



European Economic and Social Committee

SOC/338
**Gender equality, economic
growth and employment
rates**

Brussels, 1 October 2009

OPINION
of the
European Economic and Social Committee
on
Links between gender equality, economic growth and employment rates
(Exploratory opinion)

—————
Rapporteur: **Ms Ouin**
—————

In a letter dated 18 December 2008, in the context of the forthcoming Swedish presidency, the Swedish Minister for European Affairs, Cecilia Malmström, asked the European Economic and Social Committee to draft an exploratory opinion on the following subject:

Links between gender equality, economic growth and employment rates.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 1 September 2009. The rapporteur was Ms Ouin.

At its 456th plenary session, held on 30 September and 1 October 2009 (meeting of 1 October 2009), the European Economic and Social Committee adopted the following opinion by 138 votes to 6 with 6 abstentions.

*

* *

1. Conclusions and recommendations

1.1 The issue raised by the Swedish presidency – exploring the links between gender equality, growth and employment – is a useful one in that it provides an opportunity to step back and take stock. Gender equality has been the subject of a large number of reports, studies, directives, laws, recommendations and agreements. Yet real life has proved doggedly resistant and the inequalities remain – legacies of bygone centuries that have been challenged only in the past fifty years. Gender equality may now be enshrined in law, but mind sets and practices – both of individuals and of society as a whole – still need to be changed. This opinion proposes a change of outlook in three areas in particular: organisation of time, the recognition of qualifications in jobs providing services to individuals, and gender balance in professional sectors and decision-making posts.

1.2 The Committee's recommendations are thus addressed to the Member States, the European Commission, the social partners and all those playing an active role in society.

To the Member States:

1.3 Growth is measured in terms of rising GDP. However, this indicator is not sufficient to reflect the economic contribution made by women. For the purpose of studying the links between gender equality and growth, it would be helpful to look again at how the latter is calculated.

1.4 Working for gender equality must be considered as a means:

- of promoting growth and jobs, and not as a cost or a constraint;

- of strengthening the economic independence of women, who will consume more goods and services;
- of investing in human resources by requiring equal access to vocational training and lifelong learning, placing more emphasis on experience and diversity;
- of creating the conditions for better reconciling work, family and private life, by offering flexible ways of organising working time chosen in the interests of businesses and their staff, by enhancing care services, by considering early years childcare not as a burden but as an investment, and by encouraging men to do their share of family tasks;
- of stimulating entrepreneurship among women by supporting business start-ups and transfers, and improving their access to finance;
- of ensuring that the gender perspective is taken into account in the short-, medium- and long-term measures taken in the light of the economic and financial crisis, at both at the level of the European Union as a whole and within each Member State:
- of reducing in-work poverty (single parents in under-paid, unstable jobs are often women) by stepping up access to work, a secure job and a decent wage.

To the Commission:

- 1.5 Request to monitor and evaluate Member States' efforts to implement the roadmap for equality between women and men, and request to become a forum for exchanging good practice and experience.

To the social partners:

- 1.6 Request to implement their common framework for action on gender equality by focusing on gender roles, promoting women in the decision-making process, supporting work-life balance and closing the pay gap;
- 1.7 to improve knowledge and instruments for combating job segregation and promoting gender balance;
- 1.8 to professionalise jobs providing services to individuals by better recognising the skills needed to carry them out.

To all civil society actors and political leaders:

- to consider more flexible retirement arrangements, where people could take time off before they actually retire so that they can meet family commitments;
- to improve the availability of household support services by developing public services and setting up new businesses;
- to increase the number of women in management positions in public administrations and on boards of directors and executive boards in public and private enterprises:

- to take a broadminded approach to this issue, planning for very short-term measures as well as long-term work strategies.

2. Introduction

- 2.1 The need for measures aimed at improving female participation in the labour market is an integral part of the Lisbon Strategy, the purpose of which is to make Europe a more competitive, knowledge-based society.
- 2.2 The Commission's 2008 report on equality between women and men in Europe¹ states: "Female employment has been the main factor in the steady growth of employment in the EU in recent years. Between 2000 and 2006 employment in EU-27 grew by nearly 12 million, including more than 7.5 million women. (...) [The] employment rate for women with dependent children is only 62.4%, compared with 91.4% for men, a difference of 29 points. More than three-quarters of part-time workers are women (76.5%), corresponding to one woman in three, as against less than one man in ten."
- 2.3 The 2009 report² puts the female employment rate at 58.3 % compared to 72.5 % for men, and the proportion of women in part-time work at 31.2 % compared to 7.7 % for men. It points out that women are over-represented in sectors with lower wages, and highlights the unequal distribution of power in institutions and businesses.
- 2.4 Although gender equality has not yet been achieved, the situation of working women in Europe is among the best in the world; the European Union deserves credit for having tackled this issue from the start and for putting in place statistical tools, studies, analyses and legislation.
- 2.5 Despite the progress made and the positive results achieved, the economic potential of women has not been adequately realised. Moreover, the unprecedented international economic and financial crisis will probably have a different impact on men and women, given their different situations in the economic, social and family circle.
- 2.6 As a very large number of studies are available, recommendations have been made, and decisions have been taken by the European institutions and social partners – in nine years, the

