



## LOBBY EUROPEEN DES FEMMES EUROPEAN WOMEN'S LOBBY

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### **Contribution from the European Women's Lobby to the European Spring Council of 13-14 March 2008**

### **Engendering the Lisbon Strategy: for Growth, Jobs and Social Inclusion Equality between women and men as a central component for economic development and social well-being**

#### **Introduction**

The European Women's Lobby (EWL) wishes to highlight some of the discrepancies in the Lisbon Strategy as the core EU socio-economic political framework, and in so doing demonstrate that the EU falls short of its Treaty commitments to promote true equality between women and men.

In light of the crucial importance of the Lisbon Strategy on Growth and Jobs as a generator of social well-being (Jobs and Social Inclusion) and economic competitiveness (Growth), there is an urgent need to **first** gender mainstream the whole process and not only in areas where the social dimension is stated, namely in the employment guidelines and **second** to rename the Strategy to include the objective of social inclusion. Gender is a fundamental structuring element and when interrelated with other factors, such as ethnicity, age, sexual orientation, disability, etc., inequality is exacerbated.

While the main growth in job creation in Europe has benefited women and the 60% employment rate for women by 2010 is on its way to meeting the EU target, albeit within varying degrees in different Member States, the nature of jobs created and working patterns have not led to achieving equality between women and men. Gender scrutiny is called for as women do not form a homogeneous group and the diversity of women's and men's lives require firm and strengthened measures of gender mainstreaming and specific measures in order to identify and correct persistent barriers to gender equality.

Since the launching of the Lisbon Strategy in 2000 and the revision in 2005, other issues have emerged as key priorities, namely flexicurity, which impact upon women's equal rights to employment and more importantly equal rights between women and men in a broader socio-economic context in light of demographic changes. Some issues that have been identified as priorities will be expanded upon in this contribution, namely, the Integrated Guidelines, principles of flexicurity, reconciliation of professional, family and private life, women's poverty and the need for an integrative approach with other socio-economic policies.

#### **1) Integrated Guidelines for Growth and Jobs – and Active Social Inclusion**

The Integrated Guidelines for Growth and Jobs, comprising of macro economic, macro economic and employment guidelines all need to be gender mainstreamed. As the previous target of “**equal opportunities**” **is no longer in place** there is no direct reference to ensuring gender equality in any of the current 24 guidelines and in particular the eight guidelines referring to

employment. Gender equality is therefore hidden, part of an explanatory document<sup>1</sup> defined as sub targets in the main guidelines. The **Annual Progress Report** and the **Joint Employment Report** show that Member States **reporting of and progress towards gender equality is very low and that in some cases, no reference is made to gender mainstreaming**. Without specific reference to gender within the overall Integrated Guidelines, there is a strong likelihood that gender equality will become totally absent with the consequence that the whole Lisbon Strategy will be jeopardised as gender equality is a core element of this strategy and of the European Social Agenda.

Both the **European Pact for Gender Equality** adopted by the Council in 2006 and the **European Commission's Roadmap for Equality** between women and men (2006-2010) refer to the recognition of gender equality as a necessary condition for growth and jobs and the need to take into account gender equality in the impact assessments of new EU policies. Therefore, a **dual approach based on specific measures and gender mainstreaming** of the Integrated Guidelines is urgently required.

### **EWL Recommendations relating to the Integrated Guidelines:**

1. Systematic **gender mainstreaming** of all of the Integrated Guidelines across the macro-economic, micro-economic and employment dimension<sup>2</sup>.
2. Development of an all encompassing coherent strategy which **links social inclusion, growth and jobs**.
3. With reference to “wage developments” (macro-economic guideline 4), the aim to eliminate the **gender pay gap** should be included. Concrete targets and timelines for Member States to reduce the pay gap should be introduced at EU level; equal pay audits based on these indicators should also be adopted. Member States should be encouraged to implement **gender budgeting**. Other issues relating to wage developments that need to be addressed include indexation to meet inflation/cost of living as one of the means of addressing the issue of the “working poor”.
4. Facilitation and valuing women's contribution to an “**entrepreneurial culture**” (microeconomic guideline 15), by facilitating access to credit from both general institutional guaranteed funding mechanisms and micro credit mechanisms. In order to identify the barriers to women's entrepreneurial which has remained stagnant for a number of years, it is urgent to provide gender disaggregated statistics and data, provide tools and training as well as developing networks to strengthen solidarity among women entrepreneurs.
5. Monitoring existing macroeconomic and micro economic policies that hamper women's full access to the labour market and economic independence. In this context, **Council Directive 86/613**<sup>3</sup>, urgently needs to be updated to address the inherent inequality of women and men who share an economic activity and in which the majority of women are regulated to secondary status due to an unequal legal status and non compulsory social security protection.

