

Reconciliation

Current legal framework and plans to amend leave arrangements in the Commission's work programme

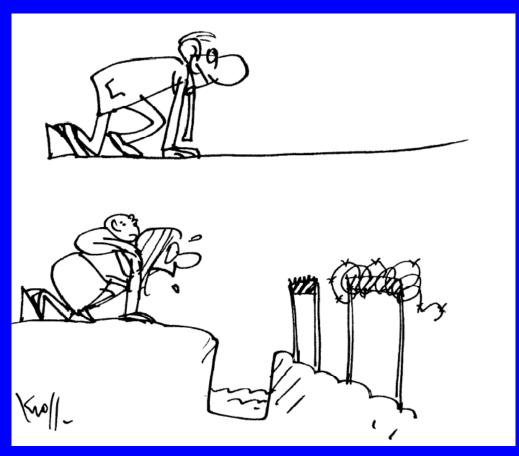
DG 'Employment, Social Affairs & Equal Opportunities'

Equality, Action against Discrimination: Legal Questions
Petra Schott
October 2008

Petra.Schott@ec.europa.eu



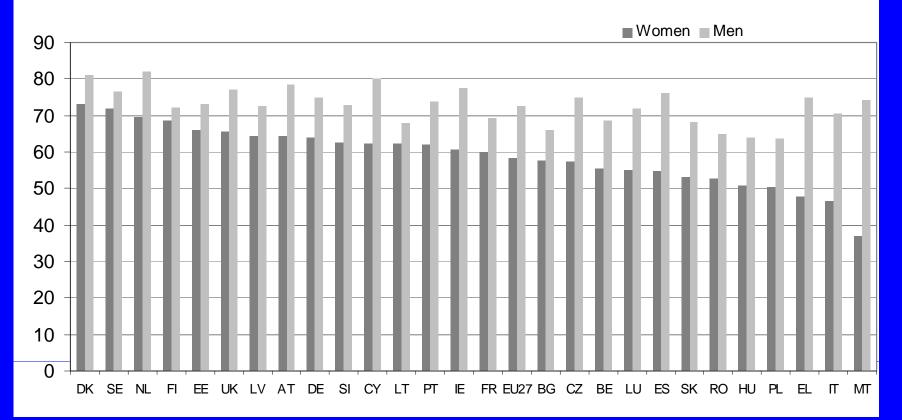
Work life balance: all about reconciliation





Employment rates' differences: women under 60%, men above 70%

Employment rates of women and men in EU Member States in 2007 (in %)





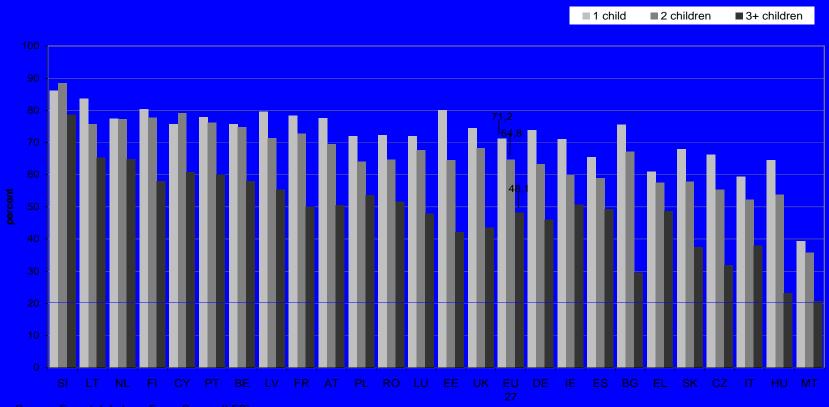
Female/male employment rates

- Employment rates of women aged between 25 and 49 years without children in 2007 = 77.9% (Eurostat)
- employment rates of women aged between 25 and 49 years with children under the age of 12 in 2007 decreases to 65,5% (see details next slide).
- If men have children the employment rates increase from 84,4 to 9,7 %, (see next but one slide).