¹ COM(2008) 10 final, page 4.

² COM(2009) 77 final.

Committee has adopted 14 opinions on subjects related to gender equality³ – this opinion deliberately does not attempt to deal with the entire subject of gender equality. Instead, its scope is limited to the subject's link with growth and jobs, focusing on the goals set by the Lisbon Strategy on increasing female participation in the labour market⁴.

3. General comments

3.1 History

3.1.1 Female employment has risen steadily since the 1960s. Women accessing jobs in large numbers since the 1970s has been a big step towards gender equality. As soon as women were able to choose when to have children and to access higher education, they, like men, wanted to use their skills in society and not just in their families, and to become financially

3

See EESC opinions of:

- 24.3.2009 on the *Proposal for a Directive of the European Parliament and of the Council on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Directive 86/613/EEC*, rapporteur: Ms Sharma (OJ C 228, 22.9.2009)
- 13.5.2009 on the *Proposal for a Directive of the European Parliament and of the Council amending Council Directive 92/85/EEC 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*, rapporteur: Ms Herczog, CESE 882/2009
- 22.4.2008 on the *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Tackling the pay gap between women and men*, rapporteur: Ms Kössler (OJ C 211, 19.8.2008)
- 11.7.2007 on *Employability and entrepreneurship — The role of civil society, the social partners and regional and local bodies from a gender perspective*, rapporteur: Mr Pariza Castañós (OJ C 256, 27.10.2007)
- 11.7.2007 on *The role of the social partners in reconciling working, family and private life*, rapporteur: Mr Clever (OJ C 256, 27.10.2007)
- 12.7.2007 on the *Employment of priority categories (Lisbon strategy)*, rapporteur: Mr Greif (OJ C 256, 27.10.2007)
- 13.9.2006 on the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - A Roadmap for equality between women and men 2006-2010*, rapporteur: Ms Attard (OJ C 318, 23.12.2006)
- 14.2.2006 on the *Representation of women in the decision-making bodies of economic and social interest groups in the European Union*, rapporteur: Mr ETTY (OJ C 88, 11.4.2006)
- 14.12.2005 on the *Proposal for a Decision of the European Parliament and the Council on the European Year of Equal Opportunities for All (2007) — Towards a Just Society*, rapporteur: Ms Herczog (OJ C 65, 17.3.2006)
- 29.9.2005 on *Poverty among women in Europe*, rapporteur: Ms King (OJ C 24, 31.1.2006)
- 28.9.2005 on the *Proposal for a Regulation of the European Parliament and of the Council establishing a European Institute for Gender Equality* rapporteur: Ms Štechová (OJ C 24, 31.1.2006)
- 15.12.2004 on the *Proposal for a Directive of the European Parliament and of the Council on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation* rapporteur: Ms Sharma (OJ C 157, 28.6.2005)
- 03.6.2004 on the *Proposal for a Council Directive implementing the principle of equal treatment between women and men in the access to and supply of goods and services*, rapporteur: Ms Carroll (OJ C 241, 28.9.2004)
- 25.1.2001 on the *Proposal for a Directive of the European Parliament and of the Council amending Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions*, rapporteur: Ms Wahrolin (OJ C 123, 25.4.2001).

4

60% by 2010.

independent. Paid work means personal income, better social security and pension benefits, and a cushion against poverty in the event of separation, divorce or widowhood.

