

F / WOMEN AND THE ECONOMY

Strategic objectives

- Promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources.
- Facilitate women's equal access to resources, employment, markets and trade.
- Provide business services, training and access to markets, information, and technology, particularly to low-income women.
- Strengthen women's economic capacity and commercial networks.
- Eliminate occupational segregation and all forms of employment discrimination.

The economic independence of women is crucial to achieving equality between women and men. While the employment rate of women has increased substantially throughout the EU over the last decade, the patterns of women's work continue to reflect traditional gender roles. The visibility of women in the labour-market has led to the assumption that the dual-income model dominates as opposed to the single male breadwinner model of the past.¹ However, social protection systems continue to be shaped around the male breadwinner model, with the result that women remain on the margins of economic independence and power whether they are workers in the labour-market and/or recipients of social protection benefits, including statutory rights such as pensions. A more cohesive and coherent approach to socio-economic policies is necessary in order to achieve women's economic independence.



EWL FOCUS

For the EWL, ensuring women's economic independence is key to the promotion of gender equality. This includes integrating a strong gender equality dimension into European employment and social policies; working towards the elimination of sex-based discrimination in employment and pay; and making the link between paid and unpaid work. In this context, the 2006 EWL 'Who Cares?' campaign focused on issues of reconciliation of private and professional life from a feminist perspective and on the provision of care services for all dependants. As well as the EWL's continuing work on employment policies, including strengthening women's entrepreneurship, this campaign has been followed by intensive and ongoing work on new European measures related to assisting spouses, maternity and parental leave. The EWL is calling for 24 weeks maternity leave, full pay throughout the duration of leave and legal protection for women returning to work. The issue of care, particularly lack of quality, accessible and affordable care services, is a barrier to women's full participation in the labour-market; the EWL calls for the development of a care economy in the context of the future new European economic and social EU 2020 Strategy.

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THE CURRENT SITUATION IN THE EU REGARDING WOMEN AND THE ECONOMY

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• The gender employment gap

Women's participation in the labour-market has stimulated economic growth across the European continent. In fact, the female work force has contributed more to economic development in the European Union than the emerging economies of China and India. Today, close to 60% of European women are employed, a historic high. Nevertheless, the Lisbon Strategy target of 60% employment for women by 2010 falls short of an equal share of the overall EU employment goal of 70%. Furthermore, although women's employment rate is close to reaching its target, it will do so to varying degrees in different countries ranging from 36.9% to 73.2%.²

Women still face serious challenges when entering the job-market. Their contribution and needs are often hidden, for example, in terms of the contribution of women's unpaid work in the home and in family businesses to the economy. The definition of 'labour-market skills' is too narrow and does not take account of the skills that women and men develop in informal settings, such as care. Insufficient recognition is given to the link between pre-employability skills (reading, writing, basic digital skills, languages) and delivering a successful inclusive social and economic cohesion strategy. Supporting lifelong learning as a prerequisite for continuous employability is unfortunately not a priority.

Despite the fact that women are now the majority of higher education graduates, representing 59% of those awarded university diplomas, the choice of study fields continues to impact on gender segregation in the labour-market in terms of occupations and economic sectors. Women, more than men, tend to be concentrated in a limited number of sectors of the economy, namely: health care and social work (up to 70% of the work-force in this

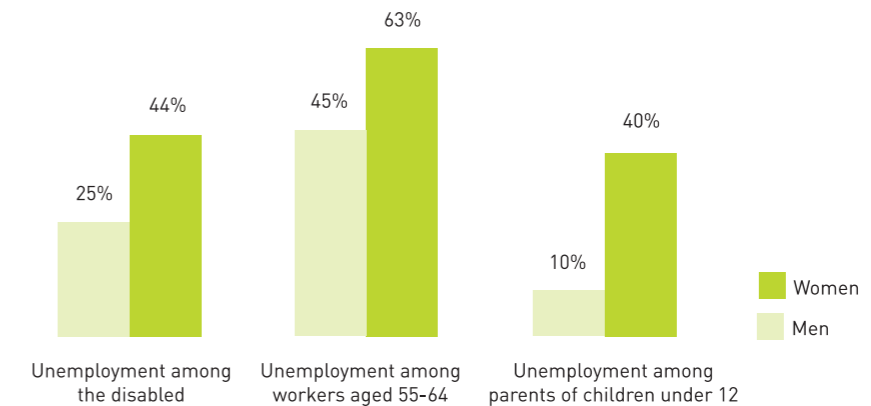


The employment rate for women falls by 12.4 points when they have children under 12, while it rises by 7.3 points for men.

sector in almost all countries), retailing, education (up to 70% of the work-force), administration and catering. According to the 2008 *Statistical Portrait* of women and men in the EU, this concentration seems to be increasing rather than falling over time.³ This indicates that women are not benefiting from new jobs in the knowledge-based economy. In the period 2000 to 2007, women occupied 60.5% of all the new jobs created but obtained 82.5% of the new jobs in health and social services.⁴ Women's entrepreneurship has remained stagnant for the past decade as women's access to credit, their visibility as entrepreneurs, and support for women entrepreneurs beyond start-up phase remain limited.

