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Equal Opportunities Commission

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**Response to Commission of the European Communities**

**Green Paper**  
**“Confronting demographic change:  
A new solidarity between generations”**

**October 2005**

## **EOC response to EU Green Paper *Confronting demographic change: a new solidarity between the generations***

The Equal Opportunities Commission (EOC) welcomes the European Union Green Paper on demography. There is a striking degree of similarity in the challenges facing European countries as they confront the consequences of demographic change, so it is very helpful to discuss and exchange information and consider a strategic response at EU level.

The EOC's role is to promote equality generally between women and men, and to enforce the Sex Discrimination and Equal Pay Acts in England, Scotland and Wales. We therefore have a keen interest in the issues covered by the Green Paper, almost all of which involve matters in which sex equality is central. Promoting gender equality must become a central part of the EU strategy for tackling demographic change – failure to do so is likely to intensify the trends contributing to the falling birth rates and crisis in care services.

### **Key messages:**

To meet the challenge of demographic change, the EOC calls for:

- Gender equality to underpin the European strategy for tackling the demographic challenge;
- A more equal sharing of caring roles between women and men, and between individuals and society;
- More flexibility in work over the life cycle, to allow part-time and flexible work patterns, career change and advancement later on in the working life;
- State investment in services to support parents and carers; in particular, development of comprehensive childcare and social care services;
- Changes in pensions policy to ensure an adequate income in retirement for people with caring and parenting responsibilities and to enable those who choose to continue working after their state retirement age.

These are issues are considered more fully below.

### **Gender equality must underpin the EU strategy for tackling the demographic challenge**

European research suggests that up to one third of Europeans do not have as many children as they would ideally like. Removing barriers that discourage people from having more children is one way of addressing the declining birth rate. It is clear from international comparisons that those countries that have invested in services and adopted measures to encourage gender equality, so that mothers are able to combine motherhood with paid work, are managing to sustain reasonable birth-rates. Conversely, countries that have relatively low levels of public spending or measures to support parents, or which adopt policies based on traditional gender roles, are experiencing much lower birth rates. **Any EU strategy should therefore have at its centre, a commitment to gender equality, as this is the only approach likely to yield significant improvements in birth rates.**

A gender equality approach must guarantee

- choice – so women are able to freely choose whether (or not) to have children, or whether (or not) to take on caring responsibilities;
- opportunities for mothers and fathers to combine parenthood with a working life;
- opportunities for men to share the day to day responsibility for looking after a child with the mother;
- action to change cultural attitudes towards gender roles;
- Government investment in childcare and care services.

### **More equal sharing of caring roles**

Historically, responsibility for the upbringing of children and other family caring has been undertaken by women on an unpaid basis. Women's movement into the workplace means this is simply not feasible now, and new measures are needed to promote more equal sharing of roles between women and men, and between society and individuals.

In Britain, more than half of all mothers of young children aged under five are in paid work, compared with just 30% 25 years ago. Yet Britain has very unequal parenting arrangements – mothers are entitled to one year's paid and unpaid maternity leave, whereas fathers are entitled to just two weeks' paid paternity leave. Each parent is also eligible for 13 weeks' parental leave, but because this is unpaid, only 4% of fathers and mothers use this form of leave in Britain.

The British Government is planning to extend the period of paid maternity leave from 6 to 9 months and eventually to one year, possibly with an option for mothers to transfer some of their paid leave to the father. Whilst any new step to enable mothers to transfer leave would be welcome, it still leaves responsibility first and foremost with the mother, and its name, transferable maternity leave, is unlikely to encourage fathers to use this option.