- 3.1.2 The entry of women into employment created new needs that the market had to satisfy. Women used to work in the home, which was not accounted for in gross domestic product. As women moved beyond the domestic sphere, jobs were created to carry out the tasks that they had been doing at home. One thinks of childminders or cleaners, but not exclusively.
- 3.1.3 Female employment created needs that helped boost economic development. As women went out to work, couples bought themselves household electrical appliances and a second car; they bought ready meals; children and parents ate out; families needed services and care homes for invalids, people with disabilities and elderly people, who had previously been looked after by housewives; and children needed looking after before and after school. With two salaries, couples were able to purchase a home, enjoy cultural activities, travel, etc. Jobs were thus created in industry (domestic appliances, cars and food), mass catering, health and social care, the extra-curricular activity and pre-school sector, and in education, as well as in construction, tourism, leisure, culture, passenger transport, etc.
- 3.1.4 Over the last forty years, this trend, which has transformed domestic work into jobs, has been a driver of growth. But is this genuine growth – or merely a reflection of the method used to calculate it? The economy takes no account of domestic and family work, which is, nonetheless, necessary for society to function. This makes one wonder about the way growth is calculated.

3.2 **Gender equality and growth – facts and observations**

- 3.2.1 According to an EU analysis note⁵, the contribution of gender equality to the economy should not be measured purely in terms of the profitability of businesses. It is a productive investment that contributes to overall economic progress, growth and employment. Gender equality can contribute to development 1) through increased female labour market participation, which means that better use is made of the investment put in to their education and training; 2) through greater economic independence; 3) through the integration of women into the fiscal system, thus contributing to the welfare state.
- 3.2.2 Despite the economic contribution being regarded as wider than the business approach and diversity management at the company level, there is some evidence of positive economic outcomes associated with the business approach. Companies with more women on the boards are more profitable.

⁵ Analysis Note: the Economic Case for Gender Equality, Mark Smith and Francesca Bettio - financed by and prepared for the use of the European Commission, DG EMPL.

- 3.2.3 Equality policies can be seen as an effective investment in human resources. Even if the aims of economic development are limited to economic growth, from an investment perspective equality policies have the potential for a positive impact on individuals, firms, regions and nations. The more effective use of women with higher levels of education has also potential economic benefits.
- 3.2.4 A greater economic independence of women has benefits through their contribution as consumers of goods and services in the economy and the purchasing power of households. The economic contribution of women should be more recognised in the economic policies at national, regional and local level.

3.3 **Current situation**

- 3.3.1 At a time when the economic and environmental crises are raising the question of what type of development is desirable, some voices are questioning the use of GDP as the sole indicator of growth. Other indicators should be considered⁶.
- 3.3.2 Whatever indicators one uses, the situation of women remains unequal, and this has a cost for society. Governments invest the same amount in education for boys as for girls – yet 60% of graduates from European universities are girls. It is not logical that countries do not then do more to support women in the labour market. Equal public spending on education for both sexes should enable women to attain the same levels of responsibility and pay as men. Women should take advantage of the changes currently under way to acquire the new skills needed for new jobs. However the contributions of women, their high education and their potential to address the future labour market needs remain undervalued and unrecognised.
- 3.3.3 Combating gender inequality is not just a moral issue: it is also a matter of better managing human resources. A larger number of women in employment will create more wealth and consume more goods and services, and will help to increase tax receipts. Mixed teams in the workplace give more potential for innovation. Giving couples the means to fulfil their desire to have a child by enabling parents to keep their jobs is a way of combating the demographic deficit. If Europe wants to invest in people, it must first address the disadvantages women suffer⁷.

⁶ For example, the indicators used by the UNDP (United Nations Development Programme): the Human Development Index (HDI), which classifies countries according to the average of three indicators: GDP per capita, life expectancy at birth and the level of education; the GDI (gender-related development index), which makes it possible to assess differences between the situation of men and that of women; and the GEM (Gender Empowerment Measure), an indicator of participation by women in political and economic life.

⁷ COM(2009) 77 final: "The Member States with the highest birth rates are currently those which have also done the most to improve work-life balance for parents, and which have a high rate of female employment."

3.3.4 Women's development potential is held back in particular by:

- the unequal sharing of family responsibilities (children, invalids, elderly parents, housework, etc)
- the insufficient (in terms of both quantity and quality) public childcare facilities for pre-school children, along with alternative childcare facilities, that are affordable for all
- stereotypes
- the horizontal and vertical segregation of the labour market
- segregation in terms of school and university guidance
- the failure to recognise their qualifications and the skills used in many occupations
- involuntary part-time work
- and insecure employment
- informal employment
- low pay
- the gender pay gap⁸
- violence and harassment of a sexual nature and/or on grounds of gender
- the unduly low number of women with responsibilities in business and politics
- unfavourable conditions for female entrepreneurs, inadequate support for business start-ups and transfers, and limited access to financing
- retrograde steps brought about by some communities
- the lack of role models
- themselves – women do not promote themselves in the same way men do. (They hesitate at applying for positions of responsibility, lack self confidence, do not network, or associate themselves with opportunities and are unwilling to challenge discrimination.)

