFAs). EUFASA aims to identify effective family support practices, raise awareness both at national and EU levels, and gain support for family-friendly policies within European MFAs.
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EXECUTIVE SUMMARY

The loss or substantial reduction of the personal ability to avail of pension rights or opportunities is a long-term structural problem for many diplomatic partners across Europe. As a result of accompanying diplomats (transferable MFA officers) on their repeated foreign missions, partners often lose access to pensionable income or, more broadly, the ability to contribute on a continual basis to their ‘home’-based pension scheme, which impacts their pension entitlement in retirement age. Their pension rights, which are otherwise an essential part of social security system in European welfare states, are fundamentally undermined and special legal and/or policy provisions are therefore needed to rectify the situation.

Four different approaches can be identified across European countries to offset the negative effects of foreign postings on partners’ old-age pensions: full guaranteed pension, minimum pension, guaranteed income, and financial contributions.

While most European countries have a provision for foreign service partners’ pensions in place, some of these provisions are insufficient. Other European countries provide no provisions at all, and thus fully shift the responsibility for coping with the loss of ability to build up full pension rights onto individual partners and their families. This problem is also strongly gendered as the majority of diplomatic partners are women. The lack of social policy remedies structurally reproduces gender inequalities such as the gender pension gap; reinforces partners’ financial dependence on MFA officers; and can result in economic hardship for (primarily female) partners and spouses.

To tackle this structural social injustice, countries should ensure uninterrupted social security contributions for spouses and partners of Ministry of Foreign Affairs (MFA) officers resulting in an independent (private and/or public) and dignified old-age pension.

EUROPEAN WELFARE STATES: KEY PRINCIPLES

European countries arguably have the most developed social security systems worldwide. The welfare state is the embodiment of the idea that human social conditions are not exclusively the matter of individuals and families; they are public issues as well, and as such should be addressed in public and social policies. The origins date back to late 19th century industrial Europe and its first labour and social protection laws. In the 20th century, social rights in Europe became an integral part of human rights, together with civil and political rights. Social rights are embedded in EU treaties and there is a continuous collaboration and coordination of social policies on EU level. The European Pillar of Social Rights[1] (EPSR, or "the Pillar"), jointly signed by the European Parliament, the Council and the Commission in 2017, is aimed at strengthening the social acquis.

The Pillar builds upon 20 key principles, structured around three categories: equal opportunities and access to labour markets for all citizens, fair working conditions, and social protection and inclusion[2]. The Council of Europe also defined common European social security standards in the European Social Charter and the European Code of Social Security. Although there are differences between individual European countries and their welfare systems, solidarity with and protection of vulnerable citizens (for example in unemployment, sickness, during full-time care for dependents or in old age) are the shared core principles of European welfare states.

The European Pillar of Social Rights establishes (among others) the following rights:

1. **Right to participate in the labour market:**
   "Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market." (Principle 1)

2. **Right to support in unemployment:**
   "People unemployed have the right to personalised, continuous and consistent support." (Principle 4)

3. **Right to a dignified income in old-age:**
   "Everyone in old age has the right to resources that ensure living in dignity." (Principle 15)

[1]European Union, 2017
[2]European Union, 2017

VARIABILITY OF PENSION SCHEMES

There is great variability among pension systems across Europe.

Despite these shared values and certain aspects of social policy being a shared competence with the EU, social security is primarily the responsibility of the individual EU member states. All EU countries are free to decide who is to be insured under their legislation, which benefits are to be granted and under what conditions; and to organize the conditions for private pension schemes. This results in a great variety of pension systems across Europe that are difficult to classify and compare.

In order to demonstrate the great diversity of pension systems in Europe, we draw on OECD classifications and data[3]. The OECD distinguishes three tiers in retirement-income regimes in OECD countries: a **redistributive** part, an **insurance-type** part (both mandatory in the OECD, with few exceptions), and a **voluntary provision**.

1. The first tier consists of **redistributive** "safety net" programmes which are designed to ensure a basic minimum standard of living in retirement. These programmes are provided by the public sector. OECD distinguishes three main types of redistributive schemes, as follows:
    a. the **basic pension scheme**, where the benefit is either a flat rate, or based upon years of work;
    b. **resource-tested pension schemes**, which pay higher benefits to those with low incomes and lower benefits to those with less need; and
    c. **minimum pension schemes**, which also target low-income individuals and function similarly to resource-tested programmes, but organise benefits differently.

2. The second tier has a function similar to **insurance**, and is intended to ensure a standard of living that is commensurate with previous earnings. This tier is mandatory in OECD countries, with the exception of Ireland and New Zealand (although Ireland has recently announced the commencement of an auto-enrolment scheme for occupational pensions). These pension provisions can be public or private, and also vary by how the benefits are determined. Within Europe, the most common are defined-benefit plans (DB) where the pension depends on the years of contributions made and on some measure of individual earnings from work. In some countries (e.g., France), workers earn pension points that are multiplied by a pension-point value to calculate pension. Other European countries (e.g., Denmark) use the defined-contribution plan (DC), in which a defined proportion of earnings must be contributed to an individual's account and investment of these contributions results in pension income. Still other countries (for example, Italy and Sweden) employ a notional-accounts scheme (NDC), which applies a rate of return to workers' contribution accounts. Pension payments are then made based on life expectancy. Several European countries employ multiple approaches, for example Hungary,

[3]OECD, 2007

which uses defined benefits plans in its public second tier pension provisions, and defined contribtions in private schemes *(see Figure 1 below)*.

