



8 October 2010

**COFACE EUROPEAN FAMILY CONFERENCE
15 OCTOBER 2010
JØRGEN RØNNEST, BUSINESSEUROPE**

Stakeholders Panel session

I am very pleased for the opportunity to share with you our views on work-life balance, both from the perspective of the labour market and meeting the needs of families.

Reconciliation of personal and professional life is one of the most challenging policy priorities across EU Member States.

Ensuring that women and men can more easily remain active on the labour market while having children, has been approached in many different ways.

The sheer diversity of measures and leave arrangements in European countries clearly shows that there are very different solutions to tackle this issue.

The timing of this discussion is also relevant because the crisis has hit women and men alike. At the moment, we have to remain optimistic that the momentum for economic growth will pick up.

In general, and even before the crisis, it has been evident that further progress is possible to make better use of talent available on the labour market.

In 2009, European Social Partners addressed this issue by negotiating an autonomous framework agreement on 'Inclusive Labour Markets' with this objective in mind.

If we look at things from the gender equality perspective, a positive sign is that the EU's employment rate for women grew by over 5 % between 2000 and 2009 (to 62.5%).

Of the overall increase in employment during this period, almost 80% is accounted for by women. While this is encouraging, it is also clear that we need more female entrepreneurs and managers in Europe. This is an ongoing challenge.

Demography and employment rates (Europe2020)

But the context is also changing, mainly because of demography.

We have fully welcomed the Europe2020 employment rate target of 75 %. Taking into account demographic forecasts across the EU, in conjunction with the resulting increase in dependency ratios, it is clear that employment rates need to rise.



This means that additional measures might be needed to improve further work-life balance. However, such solutions need to be found at national level. They need to be tailored to local needs and circumstances.

Leave arrangements

It is especially important now to emphasise this. I can give 2 examples why:

- 1) In 2009, European social partners revised their Framework Agreement on parental leave, which has now been transposed into an EU Directive.

It respects the Member States' prerogative to decide on and set the level of compensation.

It recognises that there are increasingly diverse family structures.

It also includes an extra month of non-transferrable leave, therefore encouraging a better sharing of responsibilities among parents, but in a voluntary manner.

Ultimately, it provides incentives for better work-life balance while leaving the important choices and flexibility to national authorities and to parents themselves.

- 2) On maternity leave, the Commission has proposed an extension of the minimum statutory leave across the EU from 14 to 18 weeks. The European Parliament has gone much further, calling for 20 weeks + 2 weeks paternity leave, all on full pay.

As such, this is not an appropriate measure for legislation at EU level. It would be very costly for most countries (*over € 6 billion annually for 9 countries alone*) including those having serious problems with public finances. It can therefore be detrimental to reaching sustainability of social security systems.

It can end up undermining existing systems where there is a mix of complementary leave arrangements that are designed to improve work life balance and to encourage women to return to work after childbirth (i.e. in Germany).

It can also be detrimental to women's prospects on the labour market.

European social partners' activities

Bearing in mind that the causes of inequalities on labour markets are complex, European social partners have adopted an approach where finding appropriate solutions requires integrated strategies. This particularly includes actions at different levels to desegregate labour markets while tackling barriers for better compatibility of work and family life for men and women.

European social partners adopted in 2005 their Framework of Actions on Gender Equality, with 4 integrated priorities:

- i) Addressing gender roles;
- ii) Promoting women in decision making;
- iii) Supporting work-life balance; and
- iv) Tackling the gender pay gap.



Member organisations of European social partners committed to take actions during 4 years (2005-2009) and to report annually on what has been done in their countries. The reports provide a wealth of material and examples of good practice addressing the four priorities.

In 2008, European social partners provided a joint evaluation of the progress made by Member States in promoting work-life balance.

In 2008 they also supported the implementation of the Barcelona objectives on childcare. They stressed that there is still a significant gap between supply and demand of quality, accessible and affordable childcare infrastructures. This can act as a disincentive to work for many potential second earners in couple families as well as for single parents.

This is why BUSINESSEUROPE fully welcomes the action in the new strategy for equality between women and men 2010-2015, on childcare.

Working time and contractual arrangements

However, BUSINESSEUROPE is concerned about negative depictions of part-time work and its association with precariousness or 'atypical' forms of work, as portrayed in the new strategy.

European social partners have also contributed by concluding agreements to promote flexible forms of work that can facilitate reconciliation (*agreements on telework in 2002 and part-time work in 1997*).

Flexible working practices are a key element of flexicurity. Such practices are designed to support individuals, in organising their working time. At the same time, they offer companies the flexibility to adapt working patterns.

Businesses need to be able to develop new approaches to workforce management, if they are to respond to technological changes and global competition.

The main objective is to become more adaptable to changes in the market and to enhance productivity. Working time and contractual flexibility is crucial in this respect.

Companies are committed to providing a work environment which helps employees to successfully balance their work and family life and to enhance their productivity.

Part-time and fixed-term forms of work are therefore very important, both for businesses and for workers.

A flexible work organisation (including regarding working time) can help workers in reconciling work and family life, helping them to adapt their working time to individual needs. This aspect should be recognised.

Part-time workers benefit from extensive protection through legislation and collective agreements. Recent OECD evidence shows that in general, part-time jobs also tend to have more family-friendly working hours, better working conditions and less stress. The spread of part-time work in many countries has not led to worsening job quality.



Moreover, the situation has changed for individual workers. The need to reconcile work and family life has resulted in a preference for more working time flexibility. The vast majority of part-time workers are satisfied with this form of flexibility. According to Eurostat, 75% of them across the EU choose to work part-time.

According to Eurostat in 2007 nearly 70% of men and women found weekend work convenient for their personal life. This is another example of the importance of flexibility in adapting to a wide variety of personal preferences.

Workers have benefited from companies introducing flexible working arrangements, for example part-time work, career breaks, flexitime and time-credit schemes. One example, often used at company level, is a compressed/flexible working week.

Such schemes allow full-time employees to schedule their working week more autonomously, providing many with a choice on how to divide their hours on a weekly basis.

Conclusion

It is paramount to emphasise that achieving greater degree of inclusiveness in the workforce works as much in the interests of business as for employees.

In this regard business should be encouraged to implement actions and initiatives in a voluntary manner according to their characteristics and context.

Such is the diversity of practices and circumstances when comparing Member States that no one-size-fits-all approach would be appropriate at EU-level.

BUSINESSEUROPE also strongly believes that further legislation at European level on equal opportunities is not needed to complement the already substantial body of law.

The debate on work-life balance is not new. But the recent initiatives from the social partners as well as from public authorities on family policies, flexicurity etc give a new impetus to the debate. This is especially true when considering demographic projections.

In this sense the opportunity given to us by this event is timely and fruitful for future actions.