EOC commissioned surveys of mothers and fathers of young babies, shows that British parents are keen to share responsibility for looking after their baby. Half of all mothers would like their partner to be more involved in childcare, and 8 in 10 mothers agreed that their partner was as confident as they were when looking after their children<sup>1</sup>. Seven out of 10 fathers said that they would like to be more involved in the care of their child, and 8 out of 10 of all fathers said they would be happy to stay and care for their child on their own<sup>2</sup>. **The EOC is therefore pressing for a new entitlement to shared parental leave so that fathers and mothers can decide between them how to arrange care and work commitments after the first six months of maternity leave.**

**We would like to see the European Union encourage member states to develop more gender-equal parenting policies and to take active measures to promote father take-up of parental leave.** Other measures that would help promote a more equal sharing of parenting roles between women and men include:

- Tackling the long working hours culture, which in Britain particularly affects fathers;
- Moving away from parental policies based upon the model of one parent who cares and one worker, to a more flexible model in which there is recognition that both parents have caring and working roles;
- Encouraging culture change so that employers become accepting of the need of men to take leave as fathers. Our evidence shows men want to take a bigger role in looking after their baby, but changes in the workplace will be needed to facilitate this;
- Developing quality childcare for pre-school children, and out-of-school care for older children to give all parents the support they need to have a real choice about their working and caring roles. We are pleased to note that enormous progress has been made in England, Scotland and Wales to develop the childcare infrastructure and although more is needed, policy is moving in the right direction.

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<sup>1</sup> Yaxley D, Vinter L, Young V, 2005 Dads and their babies: The mothers' perspective, EOC Manchester

<sup>2</sup> Thompson M, Vinter L, Young V, 2005 Dads and their babies: leave arrangements in the first year. EOC Manchester

## **Flexibility in working lives**

### *Flexible and part-time work*

Future policy needs to be based upon a model of parenting in which it is recognised that both men and women have work and caring roles. A key factor will be the development of flexible employment policies so that over a working life, women and men are able to manage work and care roles as their family circumstances change. At present, most part-time jobs in Britain are confined to a narrow range of sectors and in low paid, low skilled work in, for example retail, cleaning and catering. They also tend to have less senior positions within organisations – only 4% were managers or senior officials<sup>3</sup>. The consequence is that the average hourly rate of pay earned by a woman working part-time is 40% less than the average hourly pay of a man working full-time. And productivity is seriously impaired because employers are failing to fully utilise the skills potential of part-time workers.

A survey of part-time workers undertaken for the EOC as part of its investigation found that, of those interviewed, over half (51%) said that they were previously in jobs that used higher level qualifications or skills, or involved more management supervision. This means that 3.6 million part-time workers in Britain feel that they are working under the potential they have already demonstrated in previous jobs and an additional 2 million believed they could easily work at a higher level. There is a hidden brain drain of 5.6 million part-time workers in Britain are working below their potential, one fifth of the working population<sup>4</sup>.

Opening up opportunities for part-time and flexible working in professional, managerial and senior job roles, across all employment sectors will be needed to enable women and men to combine work with caring, and to enable employers to recruit and retain staff. Britain has already taken an important first step in opening up flexible work options by requiring employers to seriously consider requests to work flexibly for parents of children aged under 6. **The EOC would like the right to request flexible working to be extended to parents of older children.**

The British Government is planning to introduce a new right for employees with caring responsibilities for disabled or frail elderly adults to request flexible working. This will be an important first step in recognising the needs of carers in the workplace. It will also help facilitate understanding across generations if caring for older people begins to attract similar levels of support as parenting. There are 4.4 million carers of working age in the UK, of whom 58% are women and 42% are men. About 1 in 6 women working part time, and 1 in 8 women working full time in the UK are carers, and 1 in 8 men working part time and just under 1 in 10 men working full time are carers. **Further legislation may be needed in future, for example to enable carers to take a period of leave from employment to look after someone with a terminal illness.**

Flexible and part-time work is not only of benefit to people with parenting and caring responsibilities. It is already widely used by young adults when training, or to gain work experience before moving into full-time jobs, and by older adults in the approach to retirement and beyond. Almost two fifths (19%) of part-time workers in Britain are aged 16-24, and 23% are aged over 55. For those working over the age of 65, 89% of women and 69% of men work part-time. As the population ages, we envisage that demand for more flexible working will increase. **The EOC is therefore calling for legislation to enable all employees to have a right to request flexible working.** We therefore support initiatives in the framework of the Working Time Directive and the Recast Directive to enable this. In addition to extending opportunities for part-time and flexible working, steps are needed to widen career progression across the working life. At present, career

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<sup>3</sup> Britain's hidden Brain Drain – Final report of EOC investigation into flexible and part-time working. EOC 2005.