3.3.5 Focusing efforts on the conditions whereby women can enter the labour market and stay there, and closing the pay gap between men and women, promises more growth and better jobs, a means of preventing poverty, and a reduction in the cost of dealing with the consequences of social breakdown. Poverty in Europe can mainly be found among single women with children⁹.

3.3.6 In the past, the division of tasks was such that the man earned an income that financed the family-related, social and domestic work done by his wife. When couples have two salaries, they do not devote one of them to financing services to carry out work that the housewife used to do, but instead prioritise the consumption of goods.

⁸ See the Commission's excellent campaign "Equal pay for work of equal value", <http://ec.europa.eu/equalpay>.

⁹ COM(2009) 77 final: "[...]women are more [at] risk of falling into poverty, especially for single parents, who in most cases are women (the at-risk-of-poverty rate is 32%)".

- 3.3.7 The unpaid work done by housewives was priceless, but when it becomes paid work, it has a cost that users are unwilling or unable to pay. Child minders, home helps and domestic cleaners are paid the lowest wages and work part-time for multiple employers (they are employed by private individuals for a few hours a week) and often in the informal economy. Domestic work is the largest sector of undeclared work in Europe.
- 3.3.8 Parents entrust that which is most precious to them, their baby, to people who earn much less than average, though they would like them to have a high level of skills. Similarly, cleaners are trusted with the key to people's homes, yet are not paid a salary that reflects that trust. It is difficult to get these skills recognised, because families consider tasks that they can do themselves to be "easy". Yet, whilst looking after one's own children is not a profession, looking after other people's is (knowledge of psychology, dietetics and hygiene; concentration; a listening ear; attention; constant watchfulness, etc.). The required skills, often considered "naturally" feminine and therefore overlooked in the "professional" sphere, are usually passed on informally within the family rather than taught in school.

4. **Specific comments**

- 4.1 The march towards gender equality may continue to create growth and employment:
- because the female employment rate may rise, which will create additional needs for services;
 - because women's salaries may be reassessed, which will increase spending power, the ability to consume and tax receipts;
 - because women will be able to occupy more political and decision-making positions, which will have a positive impact on the performance of businesses and institutions;
 - because more female entrepreneurs will add value and financial contributions to the economy through innovation and job creation.
- 4.2 As there is no point in repeating what other EU documents have already said, the EESC will limit its proposals to a few avenues that have not been explored as much as others.
- 4.2.1 **Tackling job segregation**
- 4.2.1.1 The main obstacle to gender equality is currently job segregation. There are "male" and "female" professions. Salaries in female-dominated professions are often lower, and involuntary part-time work more widespread.
- 4.2.1.2 For as long as a profession is restricted to one gender, stereotypes will be associated with it. It has now been proven that men and women can do any kind of job. Women are now becoming dominant in professions that have traditionally been the preserve of men (such as those of teacher, judge and GP). Why is it so difficult to establish gender balance in employment?

More research is needed in this area to tackle job segregation and promote gender balance. This will also alleviate the labour shortages from which some sectors suffer.

4.2.1.3 The obstacles to gender balance in jobs and functions are unintentional and have to do with perceptions. They have their roots in the education system, where boys and girls choose different careers. Parents and teachers need to be made more aware of the consequences of the career choices young people make. Management and union representatives who negotiate wage structures, which determine a hierarchy of skills during pay negotiations, have a key role, which means that they need to understand the value of the skills learned in the domestic and family sphere. Gender balance is also lacking in leadership roles. Steps must be taken to foster greater gender balance in large businesses and the senior civil service.

4.2.2 **Upskilling and professionalising jobs in services to individuals**

4.2.2.1 Jobs in services to individuals need to become real professions with recognised skills, training, qualifications, and career progression. To move away from the individual relationship between families and home helps, businesses and public bodies providing services to individuals should be created. Families should no longer be employers, but clients or users, who buy or receive a number of hours of cleaning, care for an elderly person, childminding, scholastic assistance, etc. Action is needed to roll out a system that already exists in a number of European countries, whereby the employing business or public body is responsible for the safety and security of property and people and must check the qualifications of staff sent to people's homes. Said staff thus have a single employer, are paid for the journey time between two homes and have access to vocational training and applicable collective guarantees. A European frame of reference for home help services should be drawn up, including the psychological dimensions of these roles (trust, empathy, attention, listening, watchfulness, etc.), the necessary skills (dietetics, impact of products used on health and the environment, etc.) and not only the material and technical aspects of domestic work.