3. The third tier, **voluntary provision**, can be provided by an individual or employer.

Figure 1: Structure of pension systems in European OECD countries

	1st tier Redistributive			2nd tier Insurance	
	Public			Public	Private
	Resource tested	Basic	Minimum		
Austria	✓			DB	
Belgium	✓		✓	DB	
Czechia	✓	✓	✓	DB	
Denmark	✓	✓			DC
Finland			✓	DB	
France	✓		✓	DB, Points	
Germany	✓			Points	
Greece	✓		✓	DB	
Hungary				DB	DC
Iceland	✓	✓			DB
Ireland	✓	✓			
Italy	✓			NDC	
Luxembourg	✓	✓	✓	DB	
Netherlands		✓			DB
Norway		✓	✓	Points	DC
Poland			✓	NDC	DC
Portugal			✓	DB	
Slovakia			✓	Points	DC
Spain			✓	DB	
Sweden			✓	NDC	DB, DC
Switzerland	✓		✓	DB	DB
UK*	✓	✓	✓	DB	

**Please note that the UK introduced major changes in pension schemes with the new State Pension system (6 April 2016) for people reaching State Pension age from that date onwards.*

Source: Pensions at a Glance: Public policies across OECD countries, 2007

The required minimum number of contribution years varies considerably across countries.

The minimum required number of years of contributions needed to be eligible to receive old-age pension is an important factor in the accessibility of pension schemes for foreign service partners and spouses. Here, too, the differences between individual countries are significant. For example, some countries require 10 years of contributions to be eligible for a basic pension, while others require 35 years. There is a similar range of minimum contribution years in countries with minimum pension schemes *(see Figure 2 below)*.

Figure 2: Eligibility for 1st tier pension

	Minimum eligibility	Full benefit
	Basic pension	
Czechia	35 years	35 years
Estonia	15 years	15 years
Ireland	10 years	40 years
Lithuania	15 years	32 years
Luxembourg	10 years	40 years
UK	10 years	35 years
	Minimum pension	
Austria	15 years	40 years
Belgium	30 years	45 years
Czechia	35 years	35 years
France	1 year	41 years
Hungary	20 years	20 years
Italy	20 years	20 years
Luxembourg	20 years	40 years
Poland	25 years	25 years
Portugal	15 years	31 years
Slovakia	30 years	42 years
Slovenia	15 years	15 years
Spain	15 years	15 years
Switzerland	1 year	44 years

Source: Pensions at a Glance 2021: OECD and G20 indicators

Pension systems change over time within countries.

While pension systems differ significantly across states, individual national pension systems also evolve over time. In most European countries there is considerable pressure on pension systems, as demographic shifts toward ageing populations and a decreasing number of workers per pensioner make pension systems more expensive. As such, they are often a highly sensitive domestic political issue and reforms are frequently discussed. For example, the UK has increased the minimum eligibility number of years for basic pension from 1 to 10 years. Another area where policies shift is the retirement age. In EU countries, retirement age ranges from 60–67 years[4] , and in most countries with a retirement age on the lower side of the spectrum, a target for an increased retirement age has already been set.

[4] These figures apply to the retirement age of women. In some countries, retirement age is lower for women than for men.

PENSIONS AND DIPLOMATIC PARTNERS

Diplomatic partners' social insurances are regularly interrupted by international moves.

MFA officers[5] are a very specific group of civil servants as they spend large parts of their career abroad. In most European foreign services, it is a contractual or terms of employment-based obligation for transferable MFA officers to relocate. The typical pattern of rotation requires international relocation of the MFA officer every two to five years between the home state and various foreign postings[6]. The Vienna Convention on Diplomatic Relations (1961) and the Vienna Convention on Consular Relations (1963) assume that transferable MFA officers move to foreign postings with their families. While MFA officers remain tax residents and maintain their full social security coverage in the sending state, the work and social rights of accompanying family members do not automatically travel with them. Further, the ability of their partners[7] to work is greatly reduced by these regular international transfers, for example due to a lack of legal agreements allowing access to local job markets and mismatches between partners' accreditations and language skills and the local labour market, making social insurances even more important for financial security and independence *(discussed in more detail below)*.

Diplomatic partners' rights are systematically compromised.

Such high international mobility causes long-term interruptions in pensionable income or, more generally, in the ability of an accompanying partner to build up pension entitlements. Without an accommodation for this situation on the national level, partners of MFA officers typically fail to qualify for state old-age pension entitlements or have greatly diminished social security rights.
As diplomatic partners often have to give up their insured employment by virtue of accompanying the MFA officer aboard, their rights as defined in the European Pillar of Social Rights are systematically compromised.