<sup>4</sup> *ibid*

advancement is concentrated in the early and middle years of adulthood in Britain. At the same time, there is a growing trend toward later pregnancy, and one of the factors believed to be influencing women to have children when they are older is the need to secure career advancement first. If there was a reasonable prospect of career opportunities later in working life, this might give women more confidence about choosing to have children at a younger age.

As the average age of the working population rises, employers will need to adjust their employment practices to make better use of older workers. At present, employers are often reluctant to recruit or promote older workers, and this is one reason why people who lose employment after the age of 50 have more difficulty than younger people in finding work. The EOC therefore welcomes the new law to outlaw discrimination on grounds of age, which will take effect in Britain from October 2006.

**The EOC believes there is a role here for the EU to encourage Member States and the social partners to develop more flexible employment patterns, encourage career progression at later ages, and to ensure compliance with age discrimination legislation.**

Younger people also face difficulties in the transition to employment, and we welcome the emphasis in the Green Paper to assist young people. One of the EOC's concerns is that young men and women continue to enter traditionally male or female areas of employment despite the interest of many young people and employers in opening up 'non-traditional work' to the opposite sex. **The EOC would like to see more active measures by Government and other agencies to open up non-traditional areas of work to young women and men.**

Measures to ease the transition to employment are also needed for women and men who have been out of the labour market while caring for children or disabled or elderly relatives or friends. Historically, support in Britain has been available to assist the unemployed (though not necessarily soon enough), and young people, and recent initiatives focussing on lone parents and people claiming incapacity benefits have helped increase employment rates for these groups, but there has been insufficient support for carers and mothers wanting to return to the workplace. **The EOC would like to see more help with job search and training for mothers and carers who are seeking to return to the labour market after a period of being full-time parents or carers.**

### **Investment in services to support parents and carers**

#### *Childcare*

Good progress is being made in England, Scotland and Wales to build a national childcare infrastructure. Assistance with the costs of childcare is available for lower income parents, and changes have been made to the tax rules to create incentives for employers to offer childcare vouchers. However, these forms of support are not available to unemployed parents or lone parents receiving benefits who may wish to return to employment. **More assistance is needed to provide for the childcare needs of those seeking work.**

#### *Care services*

People with disabilities or who are becoming frail in older age require care and personal support services. The majority of care in Britain is undertaken by family and friends on an unpaid basis, often at enormous cost to the carer in terms of employment opportunities and financial well-being. As the population ages, it is expected that more people will have care responsibilities, rising from the current 6 million to 9 million within the next 30 years<sup>5</sup>. It is important to recognise the large gender disparity within the older population. In the UK, women form 59% of 75-84 year olds, and over three quarters (76.5%) of over 90 year olds; 73% of all people aged over 65, and 81% of

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<sup>5</sup> Carers UK estimate, Response to DTI Work and Families Consultation, 2005.

people aged 85 and over who live alone, and almost three quarters (74%) of all people aged 85 and over in England living with a chronic illness<sup>6</sup>.

Most carers want to give support and care to their relative or friend, but they also need financial support and care services including respite care so that they are able to continue in employment. More understanding is needed of the *type* of care services for older or disabled people that most effectively enables carers to be in paid work if they choose. **We therefore welcome the EU-funded project being led by Carers UK in Britain to investigate the care services and their impact on carers.**

Almost nine out of ten (88%) of care assistants and home carers in Britain are women, and an increasing number of migrant workers are employed in care work. Pay rates and skill levels are relatively low. Wider provision of services will require development of the care workforce, including better training and qualifications, opportunities for career progression and higher levels of pay. Inevitably this will involve higher Government spending but supporting carers will be a worthwhile investment. At present, unpaid carers provide an estimated £57 billion worth of care per year – the equivalent of UK spending on the NHS<sup>7</sup>. Around 70% of the care provided for disabled and older people is undertaken voluntarily by family and friends, and 30% by care workers. A 10% reduction in the amount of care provided by unpaid carers would increase public spending on health and social care by one third<sup>8</sup>.

