

Comments by Malta on the German Country Report entitled “Women’s Return to Work after Family-Related Breaks in Employment.”

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Maltese women’s labour market participation

In Malta women's labour market participation is still low when compared to that of other European Union Member States. Recent statistics published by the National Statistics Office reveal that in the quarter April to June 2008 women's employment rate stood at 38.5% while that of men stood at 71.6%. Although this figure is still significantly lower than the EU Lisbon target that has set women's employment rate to 60% by 2010, a modest increase in Maltese women's labour market participation has been recorded in the past eight years. Since 2000 Maltese women's employment rate has increased by 5.4%. This can be considered as a positive achievement especially in view of the target set for Malta which states that women's employment rate has to reach 41% by 2010 in line with the Lisbon targets.

Similar to other European Union Member States, Maltese women's labour market participation rate tends to drop sharply when women reach childbearing age. An analysis of the employment rates by gender and age reveal that while the rate for men and women who are between 15 to 24 years is almost similar standing at 44.1% and 44.6% respectively, the rates for women who are between 25 and 54 years (45.8%) and 55 to 64 years (12.2%) are much lower when compared to male employment rates of similar age groups (25 to 54 years, 89.6% and 55 to 64 years, 44.5%). These rates confirm that with the onset of children most Maltese women tend to leave the labour market outright in order to take care of their children and domestic work.

A way how women try to balance work and family life is to opt for part-time work or work on reduced hours. Indeed the percentage of Maltese women having a part-time job as their main occupation or who work full-time but with reduced hours is higher than that of men. 19% of Maltese women tend to have a part-time job as their main occupation while only 4.5% of men do so. Similarly 5.8% of women have a full-time job but are working on reduced hours while only 0.4% of men have opted for this arrangement. This situation continues to emphasise the fact that when deciding to continue working, a significant amount of women tend to opt for a shorter working week in order to meet both work and family obligations.

Maltese women's role to take care of the family and children is further emphasised when considering the type of jobs occupied by women. Occupational segregation in Malta is still high, despite the increasing amount of women graduates in recent years. Firstly the percentage of women employed with the public sector is higher when compared to that of men. Recent statistics reveal that more than a quarter of all employed women (26.1%) work with government department and ministries. The percentage for men stood at 17.1%. Secondly more women tend to work in occupations such as clerks (women 22.5%, men 6.7%), service workers and shop and sales workers (women 20.2%, men 12.6%) and professionals (women 17.3%, men 10.5%). Less Maltese women work as senior officials and managers (women 4.1%, men 9.7%) or craft and related trades workers (women 1.4%, men 19.7%). Thirdly an analysis by sector reveals that there are more women than men working in sectors such as education (women 16.9%, men

4.1%), health and social work (women 12.9%, men 5.3%) and financial intermediation (women 6.5%, men 2.9%). Women's choice of occupations cannot be explained only in terms of cultural reasons in that women tend to choose occupations that reflect their role as carer and educator, but also in terms of choosing occupations and sectors that provide parents with the kind of working conditions that help them meet both work and family obligations. Most of the above sectors and occupations indeed provide workers with the possibility of working less hours per day and/or work on shifts thus giving them enough time to take care of their children and carry out domestic work.

Policies encouraging women's labour market participation in Malta

The brief analysis presented above shows that Maltese women's labour market participation is still relatively low when compared to that of other European Union Member States. Moreover Maltese women's lack of participation as well as their choice of employment type and occupations shows that Maltese women's employment is very much shaped by family and childcare responsibilities. Unless parents especially women are provided with adequate support structures to be able to meet both work and family obligations, women will still find it difficult to retain their job while raising a family.

Indeed policies encouraging the labour market participation of women in Malta are fairly recent. The same applies for programmes targeting women returnees to the labour market. Firstly a series of legislative amendments were introduced in the past few years to ensure gender equality in employment and other spheres of life. More specifically the Employment and Industrial Relations Act of 2002 as well as the Equality of Men and Women Act of 2003 contain articles on the prohibition of gender discrimination in all areas of employment such as recruitment, training and conditions of work. Secondly in 2003 government set up the National Commission for the Promotion of Equality for Men and Women. This Commission has replaced a previous advisory body to government thus giving it more power in identifying, establishing and monitoring policies in the field of gender equality.