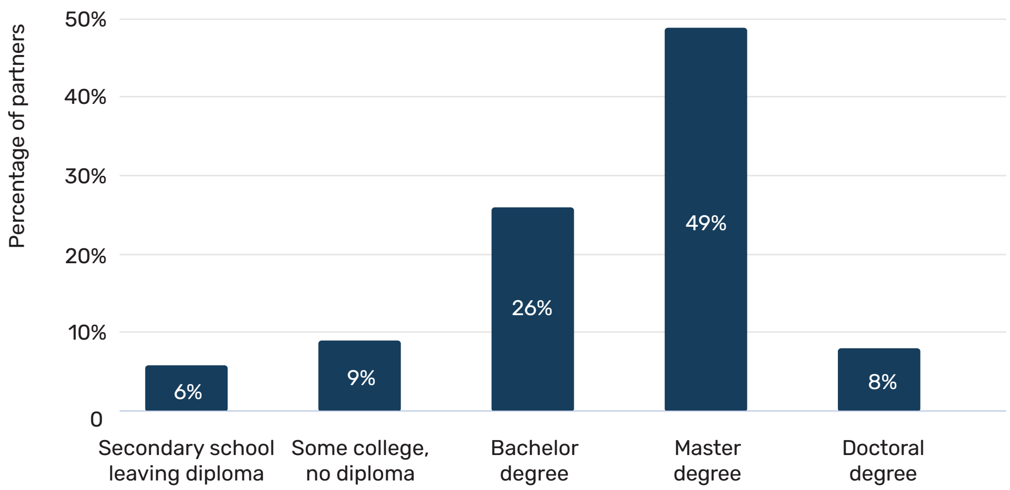
[5] We use the terms "diplomat", "foreign service officer", and "MFA officer" interchangeably to refer to internationally transferable employees of a Ministry of Foreign Affairs.
[6] "Foreign posting" is understood as a temporary deployment of an MFA officer to a foreign country regulated by the Vienna Convention on Diplomatic Relations (1961) or the Vienna Convention on Consular Relations (1963).
[7] We use the terms "diplomatic partners", "foreign service partners" , and "diplomatic partners and spouses" interchangeably in this document to refer inclusively to the partners and spouses of transferable foreign service officers. Although this report uses the term in this broader sense, it is important to note that some countries, be it the sending or the receiving state, do not recognize unmarried or same-sex partners. As a result, the rights of these partners may be further infringed.

1. Right to participate in the labour market

Diplomatic partners are highly educated.

Research consistently shows that diplomatic partners are highly educated *(see Figure 3 below)*. According to a EUFASA survey of more than 1,200 respondents, a great majority (83%) of partners have at least a Bachelor degree, suggesting that the average partner should be able to find a job, were they to stay in the sending state's labour market.

Figure 3: Highest level of education achieved



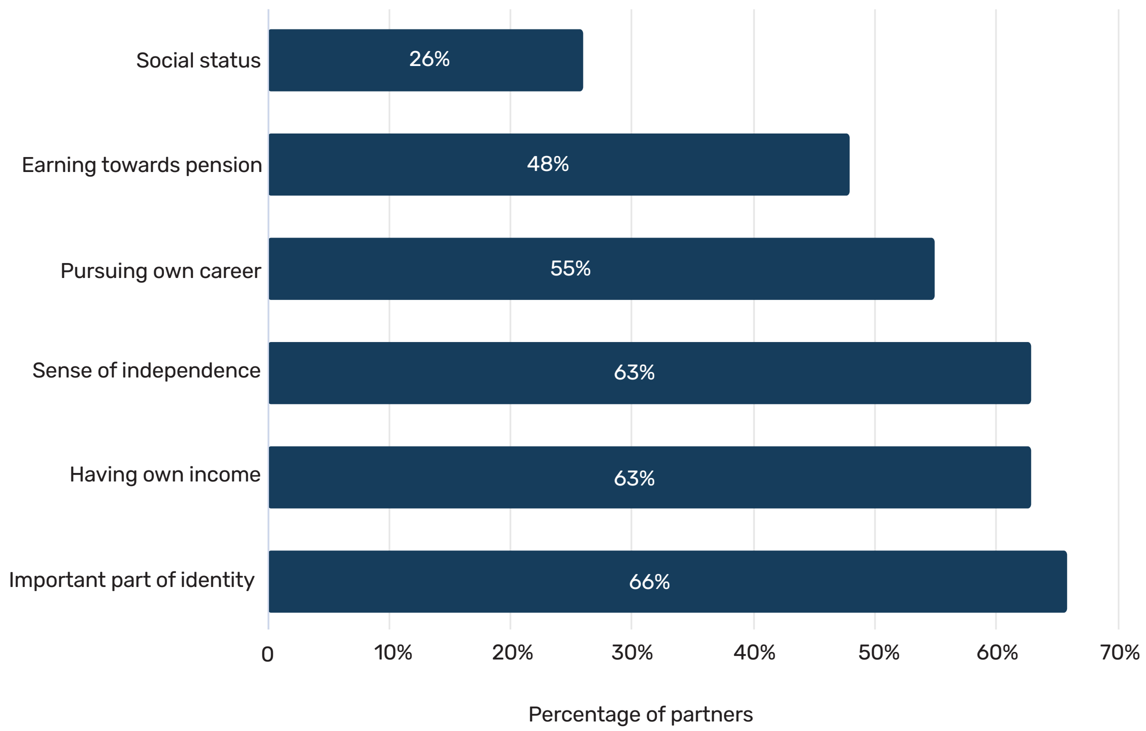
Source: EUFASA survey 2020

Diplomatic partners want to work.

Research also shows that the majority of diplomatic partners want to work and be financially independent of the MFA officer. In 2019, the EUFASA survey on partnership issues asked the following multiple-choice question: "What are the most important aspects of having a job on posting (or in HQ) for you personally?" *(see Figure 4 below)*. More than 1,000 respondents answered this question. The results show that for a majority of partners of European diplomats, having a job on posting is an important part of their identity. Own income is important for their sense of independence.
For about one half of partners, having a job on posting is important because of the continuity in pension contributions. In fact, having a job and earning towards pension is so important that partners are sometimes willing to (at least temporarily) split their family. Over 20% of partners have either extended their posting or not joined MFA officer on posting in order not to lose their job[8].

