

Speech

Dear ladies and gentlemen,

As a lawyer by training myself - I am glad to address the European Women Lawyers Association today.

As European Commissioner for Employment, Social Affairs, Labour Mobility and Skills – where equality of opportunity is a fundamental premise – I know the extreme importance of your work.

Your association brings women lawyers together from across the EU and beyond. While more women are joining the profession all the time, there are still proportionately less female lawyers than male, in most countries.

Yet, we have come a long way: Back in the 1970s, when I was studying for my law degree, the labour market participation of women was deplorably low.

Great strides were made in the 1980s and European families today benefit from minimum standards with regards to maternity and parental leave.

But in **my vision for Europe, rights are only real** if they are **readily accessible**; and **legislation is only effective** if consistently **applied**.

In the European Commission, we realise that there is still a lot of work to be done to facilitate equality of opportunities in education and training and on the labour market.

We believe that there is room for improvement, particularly in the area of **work-life balance**, and so we are taking action.

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What is the social and economic situation in the Member States?

Despite the focus given on the crises that the EU is facing nowadays, I believe we should look at the global picture. And frankly, the global picture is not that bad after all. Let's look at some figures:

Thanks to coordinated actions of the Union and its member states together, Europe is finally on the path back to growth:

The European Commission expects for the EU a Gross Domestic Product growth of 1.6% in 2017 and 1.8% in 2018, from 1.7% in 2016.

Since the end of 2014, almost 5 million jobs have been created and we are again at the employment rate levels we were at pre-2008.

On average the **employment rate** is at 71% but the rate of men and women is respectively 76% and 64,3%.

The EU28 unemployment rate was 8.2% in December 2016 (8% for men and 8,4% for women), down from 9.0% one year ago. This is the lowest rate recorded in the EU28 since February 2009.

While the **risk of poverty** or social exclusion in the EU is decreasing and has now returned to its 2008 level of 23.7%.

That said, poverty in its different facets, still affects the lives of 119 million people in the European Union (2014).

What's more – due to the gender pay gap of 16%; women's pensions are, on average, 40% smaller than men's. Older women are therefore much more at risk of poverty than older men.

However, the situation is very different between Member States and we see that on social issues, it is even diverging more than in the past.

The unemployment rate is 3.5% in the Czech Republic and 3.9% in Germany where it reach 18.4% in Spain and 23% in Greece.

The youth unemployment figure reflect an even more divergent situation across the EU with 6.5% in Germany and more than 40% in Italy (40.1%), Spain (42.9%) and Greece (44%).

Those divergences generate a growing pressure on our Union, the Internal Market, or the Monetary Union. They put at risk the social cohesion and the solidarity between the people of Europe and the objective to create an ever closer union among the people of Europe.

On the top of those tensions, we face also other challenges associated to world-wide trends such as the globalisation, the digitalisation or the ageing of our population. All these developments have a growing impact on our societies, our way to work and our way of living together.

If we want a deeper and fairer Internal Market to work well for everybody, if we want to reduce the pressure created by the diverging social and economic conditions in our Member States, we need to strive together for more convergence across Member States.

And of course that convergence must be upwards – we must bring those Member States who are lagging behind in social and economic terms closer to the top performers.

This is why the Commission is preparing the **European Pillar of Social Rights**. Based on a large public consultation where many stakeholders expressed their views, it will offer us the opportunity to address those challenges together. To harness change and to make the most of the opportunities it offers in the world of work and in society.

It is a means of discussing together what social values unite us. And to determine together how we can work at all levels to achieve better social outcomes for our people.

Again, the aim is not have one-size-fits-all solutions. The aim is to ensure that everywhere in Europe, with all its diversity, increased competitiveness goes hand in hand with social progress.

For this we will have to use all the instruments at our disposal - legislative, financial and policy coordination, involving partnership at all levels in order to achieve the Pillar's objectives on the ground.

In particular, we need to make sure that our legislation and our policies are still fit for purpose for the reality of today and tomorrow. Fit for purpose means living up to the core set of principles which we all agree are at the core of the social market economy, leading to upwards social convergence.

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We brought forward a draft outline of the Pillar, last March, based around three areas, which are of great importance for women:

Equal opportunities and access to the labour market, including work-life-balance improvement, skills development and active support for employment, to increase employment opportunities, facilitate transitions between different statuses and improve the employability of individuals.

Fair working conditions, to set an adequate and reliable balance of rights and obligations between workers and employers, as well as between flexibility and security elements, to facilitate job creation, job take-up and the adaptability of firms, and promoting social dialogue.

Adequate and sustainable social protection, as well as access to high quality essential services, including childcare, healthcare and long-term care, to ensure dignified living and protection against risks, and to enable individuals to participate fully in employment and more generally in society.

We plan to adopt the Pillar of Social Rights in coming months. It will be a reference framework for participating Member States, with principles that are essential for labour markets and welfare systems that are fair and that function well.

It will guide participating countries when addressing social issues; taking account of the changing realities of Europe's societies and the world of work; and lead us to a situation of upward social convergence, rather than divergence.

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The challenge of women participation on the labour market

But let us now look at the specific challenge which affects so many women in particular: how the current work-life balance set up acts today as a barrier to female labour market participation.

For example: although we know that they have, on average, higher educational attainment than men, there are four startling realities about women in Europe:

- 1) They are **under-represented in the labour force**;
- 2) They are **over concentrated in part-time jobs**;
- 3) They are **more likely to be inactive**; and finally
- 4) They are **less likely to hold management and senior positions**.

In 2015, the employment rate of women aged 20-64 was on average across the EU 11.6 percentage points lower than that of men. A substantially higher proportion of women work part-time (31.3% of women compared to 8.3% of men).

