

Women in the labour market and the life-course approach deficiencies

Magda Zupančič Ms.c.

IRDO Institute & Ministry of Labour, Family, Social Affairs and Equal Opportunities,
Slovenia

e-mail: magdaz@siol.net

Abstract

Better reconciliation policies to raise women employment rate present an important part of social responsibility, often neglected in work environments. European Union, known for its European social model, which in many cases serves as a role model of efficient and adequate social policies, is facing new, demographic challenges. Existing systems of social security and work organisation should adapt to the reconciliation requirements, caused by changed family patterns. Recent focus on deeper convergence within Economic and Monetary Union (EMU), together with requirements for modernising the current social and employment policies in EU calls for broader involvement and discussions among social partners and other relevant stakeholders on the topic. The current situation and existing reconciliation deficiencies require further discussions on national and European level, how to introduce *acquis* also in the field of (non-harmonised) European social policy. Ambitious common European employment and social goals are missing additional social benchmarks and social responsibility dimension. The set benchmarks could enable better monitoring or/and revision of national policies with a goal of faster achievement of high quality employability and lower poverty rate in EU. The most important, benchmarks should take into account the broader context of reconciliation domain in the life-course dimension by revising relevant national policies. The existing elderly care policies are namely substantially lagging behind better established and focused child-care policies, hindering reconciliation opportunities during entire life-course and omitting social responsibility dimension.

Keywords: Reconciliation, social responsibility, life-course, employability, women, employment rate

1 The European Union and women in the labour market (Introduction)

The actual EU labour markets are confronting challenges, endangering the effectiveness of its outcomes. Increasing global competitiveness, higher productivity demands as well as prevailing demographic decline in the developed world are among major factors in shaping our economies and labour markets. As a consequence, labour market experts' debates and discussions are increasingly focused on increased labour participation demand. Among many targeted groups in the labour market, having a potential of higher social and labour market inclusion are women.

Reconciliation policies for higher inclusion of women in the labour market are becoming more and more important policies and incorporated in many EU strategic documents and guidelines. The Lisbon strategy, launched in year 2000, highlighted the importance of increase in women participation rate in the light of constitutently increased global labour demand. In the same year, benchmark of average EU women employment rate in the age group 15-64 by the year 2010 was set at 60 %. The mentioned goal, accompanied by several recommendations was ambitious, taking into account very diverse employment rates for women in many EU Member States and unpredictable financial and economic crisis circumstances. Employment guidelines as a tool to design policies further emphasised the need of better reconciliation since many years (EC, 2010e).

Europe 2020 agenda set a new benchmark (75 % overall employment rate the year 2020) in the age group 20-64. The additional benchmark for women was surprisingly not considered as a necessity any more. The recent fragile economic recovery, followed by modest employment growth indicates potential for more inclusive labour markets. However, the existing measures and reforms aimed to underpin employment growth are to certain extent fragmented, even contradictive, taking into account diverse and partial women inclusion policies. To improve the actual situation, the Annual Growth Survey 2016 made a commitment that "social protection system should be modernised to efficiently respond to risks throughout the lifecycle while remaining fiscally sustainable in view of the upcoming demographic challenges" (EC, 2016b). Therefore, the prolonging of working life, especially for women, by enabling modern and adequate reconciliation tools through the lifecycle still remains an important element of corporate social responsibility to be implemented. By other words, the European social model should address more long-term challenges, linked to demographic trends, by adapting and harmonising existing reconciliation policies.

Additional EU social benchmarks are needed, mirroring the societal requirements and reconciliation barriers for individuals in or outside the labour market. Higher labour market participation through the lifecycle pays off and has a positive impact on public finances. Therefore it is necessary to use all available tools and good practices to enable best possible outcomes in the field of reconciliation policies.

2 How to structure policies to raise employment rate of women

A need to achieve a higher overall employment rate in the European Union as a precondition for economic growth and productivity is confirmed by many relevant strategic documents. Nevertheless, the general statistical overview gives an insight that hides some important and worrisome figures. One can argue that the overall employment rate in the Union is slowly recovering after near a decade of economic and financial crisis. However, the mentioned overall employment rate is not defined as the FTE equivalent employment rate. Comparing

overall employment rate figures with FTE employment rates shows that even in best performing Member States the FTE equivalent employment rates are significantly lower.

