



13 March 2009

PANEL DISCUSSION “INNOVATION IN THE BOARDROOMS – PROMOTING WOMEN’S ACCESS TO DECISION-MAKING”

**EESC, rue Belliard 99 (room JDE62)
13 March 2009, 12.00 – 13.00**

ADDRESS BY THÉRÈSE DE LIEDEKERKE, MANAGING DIRECTOR OF BUSINESSEUROPE

Thank you firstly for inviting BUSINESSEUROPE to this interesting debate.

The issue at stake is an important one even though we are currently going through difficult and testing times. The crisis however should not lead us to lose sight of the long-term challenges facing Europe.

Up to 2008, there have been many encouraging signs regarding the position of women on European labour markets.

- Employment rates for women have risen from 52% in 1998 to over 59% in 2008 (*Eurostat*) – almost achieving the Lisbon target for 2010. The effects of the crisis are undoubtedly mitigating this progress, but we can nonetheless say that things have been moving in the right direction, and must continue to do so when the recovery is underway.
- The proportion of women managers has risen to about a third in Europe. We have also seen progress at EU level with higher representation of women (Commission, EP) in line with this figure. Government statistics at national level (MPs, ministers) show that there is still a bit of progress needed in some countries (< 30%).

However, we can also take stock of some areas where room for improvement is needed.

- For example, the proportion of female entrepreneurs has remained stable (9.7%), in spite of a range of incentive schemes deployed in many Member States (support for start-ups, funding, training, mentoring, information, etc).
- This is partly linked to so-called gender stereotyping and the prevailing high proportions of women working in public services (*2008: 70% of schoolteachers are women*).
- Looking at educational choices, there continue to be large differences in the fields of women and men, notably with a smaller proportion of women completing science and engineering programmes (2005: Men 44%, women 14%). This illustrates one of the key factors behind labour market segmentation that we see in Europe.



In the longer-term context of demographic ageing and increasing dependency ratios, the proportion of women who become and remain active on labour markets needs to increase (*beyond Lisbon: 60%*). Allowing women and men to combine professional and family responsibilities is probably the most important element to tackling this challenge.

Even though there is a general trend of narrowing gaps between women and men in employment and education, women's difficulties in reconciling family responsibilities with employment persist.

However, we should not forget that progress has been achieved as, according to recent data of the Dublin Foundation, 80% of workers say they are satisfied with their work-life balance.

In terms of future actions, a one-size-fits-all regulatory approach from the EU level will not provide an adequate response to the challenge of the reconciliation of work, private and family life.

Companies play an important role in this balancing act as they want and need the best talent available, and being able to choose among the best men and women is an objective that we all share (*meritocracy*). We therefore strongly promote good company practice in diversity management, the principle of equal pay for work of equal value, and combating all forms of discrimination that may exist at the workplace.

Exchange of good practices have proven to be useful and targets defined by the European Council in Lisbon in 2000 and Barcelona in 2002 (*childcare provision for 90% children between 3 and mandatory school age, and for 33% children < 3*) are crucial. But the concrete actions to meet these targets have to be taken in Member States: at national, sectoral, regional and/or company levels. The focus of these actions may differ from country to country depending of the national situations and specific challenges to be met. For example in some countries, more effort might be necessary to expand the availability of childcare facilities whereas in others, priority might be given to alleviating constraints on the use of flexible forms of work.

NB Qualitative Lisbon target: removing disincentives for female labour force participation, further equal opportunities.

EUROPEAN SOCIAL PARTNERS' WORK

Social partners have without any doubt an important role to play in allowing men and women to balance their work and family life. Cooperation with public authorities is also crucial, especially to promote campaigns and educational programmes aiming at a change in mentalities regarding gender roles and the participation of women in labour markets.

European social partners have tackled and continue to tackle the issue of gender equality from different angles, in the remits of their competences. The main example of



their joint work is their Framework of Actions on Gender Equality of 2005 that has established 4 priorities:

1. Addressing gender roles
- 2. Promoting women in decision making**
3. Supporting work-life balance
4. Tackling the gender pay gap

Even though all 4 priorities contribute directly or indirectly to promoting women's access to decision-making, I will focus on this aspect due to time constraints.

The Framework of Actions recognises that social partners have a clear joint responsibility to ensure that the overall working environment supports a more balanced participation of women and men in decision-making (*2005: 30% managers, 10% Board of Directors, 3% CEO's*).

Employers regard the promotion of women in decision-making as an investment for a more productive and stimulating working environment for better economic performance: releasing the untapped potential of women.

Promoting women's role in the social dialogue on both sides is also a key objective, notably in collective bargaining committees and units.

Bearing in mind that the causes of inequalities on labour markets are complex, European social partners have adopted a joint approach where finding appropriate solutions requires integrated strategies. This particularly includes actions at different levels to desegregate labour markets (both in occupational and vertical terms) in a manner that addresses gender roles in society, while tackling barriers for better compatibility of work and family life for men and women.

The member organisations of BUSINESSEUROPE, UEAPME, CEEP and ETUC committed to take actions during three years (2006-2008) and to report annually on what has been done in their countries.