Maternal employment rates

Maternal employment rates, aged 25-49, by number of children under 14, 2007



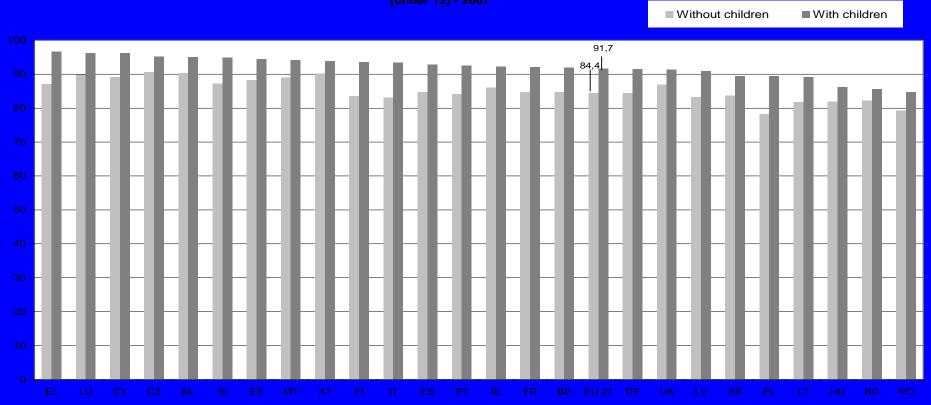
Source: Eurostat, Labour Force Survey (LFS).

BG, EE, MT, SI for 3+ children: unreliable or uncertain data due to low sample size.



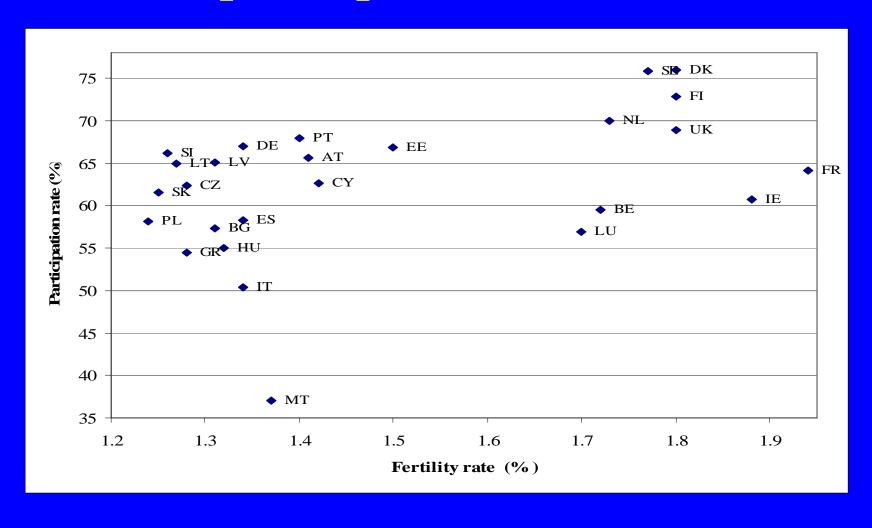
Employment rates of men with and without children

Employment rates of men aged 25-49, depending on whether they have children





Fertility and labour market participation rates





Reconciliation responsibilities

- Strategies to support reconciliation require various players and deal with different areas:
- Childcare facilities,
- leave entitlement and
- flexible working time arrangements are core components of the policy mix.

Powers are spread between European, national and local levels and between social partners at European, national and sectoral levels.



Reconciliation and key policy areas

- <u>Lisbon Strategy</u>, established in 2000 covered reconciliation by setting a target employment rate for women (60%) which was lower than the overall target (70%) to be achieved by 2010.
- The relevance of reconciliation policies to demographic renewal is now explicitly recognised at European level (COM-Communication of 2006: http://duc-lex.europe.eu/Lext/18etv_do2tri-COM-2006/08711FIN(EN.PDF).
- The **Commission** has made enhancing reconciliation one of the six priority areas of action in its **Roadmap** for equality between women and men for 2006-2010.



Reconciliation and key policy areas

- European Pact for Gender Equality, agreed by the March 2006 European Council, enhanced the role of reconciliation.
- The European Parliament has consistently called for improvements to the existing Community legislation on maternity and parental leave.
- Supporting a work-life balance is one of the four priorities in the Framework of Actions on Gender Equality agreed by the **European social partners** in 2005.



Improve reconciliation policies at EU level

• The Workprogramme of the Commission for 2008 included as a priority measure an amendment of the existing maternity leave directive 92/85/EEC and included as a further measure the improvemnet of other forms of family-related leave.



Existing Community law on family –related leave

Presently, there are two directives on family related leave:

- <u>Directive 92/85/EEC</u> (on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding) providing for maternity leave ensuring 14 weeks of leave and a payment which is at least at sick pay level.
- <u>Directive 96/3E/EC</u> of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP and the ETUC which gives an entitlement to 3 months leave for each parent. In principle this leave should not be transferred to the other parent. It is left to Member States' decision whether this leave is paid or not.