[4] EUFASA Survey, 2019

Figure 4: Most important aspects of having a job for diplomatic partners



Source: EUFASA survey 2019

Diplomatic partners face multiple barriers to employment both at home and abroad.

Diplomatic partners face many barriers in maintaining (pensionable) income due to their frequent international transfers. These include:

- **Legal barriers.** As citizens of a foreign country, partners are not automatically permitted to access the local labour market on posting. When posted to countries where there is no legal agreement or mechanism allowing diplomatic partners access to work permits, partners are generally prohibited from working, with few exceptions. The most common measures used by European countries to access local job markets outside of the EU are bilateral agreements between the sending and the receiving state, allowing family members of MFA officers to enter the local labour market in the receiving state. However, sending states are generally far from having bilateral agreements with all the countries where they have a mission, and the number of bilateral agreements in individual European countries varies greatly. While Germany and the UK each have over 50 bilateral agreements in place, Latvia, Estonia, Czechia and Ireland each have fewer than ten. Even for EU citizens posted within the EU, access to a foreign labour market is not always straightforward. In 2019, 15% of partners who had EU passports and were posted to another EU member state reported that they encountered problems because their diplomatic status conflicted with their right to work in local labour market according to the EU Free Movement Directive[9].

[9] EUFASA Survey, 2019

- **Conflict of interest.** Some sending states effectively reserve the right to approve (or reject) a potential job position before the partner accepts it. This may be due to a potential conflict of interest, for example when working for an NGO, company or host government that represents conflicting values or receives funding from the sending state.

- **Administrative burden.** Obtaining a work permit may be a lengthy and expensive process. Furthermore, accessing the local labour market on posting also usually requires lifting the partner's diplomatic status. Nearly half (49%) of European diplomatic partners stated that their diplomatic status on posting has prevented them from getting a job or continuing their career[10].

- **Security issues.** In a number of host countries, giving up diplomatic status in order to work in the local labour market poses a significant security risk and for this reason might not be allowed by the sending state.

- **Local barriers.** Even when work is legally possible, partners are often disadvantaged in the local labour market because of insufficient knowledge of the local language, professional qualifications which may not be recognised or are irrelevant, a lack of access to a local professional network and work history in the country, and other issues.

- **Conflicting responsibilities.** Living in a foreign country without the usual informal support networks, partners may have to spend more time on childcare. Furthermore, research shows that the work of embassies/missions abroad often places significant demands on the partner as well, for example in the preparation, hosting and attending of diplomatic events. This informal work in the interest of the sending state is typically unpaid and unrecognized, and can conflict with the potential gainful employment of partners.

- **Jobseeker period.** Finding a new job takes time and getting a new job within the first 12 months is rare, especially given the barriers this population faces. The average unemployment period in Europe was between 10 and 13 months in 2021[11]. When multiplied by the number of international relocations (every 2–5 years) that usually require a change of jobs, these gaps significantly reduce partners' ability to contribute to pension schemes.

- **Temporality.** Moving internationally every 2–5 years could make partners less competitive in the labour market when applying for long-term positions. Employers may be less inclined to hire and invest in an employee who seems sure to leave the position in a few years.

As shown above, most national social security schemes in Europe assume that one has an unimpeded ability to actively participate in the national labour market over the long term. Large gaps in contribution history have negative effects on social security provisions that are linked to insured earnings in retirement. These include not only pension rights that are the main focus of this report, but also unemployment benefits *(see below)*, maternity, paternity or parental leave benefits, and support in disability or health insurance.

[10] EUFASA Survey, 2019

[11] OECD statistics show that the average duration of unemployment in the European Union 22 was 13 months and in European Union 27 it was 10.4 months in 2021. Interestingly, women experience slightly shorter unemployment in comparison to men in these countries.

2. Right to support in unemployment

Although the European Pillar of Social Rights establishes the right of European citizens to unemployment support, research suggests that diplomatic partners receive little to no support in unemployment, whether from the sending state or from the MFA. From the perspective of the social security system of the sending state, partners accompanying MFA officers abroad typically do not qualify to be registered as unemployed, and are therefore not entitled to public unemployment support. With any move abroad, they simply fall out of the scope of the standard national social security safety net, which expects them to be present and actively seeking a job in the sending state. Due to their lengthy stays abroad, partners are typically also not entitled to unemployment support on their return to the sending state.

The 2019 EUFASA survey showed that MFAs do not fill these gaps. While most (87%) diplomatic partners prefer to have a job while on posting, only 17% of partners reported receiving any support from the sending MFA in seeking a job on posting.

3. Right to a dignified old-age pension

Pension schemes, as described above, assume that people will spend most or all of their working life covered by the national pension system, i.e. making contributions from their earnings. People with large gaps in their contribution histories, such as partners who repeatedly accompany diplomats abroad, often struggle to accumulate enough years of contributions due to their interrupted careers and atypical earning profiles. OECD found that on average, 34 years of contributions are needed to be eligible to receive a full contribution-based basic pension, with a minimum of 13 years of contributions to be entitled to any benefit in OECD countries. There is a similar range of minimum required contribution years in countries with minimum pension schemes[12]. With an international move every 2–5 years, these criteria are hard to meet for partners accompanying diplomats. Without a targeted remedy in place *(see next section)*, diplomatic partners receive only minimal benefits, which in some countries could be close to the poverty line[13], or lose their entitlement altogether. Their right to a dignified old-age pension is thus structurally compromised.