<sup>1</sup> European Commission, Integrated Guidelines for Growth and Jobs (2008-2010), including a Commission Recommendation on the broad guidelines for the economic policies of the Member States and the Community (under Article 99 of the EC Treaty) and a proposal for a Council Decision on guidelines for the employment policies of the member States (under Article 128 of the EC Treaty), COM(2007)XXX-Part V

<sup>2</sup> See European Commission “Manual for gender mainstreaming of employment policies”, July 2007, the principles of which can be also used for gender mainstreaming strategies in the macro/micro economic guidelines

<sup>3</sup> Council Directive 86/613/EEC Equal Treatment between women and men engaged in an activity, including agriculture, in a self-employed capacity, and on the protection of self-employed women during pregnancy and motherhood

6. **Stronger commitments to achieve the childcare provision** by 2010<sup>4</sup> as well as the **provision of quality, affordable care services for all dependants**, to complement the Barcelona targets.

## 2) Flexicurity

The EWL notes that the Council of Ministers for Employment, Social Policy, Health and Consumer Affairs adopted a set of principles on flexicurity at its meeting in December 2007 in which it links this issue to the Lisbon Strategy, referenced in **Guideline 21** of the Integrated Guidelines under the employment strand.

Labour market policies and the terms and conditions defined by labour laws relating to social rights and protection have been the **backbone of social security systems** of the traditional **European Social Model**. These have above all been framed within a context of **solidarity**. It is crucial therefore that flexicurity models keep this in place which requires **a core set of rights for all employees regardless of their employment status** and types of employment as they move from one job to another. Such core rights and protection must have a **gender dimension** to enable women and men to have equal access to and fully participate in paid employment and unpaid work. The concept of “**security**” can have **different meanings** for women in general and for particular groups in particular: security to make real choices, security not to be discriminated against, security to find ‘accessible’ employment, security that dependents are being taken care of, security in wages and take-home pay and decent adequate income in the periods of unpaid work.

While recognising that no static model is being promoted as flexicurity aims to provide mechanisms to adapt to a rapid changing economic environment, it fails to address the fundamental and persistent obstacles to women’s full participation in economic life. In this context, the EWL’s regrets that the flexicurity model does not **seize the opportunity to challenge the dominant male-model approach to employment** which remains intact, albeit implicitly, and which fails to address commitments set out in the **Gender Pact** and the **Commission’s Roadmap** on equality between women and men to achieve the economic independence of women.

While one of the principles states that flexicurity “*should support gender equality*” and “*offer measures to reconcile work, family and private life*”, this is **not strong enough** to address the **structural dimensions of women’s unequal positioning** on the labour market and **over-representation** in unpaid work.

Women’s current employment patterns can be defined as flexible and often result in a situation of the “working poor”.<sup>5</sup> Adopting an all-encompassing life-cycle approach in which gender is absent nullifies persistent gender gaps and subsequently gender inequalities. These inequalities<sup>6</sup> are evident in *inter alia* the **nature of women’s work**: low skilled, low paid, atypical work

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<sup>4</sup> Report on the 2007 Cambridge Review of the National Reform Programmes, EMCO/27/141107/EN-Final-rev1 states that the Barcelona targets are not met by most Member States.

<sup>5</sup> European Parliament’s Resolution of 29 November 2007 on Common Principles of Flexicurity (2007/2209(INI)) acknowledges this in paragraph L. (“whereas part-time work, lower pay and fixed term contracts – the main risk factors for in-work poverty – are characteristic first and foremost of the employment situation of women.”)