10.6%, compared to men's 7.9%. Women with disabilities and those belonging to ethnic minorities face similar, and often more drastic, challenges. Highly educated migrant women who obtain their qualifications outside the EU are twice as likely to be employed in low-skill jobs in comparison to EU-qualified and native women with the same level of education.⁵ Roma women are also vulnerable.⁶ In the EU, women with disabilities are twice less likely to be employed than men with disabilities or women without disabilities;⁷ if a woman with a disability gets a job, she is less likely to work full time⁸ and is paid less than workers from all other groups. The additional obstacles faced by these groups of women are due to the intersectionality of their gender with, and aggravation by, other grounds of discrimination which must be addressed in employment policies.

Certain groups of women are particularly vulnerable economically, facing even more obstacles on the job-market in comparison to their male counterparts. In rural areas for instance, female unemployment stands at



UNEMPLOYMENT RATES AMONG CERTAIN GROUPS BY GENDER

Source: EUROSTAT, 2008

¹Which is not necessarily the case; for example concerning the employment rate of women in rural areas, which is well below the 60% Lisbon target and in Malta where women's employment rate is only 37%.²European Commission, Report on equality between women and men 2009.

³ Eurostat, *The life of women and men in Europe: a statistical portrait*, 2008, available at: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-80-07-135/EN/KS-80-07-135-EN.PDF. ⁴European Commission, *How Social Services help mobilising the workforce and strengthening social cohesion, Background information*, EMPL/E-4 D (2009), 15 April 2009. ⁵RAND report, *Migrant Women in the EU Labour Force*, 2008. ⁶EGGS1 - Expert Group on Gender equality, social inclusion, health and long term care, *Ethnic minority and Roma women in Europe: A case for gender equality?*, November 2008. ⁷European Commission, DG Employment, *Social Affairs and Equal Opportunities, Men and women with disabilities in the EU: statistical analysis of the LFS Ad Hoc Module and the EU SILC*, final report, 2007. It is worth mentioning that the employment situation of women with disabilities varies greatly within Europe with high employment rates in the Nordic countries and the UK (60% of women with disabilities in Sweden are employed) and rates below 10% in the southern and south-eastern countries. ⁸ECOTEC, *Study on the situation of women with disabilities in light of the UN Convention for the Rights of Persons with Disabilities (VC/2007/317)*, final report for DG Employment, Social Affairs and Equal Opportunities of the European Commission, 2009.

•• Reconciling work and family life

The greatest challenge to female employment in Europe continues to be reconciling family life, particularly as regards the care of children and other dependent family members, with the demands of the labour-market. With the European job-market still reflecting a male-dominated life-cycle model, women's position in the labour-market suffers significantly and disproportionately when they decide to have children. The employment rate for women falls by 12.4 points when they have children under 12, while it rises by 7.3 points for men. Women in Europe are four times more likely to work part-time than men. In most cases, part-time work stems from a desire to compromise between work and family obligations, and a lack of options. 30% of European women say that they work part-time in order to care for children or other dependants, and would like to work more if care alternatives were available.

The lack of affordable, accessible and quality childcare is still not being adequately addressed, despite the European targets to provide childcare to at least 90% of children between three years old and the mandatory school age and at least 33% of children under three by the year 2010.⁹ Most Member States will not meet these targets, particularly in the 0-3 age group. Reconciliation measures fail to reflect the reality of women's disproportionate burden of care for children and dependent family members that shape their participation

(or not) in the labour-market and the importance of care especially in the context of an increasingly ageing population. The male take-up rate of reconciliation measures is low, and depends on a number of factors including pay: men are unlikely to take leave for a fixed sum that does not reflect their salaries.¹⁰ Reconciliation thus requires holistic care policies. Currently, the reform of a European Council Directive on maternity leave is becoming a legislative battleground in the European Institutions, particularly in relation to pay, duration of leave and the introduction of a paternity/co-maternity leave clause. The need for care facilities has been identified as a priority for all groups of women, including migrant and Roma workers; however, policies are weak.¹¹