In Ireland, a country with no pension provisions at all for diplomatic partners, over 80% of partners of Irish MFA officers are concerned about their future entitlement to a state pension; women are even more concerned than men. More than 40% of partners think it likely they will not qualify for a state pension[14]. The 2019 EUFASA study showed that 49% of diplomatic partners reported that loss of pension and social security is one of the most stressful aspects of the highly mobile lives.

Although no quantitative data are available on the proportion of retired diplomatic partners without independent pensions in Europe, the above-mentioned studies confirm that such a scenario is certainly perceived as a real threat by a significant number of partners who have not yet reached retirement age.

[12] OECD 2021, Pensions at a Glance: OECD and G20 Indicators
[13] See for example Dopita et al., 2020
[14] IFAFA survey, 2019

DIPLOMATIC PARTNER PENSION PROVISIONS IN EUROPE

Most European countries recognise that the reduction or loss of pension rights of this specific population should be compensated, and provide provisions[15]. The main instruments used are legal (e.g. the Foreign Service Act or other legislation) and economic (e.g. financial contributions towards partners' pension or independent pensionable income for partners).

Just like with pension schemes, there are significant variations in pension provisions for diplomatic partners across Europe. Geographically, Europe may be roughly divided into four areas according to their approach towards diplomatic partner pensions. Scandinavian countries provide the strongest pension security, embedded in legislation, and pension levels are above the country's minimum. Central and Eastern European countries provide weaker security, also embedded in legislation, but provide only minimum coverage. Western European countries tend to have policies in place, not necessarily embedded in legislation, and provide financial contributions toward public or private pension of various amounts. Southern European countries (and Ireland) tend to have no provisions in place at all. An outlier is Estonia, which provides all posted diplomatic partners with guaranteed pensionable income. These model provisions are described in more detail below.

Full guaranteed pension (Scandanavia)

This model provides the strongest pension security for diplomatic partners. Their pensions are guaranteed by the law and they usually reach a significantly higher level than the minimum pension in the given country.

For example, Finland adopted an Act on the Special Compensation of Spouses of Foreign Affairs Service Officials already in 1989. The act introduces a special monthly compensation for a foreign service spouse once s/he is 63 years of age. This special compensation is calculated by adding up the months spent abroad with the civil servant; the basic amount is linked to the wage index. Compensation is liable for taxation and is paid for the rest of one's life. If this is the only pension the spouse receives, the national pension is paid as well. A divorced spouse has the right to the compensation s/he has earned as a foreign service spouse before the divorce. The amount increases yearly with a so-called wage multiplier. An amendment that increases the amount of the special compensation entered into force on 1 January 2021.

[15] The few countries or diplomatic services that do not provide any remedies for partners' pensions include Ireland, Italy, Portugal, Spain, and the European External Action Service.

In Denmark the spousal pension is regulated by the Civil Servant Pension Act. It is calculated as 71% of the pension rights of the public servant. The MFA covers payments to the Ministry of Finance for the duration of foreign postings to cover gaps in contributions.
The value of this contribution is DKK 4,233 (approx. EUR 570) per month as of January 2014.
The right to the spousal pension is maintained after divorce under certain circumstances.

Minimum pension (central and eastern Europe)

In this model, minimal pension contributions are made toward the state pension in the state social security system. National legislation, typically the Foreign Service Act, provides for this option.

For example, in Czechia, the MFA reimburses voluntary pension contributions to the state pension system for the partners of posted diplomats. The contributions can be reimbursed to the diplomat for the period during which the partner accompanied the diplomat on posting and had no other income. The Czech Foreign Service Act from 2017 regulates this measure. The advantage of this measure is that the accompanying partner can maintain their contributions towards the pension system. There are, however, disadvantages to this solution. As mentioned, partners can only benefit from this measure if they have no income on their own, which may discourage partners from seeking employment on posting, creating career gaps which may negatively impact future career prospects. Also, minimal contributions result in very low pensions.

Minimum state retirement pensions are granted to diplomatic partners also in Latvia. Since 2001, the Ministry of Welfare makes monthly contributions for the partner for the period of posting abroad.

The Slovenian Foreign Service Act provides that the Slovenian MFA cover all health and social security payments for the accompanying spouse which are normally paid by an employer for an employee with the minimal income in Slovenia. The payments are made for the period of a foreign posting provided the spouse is not employed elsewhere. What distinguishes Slovenia from the previous two countries is that Slovenia requires all employers (including from the private sector) to keep a job for the spouse for the duration of his/her posting. Also, the full social security coverage on posting allows spouses without a job to register with the unemployment office on their return to Slovenia. They are, thus, entitled to unemployment benefits and this period counts towards their pension.

Financial contributions towards pension (western Europe)

In this model, contributions are made towards public or private pension fund of the diplomatic partner. MFAs pay a certain amount to the officer, which is intended as a pension contribution for the accompanying partner. The amount and the conditions of these payments differ and they are typically provided for in policies (not in legislation).

For example, in Switzerland partners are encouraged to open a private pension account and to make annual contributions. The MFA officer receives reimbursement of up to CHF 7,400 per year for contributions that have been made to the spouse's account if the spouse is unemployed or earning less than approximately 47,000 CHF/year (approx. EUR 47,900). These payments are made regardless of whether the family is on posting or in Switzerland.