<sup>6</sup> Also highlighted in the Opinion on the Revision of the Integrated Guidelines for Growth and Jobs, Advisory Committee on Equal Opportunities for Women and Men, May 2007

patterns of the economy, the gender pay gap, the over-representation of women in paid part time work and the **unequal share of responsibilities** between women and men in unpaid work, the lack of quality, affordable child-care structures and services, the **stagnant 30% of women entrepreneurs**, the lack of recognition of **migrant women's qualifications** obtained in third countries which hampers their access to the labour market and the **under-representation** of women in **high level posts and decision-making** both in the private and public sectors.

The flexicurity concept implicitly seeks to promote **the two-income-family model** in which women are regulated to the “additional, (half) income” status. This in turn maintains and perpetuates women status in paid and unpaid positions, namely in low paid, low status jobs (part time etc) as described previously and **fails to engage men** in taking their share of unpaid work particularly in the area of care. The short-term effect on women is the perpetuation of their role as main carer responsible for children and dependent family members to the detriment of own career paths, which undermines the aims of the Lisbon Strategy in relation to the sustainability of growth and job creation. In the long term, this implies that the **predominately traditional male life-cycle model of a 45-year career, which does not correspond to the majority of women's experience in the labour market**, results in their **exclusion** from full (first pillar) **pension** rights, increasing their **risk of poverty** in old age. Increasing working age beyond the current standard 65 years in light of the declining demographic working population pyramid will only partially respond to this problem; however adopting a gender approach at the onset of flexicurity strategies will assist in preventing negative trends particularly for women.

The flexicurity principles do not address the **crucial issue of care**, which is a condition *sine qua non* of developing the model in practice. In countries where the model initially emerged, i.e. the Nordic Member States, **solid social welfare state and public investments in care services** have been an integral part of the model. It is vital therefore that issues relating to public policy intervention in relation to **high quality affordable care services, legislation and measures to reconcile private and family life** are put to the forefront of the flexicurity policies that will be shaped in Member States. This is of crucial importance in light of meeting the **Barcelona targets on childcare** and in the context of the changing demographic situation in which the **care of dependent elderly members** will become a pressing issue in the near future. Due to the non recognition of qualifications obtained in third countries and combined with the lack of care service provision, many **migrant women**, many of whom are highly skilled, are **filling the care gap**, creating **inequalities among groups of women**. Women must have the **freedom to choose**; choices that concern care and family responsibilities, to work and for how long and to benefit from **life-long learning**, training and retraining and other opportunities that the flexicurity model is claiming.

The issue of the **gender pay gap** also needs to be addressed within the flexicurity debate particularly issues relating to **hourly wage** as well as **equivalent to full time employment rates** in the calculation of part-time work. Women's hourly wage, which is currently lower than that of men's, and given the nature of women's paid employment and the **relationship between employment and social security rights and benefits, references to hourly wage rates will become crucial for women** to ensure continuous decent income while in employment and for the periods out of or in between employment. The flexicurity model carries the risk of **shifting the focus** from **collective bargaining mechanisms** to placing the onus the **individual** woman and man to negotiate the terms and conditions of their employment status in relation to control of time, working patterns, standards and wages. It also carries the risk of substituting monetary payments by payments in kind (vouchers) or through other **deferred forms of pay** (individual tax credits/allowances).