Since 2007 flexicurity has emerged as a key policy priority. Flexicurity aims to provide mechanisms to adapt to a rapidly changing economic environment by combining flexibility in work and security when out of work, which Member States are invited to implement. A close look at the concept of flexicurity reveals a policy that tends to favour employers over workers, failing to address the fundamental and persistent obstacles to women's full participation in economic life. Guaranteed income is crucial for periods out of or between jobs for those for whom activation and flexicurity strategies may prove difficult, especially women, who are invariably the primary carers. Most affected are: single parents, 85% of whom are women; and parents

with additional caring needs for sick or special-needs children, other family members or dependents.

••• The gender pay, pension and savings gap

European women may be entering the labour-market in unprecedented numbers, but they still face serious obstacles in attaining equal treatment in employment. Women's average hourly salary is 17,4% lower than men's in the EU. In seven member states, namely Cyprus, the Czech Republic, Germany, Greece, the Netherlands, Slovakia and the UK, women earn 20% less than their male counterparts. This staggering gender pay gap has not been systematically tackled in economic, social and employment policies. Targets and timelines to reduce the gap are lacking and equal pay audits are generally not mandatory. There is a danger that economic recovery measures will deepen the gender pay gap.

Furthermore, older women are increasingly recognised as a vulnerable group that will fall victim to a gender pension gap.¹² They are sanctioned financially for the time they spent out of the labour-market on caring tasks and suffer from a failure to guarantee indexing of pensions¹³ which leads to a progressive poverty trap in old age. The gender pension gap has yet to be recognised and addressed in the context of the gender pay gap, which demonstrates that the male breadwinner model is still the yardstick against which access to socio-economic rights is measured.



EU LEGISLATION POLICIES AND PROGRAMMES SINCE 2004 REGARDING WOMEN AND THE ECONOMY



• New EU legislative acts affecting women and the economy since 2004

In 2006, the Recast Directive was adopted.¹⁴ This legislation brought together the existing provisions of different Directives on equal treatment between women and men in employment (access to employment, including promotion, vocational training, and working conditions, pay and occupational social security schemes) and included some case law.

In June 2009, the social partners negotiated improvements to the original 1996 Council Directive on parental leave¹⁵ and a Framework Agreement on Parental Leave¹⁶ which was adopted by the Council in November 2009. The Framework Agreement extended individual rights to a period of leave from three to four months with one month non-transferable between parents.

In July 2009, the Council adopted new rules for the coordination of social security systems (building on a Directive from 1986)¹⁷ to extend provisions to those covered in one Member State if they move to/live in another Member State. Reference is made to 'non-active persons', defined as 'persons who are in a social security system covering all residents but who do not exercise a paid activity, such as persons taking care of the home';¹⁸ this reinforces dependency status because it fails to recognise individual rights.

Changes are proposed to the 1986 Council Directive on the application of the principle of equal treatment for self-employed men and women, including those working in agriculture and protection of pregnant women and mothers, to provide for automatic access for assisting partners to social security coverage

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⁹ Presidency Conclusions, Barcelona European Council, 15-16 March 2002. ¹⁰ Not all Member States provide payment during parental leave. ¹¹ Lack of implementation by Member States of childcare provision requirements particularly affects immigrant women.

¹² See section A on 'Women and Poverty'. ¹³ Protecting the value of a pension against inflation by linking an annual rise to the cost of living. ¹⁴ Directive 2006/54/EC of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) OJL 204, 26 July 2006, pp. 23-36. ¹⁵ Directive 96/34/EEC of June 1996. ¹⁶ Framework Agreement on Parental Leave [Revised], 18 June 2009, Business Europe, UEAPME, CEEP, ETUC. ¹⁷ Directive 86/378/EEC of 24 July 1986 on the Implementation of equal treatments for men and women in occupational pension schemes. ¹⁸ Council of the European Union, 12369/09 (Presse 231), Brussels, 27 July 2009.

under the same conditions as self-employed workers.¹⁹ This will address inequality inherent in the Directive, which in the case of women and men who share an economic activity relegates the majority of women to secondary status due to their unequal legal status and non-mandatory social security protection. Self-employed women and assisting partners would then be entitled at their own request to avail of existing maternity leave provisions (14 weeks, of which two are mandatory) under the 1992 Directive. The Council has yet to adopt this proposal.