In the UK, the FCDO pays a "Pension Compensation Allowance" to the FCDO officer to allow the partner to maintain National Insurance contributions or to fund a private pension, providing the spouse is unemployed or earns less than GBP 1,500 per month (approx. EUR 1,690) while on post. The value of this is GBP 3,080 annually.

In Austria, MFA officers may apply for a pension allowance (approx. EUR 200 per month) for their partner under certain conditions. The main requirement is that the partner must have contributed for at least 12 months into the Austrian state pension system prior to the application, which may be difficult to achieve.

Guaranteed income (Estonia)

This model, represented by Estonia, is an outlier in Europe[16]. Partners of Estonian MFA officers enter a legal relationship with the MFA and are paid a monthly allowance, which is double the minimum wage of Estonia while on posting. This income is insured and taxable. There are three pension pillars in Estonia. Pension contributions are automatically paid to the first pension pillar (state pension). This allowance enables the spouse to make pension contributions to the second and third pension pillars as well. The period of assignment abroad of a non-working accompanying spouse counts as a pensionable period. This provision is enshrined in the Estonian Foreign Service Act that came into force in January 2007.

[16] A similar provision exists in Poland, although its scope is limited. The Polish MFA offers work contracts to spouses of ambassadors abroad with a job description that is typically related to management of the ambassador's residence.

ACHIEVING POLICY CHANGES

Experience from European countries suggests that achieving any progress in introducing diplomatic partner pension provisions tends to be a difficult and lengthy process which is dependent on political will that is hard to secure. Diplomatic partners are a very small interest group with only a few natural allies, and whose clichéd public image is often associated with upper social class, rather than real-world financial and social struggles. Securing political support on ministerial level is essential in achieving any legislative change; MFA staff, including unions, are also important stakeholders. Foreign affairs family associations, the main bodies representing the interests of diplomatic partners, have only limited influence. In practice, efforts must be backed by MFA officials with ministerial political endorsement. This section offers a brief outline of lobbying efforts in several European countries, some successfully completed, some still in process. These examples suggest that the main lobbying strategies include the following components:

A Research

Collecting data on the target group to make a case.

B Expertise

Old-age pensions are a complicated policy area that requires a high level of expertise.

C Stakeholder analysis and support

Identifying the main stakeholders in the policy-making process and securing their support.

D Window of opportunity

Using existing policy cycles to highlight the issue and to demand policy change.

Finland

The Finnish foreign service spouses' association (ULPU) formed a pensions committee and started researching the issue in 1978. They soon realised that an association composed of volunteers does not have sufficient expertise to address such a complex issue, and they managed to get help from other government departments as well as legal and pension experts. In 1979, they met with the Minister of Foreign Affairs, Paavo Väyrynen, who established a working group aiming to identify remedies. According to Liisa Kupiainen, an ULPU member, "the experts unanimously confirmed the gap in pension rights affecting our members, and that we were a special group who, due to their role and responsibilities as spouses, should be entitled to compensation for our work or a corresponding pension"[17]. A proposal was formulated to entitle spouses to a state pension on top of their work-related pension, if the spouse spent a total of at least 120 months on posting. It was not until 1987 that the Minister of Foreign Affairs, Kalevi Sorsa, and Minister of Finance, Erkki Liikanen, agreed to include the initiative into the 1988 budget. The Act on the Special Compensation of Spouses of Foreign Service Officials came into force on 1 September 1989. In the 1990s, Finland fell into an economic recession that would have likely postponed the implementation of this measure indefinitely. Partners' entitlement to pensions seems to be firmly entrenched in Finland. The Act on the Special Compensation was amended in January 2021 to increase the pension rate.

Czechia

In post-communist Czechia, the foreign service family association (Sdružení rodinných příslušníků zaměstnanců MZV ČR – SRP) was established only in 2004. Social rights were on their agenda from the start. In connection with the accession to the European Union, Czechia adopted the Civil Service Act (2014) and subsequently the Foreign Service Act, which came into force in 2017. The approval process of this law provided an important window of opportunity. Both MFA officers and the Czech family association (SRP) seized the opportunity to lobby for social and family related issues. The association provided comments on the draft law, including the need for social security for accompanying partners. Because many of their demands were supported by MFA officers as well, they were eventually adopted. A clause that allows for reimbursement of pension contributions for spouses while on posting, providing they have no income of their own, was included already in the first draft of the law proposed by the MFA. Internally, the MFA unions also backed the proposal. The adoption of the new Foreign Service Act was an important milestone for the families of MFA officers in Czechia. Apart from pension rights, it also extends the definition of family members who are eligible to accompany Czech MFA officers on foreign postings and makes it one of the least restrictive in Europe.

[17] Kupiainen, 2008

[18] Finlex 2021

[19] The Foreign Service Act defines an eligible family members as follows: "a 'family member of a diplomatic, administrative or technical officer' refers to a spouse, partner in terms of the Registered Partnership Act (hereinafter, the 'partner'), biological child, adopted child, child in foster care or ward, biological parents, adopter, guardian and foster-parent; other persons may be deemed to be equivalent to a family member only if they share a household with the civil servant or employee" (Foreign Service Act of the Czech Republic, Section 3, paragraph l).