The employment rate gender gap in 2014 in the age group 20-64 years was still 11, 5 percentage points (Eurostat). The figures become even more worrisome by comparing full-time equivalent (FTE) employment rate for women and men. Data for 2014 show a much higher gender gap when looking at the FTE equivalent. In the age group 20-64 years, FTE employment rate for women in the EU-28 was 54, 5 % and 72,6 % for men (18,1 percentage points). The even significant gap (19, 1 percentage point) was confirmed in the age group 25-54 years and the age group 55-64 years (18, 6 percentage points) (Eurostat). Data show women bear disproportional burden of care responsibilities through the whole working life. Scarring effects of interrupted carriers are observed for women of all age groups, participating in the EU labour markets. In many cases, no official recognition or financial compensation for shifting the caring burden from the (unavailable or too costly) public/private care service and facilities to individuals is evident.

According to Thévenon, the issue of demographic decline in the EU might be possible to address (to certain extent) by increased female labour force participation in the next 20 years in all countries to reach a participation convergence. The paper states that on average 50 % decrease in the gender gap results in a 0.3 percentage points increase in the average annual growth rate in GDP per capita (Thévenon et al, 2012). The mentioned paper confirms positive economic outcomes, arising from faster and more efficient labour market inclusion of women. The same positive economic impacts of prolonged working life can be seen in more tax revenues and less retirement-related expenditure paid (Vodopivec and Dolenc, 2008). The mentioned is even more visible in the case of older women, departing prematurely the labour market. Researches show that stimulating the shifts from part-time to full-time work can prolong labour market participation of workers for several years (Buddelmeyer, Mourre and Ward, 2005).

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The relatively high overall employment rate in the EU hides the fact that in many EU Member States, the employment rates include also part-time work arrangements. According to Eurostat, one third of women in the EU work part-time, one third of part-time workers work involuntary part-time work and even more important, 27, 1% of women, working part-time, do it due to care responsibilities (EC, 2015d). One can speculate that women would work more hours, if working time and work organisation would allow for more flexibility and work autonomy needed.

It means, despite the relatively improved employability trend after the recent economic and financial crisis, certain categories, mostly women, are included into the labour market less than recommended, or desired. The employment gap is visible in all age groups. While in some Member States part-time work is voluntary and a part of work culture (as in some German speaking countries) and even evenly spread among genders (as in the Netherlands), it is not the case in other ones. The increase of precarious and flexible working arrangements and increase in the share of involuntary part-time work, especially among women confirms the lack of corporate social responsible measures in this context.

A recently launched initiative, titled “The European pillar of social rights” addresses a broad scale of social challenges and serves as a compass to contribute to a greater convergence of employment and social performance over time (EC, 2016c). Suggested initiative include

better enabling services, which should serve as a serious reflection on required changes and adaptation, related to reconciliation policies, social fairness and remuneration for services implemented. However, the important element of changes encompasses also modernising legislation, also in line of recent consultation of social partners on possible actions addressing the challenges of work-life balance faced by working parents and caregivers (EC, 2016d).

3 Reconciliation policies divide...

The Barcelona target by the year 2010 set an ambitious goal to enable childcare to at least 90 % of children aged 3 and mandatory school age and at least 33 % of children below 3 years. Slovenia is acknowledged as a role model as regards the successful achievement of both benchmarks. Looking at the age group 55-64 years the picture is much worse due to lack of formal elderly care provision. The fact reveals that care policies should cover the whole working life course to achieve high women employment rates in all age groups. According to Eurofound (2014a) elderly care provision in the EU represents a reconciliation problem for 21% of carers; on the others side reconciliation is a problem for less, 16 % of persons, taking care of children.

The existing reconciliation policies focus mostly on younger cohorts of women and to related child care provision. Even then, part-time work options as a consequence of part-time child facilities or lack of them offer women a lower safety net, with possible negative social and economic consequences in older age. Alternatively, home child care allows women the alternative to stay at home, raising children. The latter policy seems to be less favourable as it hinders reintegration in the labour market due to skills obsolesce.