## **EWL Recommendations relating to flexicurity principles on supporting gender equality:**

1. Develop and strengthen a **gender mainstreaming strategy**<sup>7</sup> at the onset of developing national policies in the area of flexicurity and to consult with women's NGOs as well as the social partners, particularly given that Member States are invited to develop national flexicurity arrangements and to effectively monitor these (flexicurity principle 3) as these will be transposed into National Reform Programmes.
2. Develop a set of **core employment and social protection rights** in which **periods of unpaid work** are counted as **productive time** in **calculations for full pension rights and other employment-related social security benefits**. Monetary payments should not be given in kind (vouchers) and limited in deferred situations (individual tax credits/allowances).
3. Take measures to address the **gender pay gap**, as highlighted in recommendation 2 in the previous section relating to the Integrated Guidelines.
4. Provide tax incentives for companies that put in place **family-friendly policies** to guarantee work/life balance for both women and men.
5. Ensure that in relation to **pension rights**, time spent out of the labour market (for reasons such as care, life long learning, etc) are calculated in the overall number of years granting full pension rights (first pillar). Guarantee **transferable occupational pension schemes** (second pillar) from and between different employment situations.
6. Ensure that a **minimum adequate income** for periods out of or in between jobs, with particular attention to **groups of women** that have additional responsibilities and for whom flexicurity strategies may prove difficult. For example, **single parents**, the majority of whom are women, parents with **additional caring needs** for reasons of children with special-needs and/or sick children, other family members or dependents in similar situations as women continue to be the prime care takers in these situations.
7. Guarantee **Life-long learning** as a prerequisite for continuous employability. **Skills** acquired in **informal settings** (such as care) should be recognised as labour-market skills. Similarly, **pre-employability skills** (reading, writing, basic digital skills, languages) should also be recognised as essential in order to guarantee an **inclusive social and economic cohesion strategy** by investing in human capital.
8. Take measures to recognise the **qualifications of migrant women** obtained in third countries, as a means of removing barriers to their access to the labour market, to value their skills and contribution to the economy and to prevent them being regulated to sectors of the informal economy.
9. **Assess** progress towards flexicurity within the scope of **other initiatives** addressing the Lisbon strategy, particularly the nature of jobs created to meet the 60% target employment rate for women by 2010, the Barcelona Childcare targets, reconciliation of professional and private life (see section 3 of this paper), the gender pay gap, demographic changes, as well as the Treaty obligations relating to equality between women and men and anti-discrimination.

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<sup>7</sup> See European Commission, Employment, Social Affairs and Equal Opportunities DG "Manual for gender mainstreaming of employment policies", July 2007

## **EWL Recommendations relating to flexicurity with reference to reconciliation of private and professional life<sup>8</sup>**

### ***Maternity/paternity and parental leave:***

1. **Revise Directive 96/34** on parental leave in order to establish a lengthier leave (at least 6 months long per parent) and entitle the parent on parental leave to an allowance that is comparable to their full salary. Make the parental leave period non-transferable between parents and leave must be shared equally between parents. The revised directive should also be extended to include other forms of family leave, and ensure the ability to obtain social security rights during these periods.
2. **Entitle women on maternity leave to an income equivalent to full salary in all Member States, and guarantee that the periods of maternity leave are included for the purposes of calculating pensions and insurance.**<sup>9</sup>
3. Adopt a directive on paternity leave. **Paternity leave** should be at least **one month** long, **fully paid** and taken immediately or shortly after the birth or adoption of a child.
4. Give **self-employed** parents and parents with temporary working contracts the same right to paid maternity, paternity and parental leave as parents with employment contract defined by the law.<sup>10</sup>
5. Entitle **single parents** (85 % of one parent families are headed by women) either a longer parental leave, or give them the right to transfer parts of the parental leave to somebody else who has a close connection to the child.

### ***Elder care and care for dependents:***

6. **The new streamlined Open Method of Coordination (OMC) on Health and Long Term Care** needs to be implemented fully. Under OMC, standards should be developed to enhance status, salaries, qualifications and working conditions in the eldercare and care for dependents sector. Standards and status for carers would help also to address the risk of gender segregation in the care sector.
7. **Develop EU legislation with specific measures on elder care in view of the progressive ageing of the EU societies.**

## **3) Women and poverty, social exclusion, and social protection**

Women's poverty and social exclusion are equally relevant to the debate on flexicurity and the Lisbon Strategy particularly given the **objective to ensure an all-inclusive society**. Women's poverty and social exclusion in Europe is a multifaceted problem, which needs specific and gendered responses. The persistent trend of the **feminisation of poverty** in European societies demonstrates that the current framework of **social protection systems** and the wide range of EU social, economic and employment policies are not designed to meet women's needs. In order

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<sup>8</sup> EWL Position Paper on Care Issues, May 2006 – EWL Campaign “Who Cares?”