In October 2008, the Commission proposed to amend the 1992 Council Directive on the protection of pregnant workers, those who have recently given birth or are breastfeeding.²⁰ The European Parliament failed to adopt the Report in May 2009, calling instead for the proposal to be addressed under the new legislature. Modification of this Directive is the cause of major discussions and divisions making it unlikely that the revised legislation will be adopted in 2009.

Furthermore, a Working Time Directive, put forward in 2005 but not yet approved, contains proposals that would extend working time beyond a 48-hour week.²¹ If adopted, this Directive would undermine reconciliation of family and professional life measures and reinforce gender inequalities in paid and unpaid work.

•• Other initiatives of the EU concerning women and the economy since 2004

The first European coordinated strategy in the field of employment started in 1998 with the introduction of shared *European Employment Guidelines* and a yearly *National Action Plan for Employment*. This is ongoing. Although most social policies remain the legal preserve of Member States, the EU can develop joint policies in the field of social policy via the Open Method of Coordination (OMC). Until 2005, the OMC focused solely on social inclusion. In 2006, a 'streamlined' framework was developed, which brought together social

inclusion and social protection, i.e. social inclusion, pensions, health and long-term care. Coherence between EU economic, employment and social policies is assessed at the annual Spring Council, which is charged with taking stock of progress made in the different policy fields. The *Commission Report on Gender Equality to the Spring Council* is a key part of this task.²² The Council of Ministers developed indicators in relation to women and the economy. Some of these indicators relate to the gender pay gap (Belgian Presidency, 2001) and the reconciliation of private and working life (French Presidency, 2000); during the Italian Presidency (2003), indicators of the number of women in economic decision-making centres were developed. However, the status of these indicators and their application remain vague.

Common Principles of Flexicurity were adopted by the Council in December 2007.²³ Member States have been invited to translate the Principles into practice as part of the Lisbon Strategy. One of the Principles (Principle six) states: 'Flexicurity should support gender equality, by promoting equal access to quality employment for women and men and offering measures to reconcile work, family and private life.' This weak formulation confirms that reconciliation measures are here considered more as a strategy to adapt to the labour-market rather than to achieve equality between women and men.

In 2008 a package of 19 initiatives was launched to form the *Renewed Social Agenda*.²⁴ Amongst these were proposals for Directives and initiatives across a wide range of issues including the gender pay gap, but no specified action was identified in relation to the gender gap in entrepreneurship. An opportunity was lost to strengthen female entrepreneurship and to recognise that women entrepreneurs are a good investment who should be provided with financial risk-taking guarantees.

¹⁹ Directive 86/613/EEC of 11 December 1986 on 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.

²⁰ Directive 92/85/EEC of 19 October 1992. ²¹ Directive 2003/88/EC of 4 November 2003.

²² COM 2004/115 final. ²³ Council of the European Union, Employment, Social Policy, Health and Consumer Affairs, *Towards Common Principles of Flexicurity – Council Conclusions*, December 2007, 16201/07. ²⁴ European Commission Communication, *Renewed social agenda: Opportunities, access and solidarity in 21st century Europe*, COM(2008) 412 final.

GAPS AND RECOMMENDATIONS

Since the adoption of the Lisbon Strategy in 2000, the specific focus on women in economic policy has been reduced and gender equality has been diluted as a policy outcome. Instead, more neutral terms have emerged, such as 'promoting a life-cycle approach to work' and 'reconciliation of work, private and family life'. This shift in focus has not delivered for women. Women's full employment rates remain low. The failure to include women's entrepreneurship in the plans for the *Renewed Social Agenda* limits opportunities for women on the labour-market. It will be impossible to increase women's employment rates without adequate childcare provision. If proposals to extend working hours are adopted, this must be in conjunction with reinforced measures for reconciliation of family and professional life. Furthermore, flexicurity practices need to be monitored across all Member States. The inclusion of the gender pay gap in social renewal initiatives is to be welcomed; however, it is important that this egregious discrimination is tackled urgently and aggressively. Moreover, unless there is a gender equality perspective in all economic recovery measures there is a danger that the gender pay gap will be deepened.

Generally, economic policies remain disjointed, lack coherence and fail to deliver a concerted vision on gender equality. The *Lisbon Strategy on Growth and Jobs*, the *Integrated Guidelines* covering macro and micro employment issues and flexicurity are juxtaposed with other major restructuring policies, notably reforms in the rules of the internal market. A coordinated, coherent approach is urgently needed that links these to the EU's gender equality policy and legal framework.



THE EWL CALLS ON THE EU TO:

→ Reaffirm the goal of equality between women and men and explicitly aim to achieve gender equality as an outcome in the upcoming post-Lisbon EU 2020 strategy; and undertake to monitor macro and microeconomic policies that undermine women's labour-market access and economic independence.