Latvia

Latvia provides social security coverage for spouses during postings abroad since 2001. However, the monthly contributions made towards the partner's pension are extremely small (EUR 14.23 in 2020) and result in a pension below the poverty line. In 2017, the European Committee of Social Rights had concluded that the level of pension benefits in Latvia do not satisfy Article 12 § 1 of the European Social Charter[20]. In 2019, the Latvian foreign service family association (Latvijas Ārlietu dienesta darbinieku ģimeņu asociācija) filed a written appeal with the Ombudsman of Latvia and received an official evaluation stating that, although the Latvian state has formally fulfilled its obligation to foreign service spouses, it has been executed insufficiently. Increasing the pension for a small cohort that is largely considered privileged is politically highly sensitive in Latvia. In summer 2022, the Latvian MFA requested a change in national legislation to make social security contributions on behalf of diplomatic partners equivalent to those that would be calculated for a monthly income of double the minimum wage. To reduce costs, the relevant ministries (Welfare, Foreign Affairs, Economy, Defence) eventually agreed upon a proposal to make a smaller contribution, the amount which partners would contribute if they had a monthly income of EUR 1,000. The new measures, if approved, were to take effect from 2023. However, the outgoing government hesitated to vote on this matter during the national elections in October 2022, leaving it for the new government. The vote is now scheduled for April 2023, and whether this provision will come into force therefore remains to be seen. Although the proposed provision would be an improvement for diplomatic partners, it would only cover pensions and unemployment benefits. Other social security benefits such as maternity/paternity leave, sick leave, or leave to take care of a child, would still be out of reach for diplomatic partners. The family association is currently considering filing an appeal with the Constitutional Court of Latvia.

Ireland

In Ireland, the loss or diminution of pensions of diplomatic partners have been repeatedly raised by the Irish Foreign Affairs Family Association (IFASA, now IFAFA) since its inception in 1979. Soft lobbying took place during irregular meetings between IFAFA and MFA representatives, but never translated into concrete measures. In 2019, IFAFA conducted an on-line survey to collect data on old-age pension from diplomatic partners in Ireland, including those who had already retired. It confirmed that the vast majority of diplomatic partners are worried about their entitlement to state pension. In November 2020, a window of opportunity appeared when the Irish government formed a Pensions Commission to "examine sustainability and eligibility issues in respect of the State Pension and the Social Insurance Fund"[21]. The Pensions Commission opened a public consultation in which IFAFA submitted a report highlighting the issue as a structural and gendered problem. The submission was backed by the Irish MFA. However, in its report published in October 2021, the Pensions Commission did not make any recommendation for this specific cohort. IFAFA now plans to build on the endorsement received from the MFA and seek direct approval for a remedy from relevant ministries.

[20] European Committee of Social Rights, 2018

[21] Government of Ireland, 2021

Belgium

Partners of Belgian MFA officers can no longer build up pension rights in Belgium when they quit their job to accompany the officer on a posting abroad. Complete financial dependence on the MFA officer and the lack of pension rights have been one of the main concerns for partners over the past decades. The Belgian MFA recognizes a solution is important as these concerns in effect reduce the international mobility of MFA officers when partners are less willing to go on posting. Past initiatives to find a solution failed for various reasons: lack of expertise as well as legal, political and financial barriers. In 2020, the Belgian Diplomatic Family Association (BeFamily), approached experts from law faculties and law firms in this matter. One of the leading experts on pension law in Belgium supported BeFamily with a comprehensive study. The report provides a broad overview of the range of options for pension rights within the Belgian legal system. The study identified eight possible tracks, for example establishing own pension fund, making third pillar pension contributions, or drawing on a provision using the statute of a "supportive partner" aimed at spouses working in small family owned businesses. However, most options either do not result in full pension at a dignified level, are too costly, or create dependence on the MFA officer. The preferred option assumes implementation of a separate statute for diplomatic partners with a system of assimilated periods and payment of contributions. As part of the exercise, BeFamily defined the preferred requirements for a pension solution as follows:

1. Own right: partners build up their own pension rights, independent of the civil servant.
2. Reasonable level: a pension at a reasonable subsistence level.
3. Flexible: any solution proposed is ideally flexible enough to meet the needs of the majority of the partners, who are often in very different and changing circumstances.
4. Work: a solution that still enables partners to work and pursue their own career goals is desirable. This is also important for the mobility of the partner and thus the civil servant.
5. Feasibility: ideally, the solution can be realized as quickly as possible.
6. Inclusive: a solution that fits within the general, central system of Belgian social security as it exists today is desirable to speed up implementation.
7. Retroactive: a solution that also does justice to the partners who have been active the longest is desirable.

This expert advice provides the basis for a detailed follow-up study into the preferred solution and to determine the basis for implementation, including draft legal texts and financing mechanisms. Once finalized, the process of gathering support and implementing legal changes can start.

SOCIAL POLICY ISSUES RELATED TO INSUFFICIENT PENSION PROVISIONS FOR DIPLOMATIC PARTNERS

Gender disparity

Women are disproportionally affected when diplomatic partners' pension rights are undermined.

The loss or diminution of pension rights as a direct result of public service abroad disproportionately affects more women than men. This is in line with a more general trend. In the European Union, women receive lower pensions in all member states, on average 30% lower than men[22]. Perez (2019) suggests that pension schemes do not account for women's lower lifetime earnings. Women are penalised for taking time out for unpaid care work, and for living longer. Job markets and pension systems benefit those with linear biographies of long-term full-time employment, and do not account for fragmented careers and combined incomes that are typical for diplomatic partners. Partners accompanying diplomats often have to stay out of the labour market for long periods and therefore miss out on vital contributions to their pension. Their income, if any, is often too small and fragmented, coming from different countries and different employers. In some cases, pension payments might not even be transferable from the country of posting to the sending state. That may result in a further pension diminution or the loss of pension entitlement altogether.