Preparatory steps to amend existing framework

- In 2006 and 2007, the Commission launched a two-stage consultation process of the European social partners in teh context of social dialogue (see under: http://ec.europa.eu/employment_social_dialogue/consultations_en.htm).
- The social partners replied and acknowledged a need of further evaluation for the need to amend the legislative framework at Community level.
- In the end of 2007, the COM sent a questionnaire to the <u>Member States</u> to receive their view on whether to amend the existing legal framework on family related leave.
- In 2008, the COM also asked the <u>Advisory Committee</u> on Equal Opportunities Between Men and Women to give their view as to an update of currrent family-related leave provisions



Social partners' decision

- In July 2008, the European social partners decided to open a formal negotiation procedure on parental leave.
- In September 2008, they started with the formal negotiation process. They now have nine months to conclude their negotiation process and come up with an agreement. The Commission is prepared to give their agreement the form of a proposal for a directive.



Commission's work in the meantime

Impact Assessment

As the Commmission was prepared to review the existing legislation, it had already started earlier in 2008 to evaluate all possible options to amend the existing family-leave related legislation in an so-called impact assessment. This impact assessment is publicly accessable:

http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=402&furtherNews=yes



Content of the Impact assessment

The impact assessment evaluated the following options as to maternity leave:

- 18 weeks maternity leave at a level of payment of 100% and giving a right to ask for flexible working conditions.
- It also evaluated the option increasing the duration of parental leave for one month if also the second parent takes parental leave for at least one month and to provide a payment of 66% of last salary during parental leave.
- It also evaluated options to introduce paternity -, adoption and filial leave.



Why did the COM choose the option of 18 weeks maternity leave and a higher payment?

- 12 Member States already have 18 weeks of maternity leave or more in place (BU, CZ, DK, EE, HU, IE, IT, LT, PL, RO, SK and UK).
- 10 Member States are in favour of increasing the duration of maternity leave (AT, BU, EE, EL, FI, HU, IT, PT, SK, SL).
- Only 2 Member Staes have remained at the level of 14 weeks (DE, MA). Sweden too has 14 weeks and then a long leave which can also be taken by the father.
- 5 Member States are in favour of increasing the payment (BU, FR, IT, SL, ES).

17



Content of the impact assessment 2

- The impact assessment was based to a certain extent on an external study which calculated the macroeconmic costs of the different options for 8 Member States. Link:

 http://ec.europa.eu/employment_social/gender_equality/legislation/new_legislation_en.html
- In general, the <u>macroeconomic costs</u> of prolonging maternity leave to 18 weeks and keeping the existing payment level would costs between <u>0,001 %</u> of GDP (HU) and <u>0,04% of GDP</u> (BE). Costs can be outbalanced by an increase in female labour market participation between 0,01 and 0,16 percentage points.
- The costs would range between 0,06% (HU) and 0,05% (BE) of GDP if a 100% compensation is being paid. They can be outbalanced by an increase in female labour market participation between 0,03 and 0,2 percentage points.



Commission's decision to amend maternity leave

• As the European Social Partners negotiate on parental leave, the Commission decided that amendments to the maternity leave directive would not interfere with the negotiation process. The Social Partners had excluded that they would touch parental leave in their negotiations.



Content of the Proposal

The <u>main amendments</u> included in the proposal to amend the maternity leave Directive 92/85/EEC (adopted by the Commission on 3 October) are:

- Prolongation from 14 to 18 weeks (18 weeks is recommended by an ILO recommendation)
- Payment in general at a 100% level with the possibility for Member States to introduce a ceiling not lower than sickness pay
- Reinforced <u>protection against dismissal</u>
- The <u>obligatory part</u> of maternity leave is 6 weeks after giving birth (now it is 2 weeks before giving birth)
- A right to ask for <u>flexible working conditions</u> after coming back from maternity leave which the employer can refuse



Conclusion

The Commission thinks that this measure can help women in reconciling work and family.

- It can help women to better recover from giving birth and to bond with the child. If the child is older, formal or informal childcare can more easily be accessed.
- The mother might not find it necessary to take parental leave.
- There is evidence that good reconciliation policies support female employment rates and fertility rates.
- In general, we know that family-related leave entitlements can raise female employment rates.

Thank you for your attention!