Despite fast demographic ageing, the challenge of long term elderly care provision is lagging behind the childcare provision policies. No concrete EU benchmark for monitoring the elderly care progress is available. Even the annual Commission's Country Specific Recommendations (CSRs) are addressing mostly child care provision; to a much smaller extend the issue of elderly dependent provisions (access to services, infrastructure, remuneration etc). Neglecting the comprehensive lifecycle reconciliation policies might soon have negative long-term consequences without revised policies. The issue of long-term elderly care provision in changing demographic circumstances was specifically stressed at the EPSCO Council in June 2014 (EC, 2014b). The Commission still hasn't implemented an adequate tool for life-cycle reconciliation; despite some attempts to include the right to "filial" leave into the Parental Leave Directive in 2010. Additionally, the Green paper on modernising labour law from 2006 and Green paper on pensions from 2010 both emphasised the further need of crediting involuntary career breaks due to elderly dependants (EK, 2006, 2015a).

4 Adapted life cycle approach for women needed

Higher employment rates for women require lifecycle approach, better political support and more corporate social responsibility. The average EU women's educational achievement is on rise, the average tertiary education attainment rate for women in 2014 was 41, 2 % (men 32, 7 %) (EC, 2015b). Despite high educational attainment of women, the employment rate gap is significant even at the highest level of education (73.4 % for women and 77, 7, % men) (EC, 2015f). The situation requires more comprehensive, lifecycle reconciliation policies on the EU level, followed by more binding recommendations.

Voluntary part-time work, flexible work arrangements, including time banks and lifecycle career breaks increase longer labour market participation of women, while enabling certain level of safety nets, but not always the adequate one. Most measures and policies focus on younger cohorts of women, less attention is devoted to older women, who are in need for much stronger support for longer working life. Later in life course, less subsidies and less social infrastructure is available to facilitate elderly care needs coordination, arising from ageing of population and more pronounced elderly care responsibilities. Even strategic European documents only modestly touch the challenge of the lifecycle reconciliation policies. Council conclusions on adequate retirement incomes in the context of ageing societies stress “the needed support to enable women and older workers in particular to remain in quality employment over the whole life cycle” (EC, 2015d). The mentioned document additionally emphasises the need “that public pension’s schemes or other social protection arrangements contain appropriate safeguards for women and men whose employment opportunities do or did not allow them to build up sufficient pensions entitlements”. The mentioned was even recommended in the Green paper (EC, 2010b), stating that “that more Member States recognise involuntary breaks from employment when citizens are caring for frail dependants and that such spells should be recognised for the calculation of an old-age pension (Eurofound, 2011).

The pay gap in 2013 in the EU-28 was significant at 16, 4 %, the pension gap much higher at 38, 5% (in the EU-27, 2012), representing an unacceptable divide. No to mention that in some Member states (Malta 35 %, Spain 23, 2% in 2012) a high share of women do not receive a pension at all (EC, 2015b). The mentioned facts might increase the poverty and limited economic independence of women, especially in old age, despite their unpaid and officially not recognised elderly care responsibilities. Therefore, further steps were considered as a priority in the Commission’s Strategy for Equality between women and men in the period 2010-2015, where “a need to ensure gender equality in terms of access to financial resources throughout the life cycle” was emphasized (EC, 2010c).

The Slovenia case confirms that even best, but partial reconciliation policies hinders the labour market potential. Due to lack of systemic legislation on long-term elderly care in many countries, informal carers, mostly women, prematurely exit the labour market. Statistics show that 43, 1 % of older workers in the Union left the labour market due to early retirement in 2002(EC, 2015d). Setting holistic measures for better reconciliation of women in the labour market would lead into higher participation rate of women. Social and economic goals, incorporated into reconciliation policies can be mutually supportive. Variety of reconciliation needs can be matched with innovative reconciliation measures. A systematic support to reach or to approach full employment rates in the EU labour markets in the time of fast demographic decline and global competitiveness is important. Existing European governance, represented by Open Method of Coordination (OMC) should become more binding at the European level.