Other examples of relevant joint work undertaken by European social partners include:

- We have concluded agreements to promote flexible forms of work that can facilitate reconciliation (agreements on telework *2002* and part-time work *1997*).
- Last year, we submitted a progress report to the Tripartite Social Summit on our views regarding the progress made by the EU Member States in promoting better reconciliation of professional, private and family life during the last ten years. We also indicated how best to further promote reconciliation in Europe. We sent a joint letter on childcare to Commissioner Spidla last year and to the Czech EU Presidency earlier this year.



- Last but not least: we have recently negotiated a revision of our framework agreement on parental leave (of 1996).

GENDER PAY GAP

Europe 2008: 17.4 % (based on hourly gross earnings). *EC is currently running campaign on equal pay and assessing whether EU legislation is needed / desirable.*

Gender discrimination on the labour market is not acceptable and should be combated. BUSINESSEUROPE is actively committed to eliminating discrimination in workplaces.

EU legislation to ban discrimination exists and is acceptable – it is a good way to tackle the problem but does not mean that differences in pay will disappear.

Differences in pay are principally attributed to productivity and competences, and less directly to experience and knowledge gained on the job. When there are differences in pay related to these objective factors, they are legitimate.

When comparing two individuals in a workplace setting, with similar and comparable competences and experience, and there is a clear subjective difference in favour of one, this can be discrimination and this is the phenomenon that deserves most attention.

Discrimination is not the chief cause for the pay gap – gender segmentation on the labour market is the main cause. We therefore need to address the reasons behind segmentation – notably education and training choices and female underrepresentation in male-dominated professions that are better paid (science and technology-intensive).

This also highlights the need to strive for more flexible forms of work – rather than the tendency towards extended work breaks where career progress can be interrupted to the detriment of the individual.

Of the national studies made on average pay levels at enterprise level, there are only a very small proportion of % points that cannot be explained by objective factors. This is a complex issue that should not automatically lead to the conclusion that women are paid less than men, for work of equal value, nor that opportunities for women to accede to higher paid jobs are being restricted. There are many factors at play:

- Lower proportion of women choosing to pursue careers throughout working lives;
- Higher proportion of women opting to work part-time;
- Existing occupational structures

Many of these factors relate to how families currently choose to achieve a balance in the reconciliation of private a professional life.

It is therefore due to a combination of objective legal, social and economic factors



BACKGROUND POINTS (RECONCILIATION)

BUSINESSEUROPE, and the other social partners for that matter, insist on **5 key points** to address and counter barriers to women's participation and advancement on labour markets:

1) MIX OF POLICY MEASURES:

In order to boost work-life balance and at the same time have a positive impact on the segregation of labour markets, a mix of policy measures is necessary. The improvement of the availability of care facilities, of take-up of leave arrangements and the promotion of flexible forms of work should be put at the same level of priority.

2) SUPPLY OF CARE FACILITIES:

The supply of care facilities plays a crucial role: Quality childcare facilities have enabled an increasing number of women to enter the labour market and to work full time. This is the main reason for the high employment rates of women in the Nordic countries for example. On the contrary, in some European countries the lack of care infrastructure is the greatest hinder for women's and men's equal participation in the labour market, for example in Spain. Allowing women to return on the labour market after having given birth is instrumental in the fight against labour market segregation and the gender pay gap.

3) ADDRESSING GENDER STEREOTYPES AND DIVERSITY MANAGEMENT

Also a key objective of reconciliation policies, it needs to be addressed in Member States, through the promotion of a culture of equality and the fight against stereotypes.

More generally, a lot remains to be done to fight, from an early age, the segregation of our labour markets in Europe. Education initiatives must be taken from an early age in schools to encourage girls and boys to take unbiased decisions regarding their studies and career choices, their career development as well as the way they will share family responsibilities. For example, in Germany or Austria, companies organise regularly "girl days" to raise awareness about the career prospects of engineering professions for women and encourage them to take up scientific studies.

4) FLEXIBLE WORK OPTIONS:

At work, workers with caring responsibilities are also more and more demanders of flexible work options. It is therefore important to engage into discussions on flexible work at the level of the company, where the needs of employees and the enterprise can best be identified.

Companies do what they can to meet the demands of their employees. However, this is not always easy taking into account company needs, team needs or customer demands.



5) LEAVE ARRANGEMENTS:

Leave arrangements: Maternity leave, parental leave, paternity leave, adoption leave, leave for urgent family reasons or to care for a dependent family member ... a huge diversity of arrangements exist. Some of them stemming from EU regulations.

At EU level, the Commission is proposing new EU legislation on the need to extend or revise some of these leaves, notably maternity leave. BUSINESSEUROPE is firmly against additional legislation at EU level. And this for the following reasons:

- It would lead to additional costs for companies *in several countries*, which we now more than ever need to avoid;
- It will add to further strain on health insurance / social security systems;
- In some countries, certain types of leaves are more extensive than others, and the combination of possibilities for leave complement one another. Revising maternity leave in isolation would damage this balance in member states.

- Several of its more technical provisions are badly-conceived and will harm companies' competitiveness such as the prohibition of all preparations for dismissal. This goes too far!

We must not fall into the trap of thinking that granting more leaves could be a panacea for the lack of care supply. Indeed, that would go contrary to the objectives the European Union is pursuing in the framework of its growth and jobs strategy. It would be detrimental to the goals of rising employment rates and of reaching financial sustainability of social security schemes.