→ Develop an all-encompassing coherent socio-economic strategy which links gender equality, social inclusion, growth and jobs including in environmental sustainability sectors; and apply systematic gender mainstreaming to all social, environmental, macroeconomic, microeconomic and employment dimensions of the post-Lisbon EU 2020 strategy.

→ Ensure the Gender Institute compiles and widely disseminates data on how women's skills benefit the labour-market and economic growth, including links between fertility rates and women's employment rates.

→ Develop an indicator on women's entrepreneurship in the EU 2020 strategy; and strengthen female entrepreneurship through support strategies, facilitating access to credit (including microcredit), including for ethnic minority women; and ensure rigorous monitoring of progress.

→ Tackle inadequate paid leave provisions as part of the gender pay gap, including requiring that care leave payments should be a percentage of salary rather than a fixed sum.

→ Use the *Framework Agreement between the Social Partners on Parental Leave* to establish fully paid leave;²⁵ and entitle single parents to a longer parental leave or the right to transfer parts of the parental leave to someone with a close connection to the child.

→ Entitle women to 24 weeks maternity leave with income equivalent to full salary throughout; guarantee the inclusion of maternity leave in the calculation of pensions and insurance; and ensure that women are protected from dismissal for up to one year on returning to work.²⁶

→ Adopt a Directive to provide fully paid paternity leave of at least one month to be taken immediately or shortly after the birth or adoption of a child.

→ Adopt a Directive on other forms of paid leave, including adoption leave, leave during artificial insemination processes, education leave to meet lifelong learning requirements, leave for the care of sick and terminally ill family members taking into consideration the diversity and changing nature of family structures.

→ Ensure that self-employed parents and parents with temporary working contracts have the same rights to paid maternity, paternity, parental leave and other forms of paid leave. Reach urgent agreement in the Council to adopt the changes to Council Directive 86/613.²⁷

→ 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; and limit monetary payments in kind (vouchers).

→ Make visible the contribution of women's unpaid work (in the home and in family businesses) to the economy, through the development of satellite accounts and systematic recording therein.

→ Guarantee a minimum adequate income through a European Directive.

→ Designate a European Equal Pay Day.

²⁵See EWL, *Critical Analysis of the Framework Agreement on Parental Leave*, September 2009. ²⁶See EWL's proposals in relation to amending the 1992 Directive and in response to the Estrela report, revised April 2009. ²⁷Directive 86/613/EEC of 11 December 1986.

THE EWL CALLS ON THE EU AND MEMBER STATES TO:

→ Mainstream the gender pay gap issue into all economic, social and employment policies, including policies related to care services and care leave arrangements, and integrate a gender equality perspective into all economic recovery measures; introduce concrete targets and timelines to reduce the pay gap, and adopt mandatory equal pay audits.

→ Introduce indexation to meet inflation/increases in costs of living as one means of addressing the 'working poor'.

→ Renew commitments to European targets on childcare provision addressing: accessibility, quality, affordability and valuing the status of childcare workers (predominately women); and extend targets to include quality, affordable care services for all dependants, including elderly care.

→ Develop quality job creation in the care sector, including childcare and care of all dependents; and implement fully the renewed OMC on Health and Long Term Care to develop standards that enhance status, salaries, qualifications and working conditions in the sectors of elderly care and care for dependents.

→ Provide tax incentives for companies that introduce family-friendly policies to guarantee work/life balance.

→ Develop and strengthen gender mainstreaming in the area of flexicurity and consult with women's NGOs as well as the social partners, given that Member States are invited to develop national flexicurity pathways on the basis of the flexicurity common principles, and monitor these effectively in National Reform Programmes.²⁸

→ Ensure that all women are entitled to full pension rights, including for their time spent out of the labour-market (in caring, lifelong learning, etc.); apply gender equality to existing pension schemes; guarantee transferable occupational pension schemes between different employments; and index pensions.

→ Guarantee lifelong learning as a prerequisite for continuous employability and widen the definition of employability skills to include pre-employability skills and those acquired in informal settings (such as care).

→ Recognise the qualifications of migrant women obtained in third countries.

→ Develop programmes, including positive action measures and self-esteem trainings, to ensure the access to quality employment for women facing intersectional discrimination such as those with disabilities or of ethnic minority origin.

²⁸See European Commission, DG Employment, Social Affairs and Equal Opportunities, *Manual for gender mainstreaming of employment policies*, July 2007.