<sup>9</sup> See the opinion of the European Parliament's Committee on Women's Rights and Equal Opportunities. Attached to the Employment and Social Affairs Committee's Report A5-0155/2000.

<sup>10</sup> See note 4-5, see also the European Parliament's Committee on Employment and Social Affairs; Report A5-0155/2000.

to have a positive impact on addressing poverty and social exclusion of women in Europe, it is essential to focus on the structural causes of poverty in general and the **structural causes of the feminisation of poverty** in particular.

Social welfare systems as a mechanism for redistribution of wealth continue to provide a vital tool in reducing the risks of poverty for women and therefore entitlements should be provided as an **individual right** and not derived rights on the basis of the family situation. Welfare systems that view the traditional family structure as the central unit of society for calculation of benefits instead of the individual, do not establish individual rights to social protection. These welfare systems reinforce women's social protection dependence on their husband's social security record, thus directly discriminating against women.

Access to the labour market is **difficult for certain groups of women** such as women heads of **one-parent households** - estimated at 80-90%, **women with disabilities, older women, ethnic minority, migrant, refugee and asylum seeking women**. Equally, women who are considered as **assisting** their **spouses** or other family members, particularly in rural areas, have no status in their own right and are excluded from social protection systems. Poverty is also one of the main causes of **trafficking in women**, as the lack of access to employment in countries of origin is one of the main **push factors** making women **vulnerable to traffickers**.

EWL welcomes the adoption by the Council of Ministers for Employment, Social Policy, Health and Consumer Affairs of **Indicators in respect of women and poverty**<sup>11</sup> and expects that these will serve to monitor the impact of broader social, economic and employment policies on women and poverty.

### **EWL Recommendations relating to women, poverty, social exclusion and protection:**

1. Ensure that gender equality is a key objective with the EU strategy of **modernising social protection systems**. A specific analysis and reform of social protection systems from a gender equality perspective must include the **individualisation of rights** to social security, adapting social protection and services to the changing family structures and ensuring that social protection systems counteract women's precarious situation and meet the needs of the most vulnerable groups of women.
2. **Target policy action** to support women's inclusion into the labour market. Reinforced policies are needed for the inclusion into the labour market of groups of women experiencing **multiple discrimination** and which face higher risks of poverty and social exclusion such as migrant and refugee women, women heads of one parent families, disabled women, young women and lesbian women.
3. Develop **health care policies** that ensure the equal access of all women to appropriate services, including high quality services in the field of sexual and reproductive health.
4. Include gender specific measures to support economic opportunities for women in **EU external development co-operation and Neighbourhood policies** to address the feminisation of poverty in countries of origin from which women are trafficked. Support and provide

<sup>11</sup> Council of the European Union, Employment, Social Policy, Health and Consumer Affairs, "Review of the implementation by the member States and the EU institutions of the Beijing Platform for Action – Indicators in respect of Women and Poverty" – Draft Council Conclusions", December 2007, 13947/07 ADD 1

interagency services for all women victims of trafficking in order to break the trafficking cycle of violence.

5. Ensure that the **indicators in respect of women and poverty** are taken into consideration the in the designing of socio-economic policies, particularly in relation to all-inclusive objective inherent to the flexicurity policy.

#### **4) The need to co-ordinate the Lisbon Strategy with other policies**

It is essential that the **Lisbon Strategy**, the **Integrated Guidelines** and **flexicurity** are considered in a broader context particularly in relation to the **Internal Market Review**, currently underway at European level to remove barriers for equal competition. Areas, such as the health sector and services of general interest, must be assessed to determine the impact on women and men as well as the impact on the goals of the Lisbon Strategy, which aims to create an **all-inclusive** European society. Gender is a fundamental structuring element within this. A **co-ordinated coherent approach** is urgently needed that links these issues to the EU's objectives and initiatives, namely Treaty obligations in relation to equality between women and men and gender mainstreaming, the Gender Pact and the Roadmap for equality between women and men.