4.2.2.2 The recognition of qualifications will increase the cost of such services, which are already unaffordable for most families. Public financing and contributions from businesses – in cases where this is part of the business-level agreements – could make these services more affordable for all.

4.2.2.3 Professionalising jobs in services to individuals and improving salaries will make it possible to develop gender balance in the sector. Once men want to work as cleaners, childminders and home helps, a big step towards gender equality will have been taken.

4.2.3 **Better sharing family responsibilities**

4.2.3.1 Fathers spend less time than mothers on domestic and family tasks. Raising fathers' awareness of the importance of their role vis-à-vis their children, and encouraging men to take responsibility for their elderly parents and for those in the family who are sick, is a prerequisite for equality.

4.2.4 **Early-years childcare**

4.2.4.1 Developing early-years childcare should be seen not as a cost but as an investment. According to Gösta Esping-Andersen¹⁰, in the long term, working mothers pay back the subsidy "thanks to the increase in their lifetime earnings and the taxes they pay". This revenue reimburses the initial public subsidy and has a beneficial impact on the child that attends a crèche. Such investments could also help mitigate Europe's demographic decline.

4.2.5 **Developing the provision of services**

Equality can be boosted by developing services that can free women from domestic and family tasks, thus better enabling them to take up stable, full-time, skilled jobs. Developing these services (early-years childcare; extra-curricular activities; care for elderly people and those with disabilities; domestic work; ironing, etc.) means creating jobs.

4.2.5.1 Developing these services also means funding them collectively (State, businesses, customers)¹¹. Some recent company-level agreements offer such services to staff as an alternative to pay rises. Offering services that help to improve work-life balance is part of corporate social responsibility.

4.2.6 **Provision of time credit**

4.2.6.1 Services alone are not sufficient to reconcile work and family life. Bringing up and educating children takes time over part of one's life. Although part-time work, where chosen, can help family carers better reconcile their professional, family and private life, this must not make women less secure in their jobs, and in their lives, particularly when they are heads of family, or discourage fathers from devoting time to family life. Both parents need to be able to look after their children.

¹⁰ Three lessons on the Welfare State, Paris, Le Seuil, 2008.

¹¹ The example of "chèque-emploi-service", a scheme in France whereby these services are part funded through tax deduction, is an interesting avenue. It has had a positive impact in combating informal work in this sector. The system was the result of an agreement between the banks, central government and social insurance schemes, under which banks issue special cheque books for the payment of domestic services. The aim is to eliminate undeclared work and to make it easier for private individuals who are employers to comply with social security and tax declaration requirements.

4.2.6.2 Other members of the family need time: those whose life is coming to an end, people who are sick, elderly parents. At a time when pensions are being reformed at all levels, we need to move away from the notion that life is divided into three segments: studies, work and retirement. Everyone needs to be able to study throughout his or her life and to have a sufficient number of years of time credit for family, social, voluntary, political and civic activities. It should be possible for people to choose to put back their retirement age if they prefer to take time out (financed in the same way as retirement) during their working lives.

4.2.7 **Increasing the number of women in management positions**

4.2.7.1 Women are under-represented in all forms of leadership positions: political leadership, the senior civil service and corporate boardrooms. At the same time, the companies where women are most strongly represented at board level are also the companies that perform best financially. Women set up fewer businesses and are less likely to head companies. Men are under-represented in the family circle and are less likely to take parental leave.

4.2.7.2 Women who have succeeded in male-dominated environments could mentor women who aspire to the same career. Binding measures may be necessary: big public-sector institutions and large private enterprises should act to ensure that a significant number of their management positions are held by women.

4.2.8 **Support for women as entrepreneurs**

Women considering entrepreneurship or running a business in the EU face many difficulties setting up and running businesses as they are unfamiliar with the world of business, types of business and sectors, and because of the lack of information, the lack of contacts and networks, stereotypes, the inadequacy and lack of flexibility of children's services, the difficulty of reconciling business and family duties, and the different ways in which men and women perceive entrepreneurship. The EU roadmap for equality between women and men identified steps to be taken to support entrepreneurship among women, to help them to start their own business or take on an existing one, to receive information appropriate to entrepreneurs and to facilitate their access to finance.

4.2.9 **The role of the social partners**

In 2005, bearing in mind that the causes of inequality that persist in the labour market are complex and inter-related, the social partners adopted – as part of their first common work programme – a gender equality action framework that focused on four areas: addressing gender roles, promoting women in the decision-making processes, supporting work/life balance and reducing the pay gap.

Brussels, 1 October 2009.

The President
of the
European Economic and Social Committee

Mario Sepi