Diplomacy has been a historically male-dominated profession built around a heterosexual family model since its inception, which was often enforced by legal barriers such as the marriage bar that, for a long time, sent married women out of the labour market[23]. The great majority of partners accompanying diplomats were therefore women. Although many European MFAs now commit to gender equality and have improved the gender ratio among their diplomatic staff, partners accompanying diplomats still are more likely to be female in most European countries. This disparity is augmented by the fact that, as shown in a study of the Dutch foreign service, male diplomatic partners appear to be less willing to accompany female diplomats on foreign postings[24]. Additionally, a study of the German foreign service showed that frequent relocations faced by diplomats take a higher toll on the private life of female diplomats who are more likely to remain single than their male colleagues[25].

[22] Eurostat, 2018
[23] For example, in the UK the marriage bar for the foreign service was abolished only in 1973.
[24] Groeneveld, 2008
[25] Waibel, Aevermann and Rueger, 2018

Poverty

Pension provisions for diplomatic partners are sometimes below the poverty line.

Poverty is not a phenomenon many people would associate with diplomatic families. Yet, partners may find themselves at risk of poverty at retirement age or if the family splits. Even in those countries with a pension provision, the pension income granted to partners might be far from dignified and fair. In the case of Czechia, pension contributions paid by the MFA are at the minimum level, which means that the pension may be significantly lower than what the average highly educated Czech – or the average diplomatic partner – would receive, had she or he been able to work.

Similarly in Latvia, the monthly contributions made by the state are extremely small and partners thus qualify only for the minimum pension granted by the state. The European Committee of Social Rights, a body of the Council of Europe, published a report in 2018 on the conformity of Latvia with the European Social Charter, concluding that *"the minimum pension awarded under the first pillar scheme falls largely below the poverty level set at 40% of the median equivalised income, even when calculated on the basis of longer insurance records. It accordingly considers that the level of minimum old age pension is manifestly inadequate ."*[26]

The cases of Latvia and Czechia demonstrate that even when partners of diplomats do not formally lose their social security coverage and pension rights, they still remain economically dependent on somebody else. As noted, some countries make their pension support conditional on partners not having any (or only limited) personal income. To save for retirement is therefore not an option. The issue of the significantly below average pension income of partners occurs in other states as well. Furthermore, even when pension provisions are adequate, partners may worry that their pensions will become an object of budget cuts if they are not anchored in law.

Structural dependence

Partner-related allowances are made to the officer, not the partner.

The economic dependence of accompanying partners as a result of their diminished access to employment over their working life is often reinforced by MFA or state policies that rule out direct payments to accompanying partners. Because there is no direct contractual relationship between the partner and the MFA, all financial support for the partner is typically paid to the MFA officer. The officer therefore remains in full control over the partner-related allowances.

The importance of making direct payments to partners has been raised in several European countries. The Foreign Service Act of Estonia that, quite uniquely, provides for direct payments to spouses of posted diplomats, dates back to 2007. It was approved only a few years after Estonia's accession to the European Union in 2004, when much new and progressive legislation was going through the legislative process. Although it did not face much opposition back then, it is uncertain whether the same measure would be approved today. In 2008, in France, an "old" EU member state, the national

[26] European Committee of Social Rights, 2018

association of diplomatic spouses (Association Française des Conjoints d'Agents du Ministère des Affaires Etrangères) with the support of the French MFA, put forth a bill to the French senate for the spouse allowance to be directly paid to partners. Three years later, the bill was rejected on the grounds that the allowance is funded by the state and cannot therefore be granted to a person who is not officially or legally recognized as a civil servant. Although these allowances are intended to benefit the accompanying partner, the necessity of mediation by the officer keeps the partner in a position of financial dependence and therefore vulnerable.

POLICY RECOMMENDATIONS

As pension and social security systems are currently structured, the social rights of diplomatic partners are significantly curtailed when they accompany MFA officers on international postings. The limited right to participate in the labour market results in a limited right to unemployment support and, often, the loss of a dignified pension. Even though the variability in national pension systems means that no one solution fits all countries, lessons from the existing pension solutions for diplomatic partners in European countries suggest that pension provisions should meet the following conditions:

1 Uninterrupted social security

Provisions should be introduced to allow for uninterrupted social security contributions. These should ensure not only contributions towards the pension system but also, for example, seamless access to unemployment support and benefits upon return to the sending state.

2 Dignified pension

Provisions should be introduced to ensure the granted old-age pension is at a dignified level. This means it will be above the minimum level, which can be close to the poverty line. Pension levels should be indexed to reflect changes in average income, inflation etc.

3 Independent pension

Diplomatic partners' pension should be independent of their spouse's pension or income. If financial contributions are made by the MFA (or another government department) towards the partner's pension, these contributions should be made directly to the partner's account, not via the MFA officer. Marital status should not be an impeding factor; for example in case of a divorce, partners should not lose whatever benefits they had accrued while accompanying the MFA officer. Non-married partners and same-sex partners should be treated with rights equal to those who are married.

4 Embedded in law

The constant pressure on budget cuts, especially in times of austerity, make pension provisions, and supports to diplomatic partners in general, an easy target, especially if they are not guaranteed by the law. To ensure security, stability and continuity, pension provisions should be enshrined in the country's legal system.

5 No restrictions on work rights

No pension provisions should restrict partners' access to labour market and their ability to secure own income on posting.

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