Therefore, the gender employment differences in full-time equivalents are even larger, with a gap of 18.1 percentage points for the EU!

In the Union today, women carry out every week 17 hours unpaid work more than men and are often trapped in low productivity, low-skilled and low-paid sectors and jobs.

What should not go without notice, however, is that **gender inequalities are particularly acute for mothers or women with caring responsibilities.**

Women tend to change their working patterns when they have children or other care commitments - reducing their working hours, taking long leaves of absence, or withdrawing from the labour market altogether.

Men, by contrast, move towards increasing - rather than reducing - their labour market participation when families become bigger.

On average across Europe, the **employment rate of women with young children is 9 points lower than women with no children.** In some countries, for instance in Slovakia, Hungary and the Czech Republic, this difference is **over 30 percentage points!**

These findings run contrary to our European values – and indeed to our legal principles - of equal opportunities and social inclusion.

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And, in the context of demographic ageing, addressing the barriers to women's participation in the labour market is an **economic imperative.**

Estimates from the European Foundation for the Improvement of Living and Working Conditions put the economic loss due to the gender employment gap at around €370 billion per year: equivalent to 2.8% of EU GDP!

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So, what can be done to address this problem: and to help women get into and stay in the labour market?

Enhancing female employment and career progression requires a comprehensive approach to supporting work-life balance for parents and people with caring responsibilities.

Let us consider some elements:

- **Well-designed parental leave policies are essential.** Allowing for a gender-balanced use of leave entitlements can have positive effects in terms of the distribution of household work and care responsibilities. It can also improve female labour market outcomes. Fathers are more likely to use leave when it is adequately paid and reserved for them.
- **Flexible working arrangements** have also proven useful to avoid women with caring responsibilities being forced to drop out of the labour market. Such arrangements allow for working schedules and patterns adapted to families' and businesses' needs. However it is important to ensure the quality of flexible work; and avoid that a gender-biased design result in those arrangements being taken up mainly by women.
- **Formal care services** are also crucial to break down barriers for parents and carers entering or remaining in the labour market. The availability, affordability and quality of these services are essential.
- Aside from work-life balance policies, often significant **tax-benefit disincentives to work** exist for second earners. These disincentives can be addressed through individual taxation, instead of joint taxation, or through phasing out transferable tax credits between partners.

- Finally, it's important to have adequate measures in place **protecting against workplace discrimination** for parents and carers - especially women; and ensuring the awareness and proper enforcement of rights.

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What is European Commission doing – and in my portfolio in particular - to improve matters for women?

For some time now, we have been providing financial support for work-life balance policies through the **European Social Fund**. But we also consistently **monitor** Member State policies and provide policy **recommendations** through the **European Semester**.

As you know, legislation setting minimum standards also exists at EU-level in the area of maternity leave and parental leave, as well as gender discrimination in the workplace.

However, it is evident - from consultations with EU social partners and the general public - that **this is not enough**. We need to do more to address the challenges faced by working parents and carers today and to remove the obstacles facing women in their labour market participation and career progression.

This is why, as follow-on from the European Pillar of Social Rights, my services are preparing together with the services of Vera Jourova, - European Commissioner for Justice, Consumers and Gender Equality - a **'New Start' initiative for work-life balance**.

This initiative will be a comprehensive package of legislative and non-legislative measures. It will take a dual approach:

1) Firstly, to modernise the current legislative framework in order to improve the adequacy of work-life balance measures for parents and carers, and to increase the possibilities and incentives for men - and not only women - to make use of these arrangements; and

2) Secondly, to develop new complementary policy measures, such as those I mentioned: to promote affordable and quality formal care services for children and other dependents, through better targeted use of EU funds; and steps to remove the disincentives to work in tax and benefit systems so that work pays for both parents.

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This new initiative would hence have a **much broader approach** than the Commission's previous proposal amending the Maternity Leave Directive. As you know, that proposal was withdrawn in 2015 after years of deadlock between the European Parliament and Council.

I believe that this new approach **will not only reap benefits for women**, but for everyone. I also think it is a balanced proposal, a win-win project providing benefits for employees – both male and female - and for employers.

Of course, **caring is not only a role for women**. Time and again research shows that **women will only have equal access to the workplace when men have equal access to the home**.

In fact, many men would like to spend more time with their families but do not feel encouraged to do so, notably for economic or career related reasons.

This initiative will also not only benefit parents. It will address the needs of people with **elderly or dependent** relatives who seek a better balance to their work and life commitments. In the context of our ageing populations, this should be foremost in our minds.

Moreover, the Work-Life Balance will provide **benefits also to companies**, such as attraction and retention of workers, reduction of absenteeism, increase productivity and reduction of skills mismatch.

The **Member States** finally, will benefit from a better fiscal position thanks to the increase participation of women in the labour market.

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The Commission is currently finalising a thorough **impact assessment** of different possible elements of this package, in order to determine the costs and benefits this initiative will have on workers, employers and wider society. We will bring forward a final proposal this spring.

Conclusion

Ladies; let me finish by saying that I do not under-estimate the challenge to be addressed:

- We currently have 4 people of working age for every person of retirement age. In 2060 it will be only 2!
- We cannot afford to ignore this and to waste the talent of over half of Europe's population!

All of us here are well placed to know the huge potential of women's contribution to growth when their talents are properly exploited!

I look forward to hearing your expert opinions on legal and policy measures to improve work-life balance for parents and carers. And, indeed, I count on your support to make these rights a reality for citizens.

Of course I am also happy to exchange with you also on other important initiatives that I have launched that equally pertain to women – such as on fair mobility of workers in the single market.

Thank you