Services also need to be responsive to the needs of Black and Minority Ethnic (BME) populations. A European-funded project led in Britain by PRIAE has identified the specific needs of older BME people, including difficulties accessing services, language barriers, and insensitivity to different religious and cultural norms. The failure of services to address the needs of BME groups means that older people in these communities have far less access to residential or day centres, or home based care. In consequence, women from some ethnic minority backgrounds are far less likely to be in employment than the general population.

### **Pensions - What can be done to reduce the inequality between men and women when they reach retirement age?**

Gender inequality above retirement age is stark in the UK, with significant differences in retirement income between men and women, for example women's income in retirement is only 57% that of men's and less than 16% of recently retired women are entitled to the full UK basic state pension on the basis of their own contribution record. This leads to women facing a far greater risk of poverty in retirement, and a far greater dependency on means tested benefits in retirement.

The reasons for this are clear, women's greater likelihood of taking time off from paid employment, or reducing hours of paid employment in order to care for others, including not only childcare but the care of the sick, older or disabled people. An aging population risks increasing this demand for unpaid care. Additionally whilst women are in paid employment, they are being paid far less than men, with full time women earning 18% less than men, and part time women earning only 40% of the hourly earnings full time men.

Pensions systems are based upon outmoded and irrelevant models of work and family patterns, with a male breadwinner and a dependent wife, which clearly no longer holds true for the majority.

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<sup>6</sup> Tomassini C, 2005 The demographic characteristics of the oldest old in the United Kingdom ONS

<sup>7</sup> Without us? Calculating the value of carers' support. Carers UK 2002

<sup>8</sup> Supporting Parents and Carers: The case for action. EOC 2004.

Increasing rates of divorce and cohabitation make depending on a husband's pension a risky strategy.

**The EOC proposes that pension policy, and in particular state pension policy should aim to:**

- **eradicate gender inequalities in measured poverty among pensioners; and**
- **reduce gender inequalities in income among pensioners, with particular emphasis on low earners and parents and carers.**

After careful consideration over a number of models, and their potential costs we believe that the best model to work towards achieving this must provide for:

(i) A universal basic level of state provision for all, based upon residency, either at the level of the current BSP or higher, with rises linking to earnings.

Income beyond this level, to take individuals beyond the poverty threshold, could then be delivered through:

- (ii) Strengthened supplementary state provision that would deliver adequate pensions for low earners, and those undertaking unpaid parenting and caring commitments.
- (iii) Private savings for those able to save, with a potential role for increased compulsion.

Parents and carers should be able to combine private savings with the state funded pension contributions gained whilst not working, ensuring individuals can continue with savings plans whilst not in paid employment. This system would provide a basic pension for everyone, with more for those who work and care, and would ensure that it always pays to save.

### **The EU role**

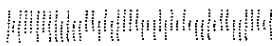
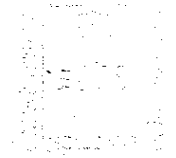
Given the enormity of the challenge of demographic change across all member states in Europe, there is clearly an important role for the EU. The EOC recommends this should involve:

- promoting dialogue and exchange of information across Europe
- promoting cross-national research of the costs and benefits of different national approaches to tackling the demographic issues, so that member states are able to benefit from the experience of others;
- introducing new Community instruments and Directives where applicable, based firmly on the principle of subsidiarity, to encourage Member States to adopt effective measures;
- Using the Structural Funds to support innovative projects on different aspects of the demographic issues, and wide communication of the outcomes of these;
- Promoting dialogue with employers, trade unions and Non Government Organisations so they are fully aware of the demographic challenges and the implications this has for employment and social policies. Dialogue is also crucial to ensure that measures recommended by the EU are workable from the employers' perspective and can promote, not harm, productivity and business efficiency.

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Green Paper on Demographic Change

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