There is a need for more harmonised reconciliation policy approach at the EU-level, covering the broad spectre of care obligations through the whole working career. Implementation of new innovative tools to enable reconciliation, which fits to specific life periods, would enable full potential of women to enter, re-enter or remain in the labour market. Additionally, increased share of services within the EU might facilitate reconciliation by modern working organisation (telework, IT support, flexible working time).

5 Conclusions

Gender equality means freedom and availability of employment decisions, supported by public policies when and if needed. Reconciliation policies are mostly focused on short-term policies, which fit the actual needs of the society, neglecting long-term consequences for carers. The recent Council Conclusion on closing the gender gap in pensions addressed the situation of women's higher prevalence of part-time work and highlighted the need, if necessary, that Member States "promote social protection measures which mitigate the negative impacts of care-related career interruptions, part-time work and low earning progression on pension entitlements" (EC, 2015c).

There is a need to shape the existing and fragmented reconciliation measures and policies in the EU into the comprehensive socially responsible framework. Women are an important target group in the labour market. Longer career breaks cause skill obsolescence and uncertainty regarding future career paths. Older women experience elderly care reconciliation problems, less noticed in major public policies and guidelines: the mentioned category is less often remunerated than younger women (despite the fact that informal elderly care, performed by individuals, relieves public institutions financially). Carers do not always have a guarantee of work, after the care obligation is not necessary any more.

The practice, described by Eurofound (Eurofound, 2015) indicates that available reconciliation measures do not fit the actual needs anymore. With fast ageing trend, the situation remains fragmented, less determined and less transparent as regards the recognition and/or remuneration for short and or long-term elderly care. According to Eurofound study, in the EU round 80 % of hours, related to care provision, are delivered by informal carers, mostly by women over the age of 45. The care responsibility is increasing with age. Financial compensation for elderly care purposes is offered only in 15 of EU Member States. Additionally, most of carers experienced subsequent decline in their incomes (Eurofamcare, 2006).

The need for more focused policies was confirmed by the Eurobarometer Survey (2012a). The most desired measures for elderly carers include financial compensation for care leave (44%), followed by flexible working hours (38 %) and desire for short care leave and pension entitlements recognition (35% and 33 %).

Reconciliation policies should therefore cover not only child care, but also elderly care needs. The role model in this context can be Nordic Member States, which offer the best (formal) care options and remuneration of informal carers, without a need to decide between the access to the labour market or safety net provision. The responsibility to provide care lies within local or public authorities. The Nordic countries offer care insurance and increased recognition of the carer status or sustainable informal status (Eurofound, 2015).

To follow best practice; it is necessary to adapt the existing role of Open Method of Cooperation (OMC) in the field of social and employment policies to be more binding, more harmonised one. Policies should better link lifecycle needs of individuals, especially women, with fair remuneration and appreciation of their care roles. Potential future fiscal impacts of implemented and adapted measures would be much lower than increase of age poverty due to long-term ignorance of informal reconciliation provisions. To achieve Europe 2020 benchmark of high overall employment rate, one has to assure not only a quantitative, but also a qualitative shift in women employability. The modest discussions on pension entitlements

for informal carers should continue. The involvement of the state and local authority in sharing costs is necessary. New, innovative and harmonised life-course care provisions should be applied at the EU level as care leave schemes, a guarantee to return from short/term leave and more reconciliation options (Kuemmerling and Baecker, 2010)

European social model presents a role model for many countries and should lead into mature discussion of better reconciliation options, also by already mentioned adapted Open Method of Coordination (OMC), to implement more binding commitments to ensure a “stability of social status across the life course” (Eurofound, 2015). To reach a parallel goal of high overall employment rate and longer working lives, a lifecycle reconciliation compromise is important. Costs will be smaller than future burdens, caused from increased poverty, social exclusion and low employment rates, influencing lower productivity and worse competitive position of the Union in global markets. By implementing more binding and harmonised comprehensive life-course reconciliation policies, the image of European social model, by incorporated social responsible component, would be justified even more.

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