Apart from the Commission other bodies, in particular the Employment and Training Corporation, have sought to raise awareness and introduce specific measures that tackle women's labour market participation. The Employment and Training Corporation has in 2002 set up a gender equality unit which in turn is responsible of enacting measures related to gender equality in employment as set out in yearly gender action plans. These plans cover initiatives such as gender mainstreaming of all services offered by the Employment and Training Corporation, drafting of gender impact assessment guidelines, media campaigns, studies on gender equality issues, promotion of childcare centres as well as empowerment training for women wishing to return back to work. Similar training was also organised by the Malta College of Arts, Science and Technology where women wishing to return back to the labour market were provided with empowerment training as well as short term basic training in specific areas of work such as office and secretarial work. Comprehensive programmes such as the one being launched by Germany that target specifically women returning to employment have not yet been implemented in Malta.

Policies that encourage women's return to the labour market also cover fiscal measures that target the amount of taxes that women pay when re-entering the labour market. The four principal measures are: (1) changes in the tax system where spouses working on a full-time basis can continue to pay married tax rates when their spouse starts working on part-time basis. The latter would have to pay 15% of tax on earnings earned from his/her part-time job; (2) women

who have been inactive for a period of at least five years and return to employment have a one year tax rebate for every child under 16 years; (3) women who are already in employment or left work for a period less than five years are to receive a one year tax rebate for all children born after 2007; (4) and childcare subsidy schemes to working parents making use of childcare. Through this measure parents receive tax deductions of up to €1,000 covering childcare services. Moreover expenses made by employers when setting up childcare centres at the workplace are considered as non-taxable.

The last measure covering childcare services has been introduced in a bid by government to encourage both the supply and demand for childcare services. Until recently childcare services in Malta were only provided by the private sector and were unregulated by the state. This situation could partly explain why most Maltese parents tend to prefer raising children themselves rather than opting for child day care. As a result childcare standards were in turn published in 2006 while this year government has set up the first three public childcare centres and has also announced in this year's budget its intention to set up two more centres next year.

Other measures that encourage women to remain working even with the onset of children are special leave arrangements. The introduction of gender equality legislation in Malta in 2002 and 2003 meant that all parents were entitled to a three month unpaid parental leave per child together with a 14 week paid maternity leave and 15 paid hours of urgent family leave. Workers working with the public sector benefit from more generous measures which include a one year unpaid parental leave per child, the possibility to take once a 5 year career break as well as work on a reduced hours timetable. The provision of these measures in the public sector could partly explain why a larger percentage of women than men work with the public sector than the private sector. A small qualitative study commissioned by the National Commission for the Promotion of Equality among five private firms and its employees concluded that the availability of family friendly measures among private firms in Malta is limited (NCPE, 2006). Among the firms studied only part-time work was offered. Not all firms offered reduced hours, flexitime, parental leave and career breaks among other measures.

Meanwhile government has also sought to introduce reforms in the national insurance contributions paid by workers in order to assist them especially women when trying to combine both work and family life. As from January 2007 government started accrediting a maximum period of two years social security contributions for each child or four years credits for children suffering from serious disability to those parents who opt for parental leave or a career break. Prior this arrangement parents had to pay themselves for any national insurance contributions lost when on parental leave or career break. Moreover changes were also introduced to the national insurance contributions paid by part-time workers in that these workers started to pay contributions pro-rata rather than at a flat rate. The latter arrangement was considered as a disincentive to workers particularly those who work for a few hours per week. Moreover these amendments also gave part-time workers more rights in that they started being entitled to vacation leave and sick leave together with other benefits on a pro-rata basis as other workers. Prior these amendments only part-time workers working more than 20 hours per week were entitled to such benefits resulting into an abusive situation were workers were being employed for 19 hours so as not to be entitled for such benefits.

The potential transferability of the German experience to Malta

In view of the above Maltese scenario, policies introduced by the German state aiming to encourage more females re-enter the labour market can be considered as highly appropriate for Malta. Policies introduced in Malta so far can be considered as a positive start, however these policies need further development in order to encourage more women to remain or re-enter the labour market. Thus both initiatives that target young women as well as other initiatives targeting older women re-entering work introduced by the German government can be considered as useful for Malta. Following are some initiatives mentioned in the German report which would be beneficial for Malta:

- The provision of parental allowance during periods of parental leave and career breaks. This measure could give more financial security to parents in times when they are most in need. This measure can be beneficial for Maltese parents since parental leave and career breaks in the country are still unpaid.
- The provision of higher childcare subsidies to parents making use of childcare services and the provision of more public childcare centres. These measures can be considered as highly beneficial to parents wishing to avail themselves of childcare services. These measures would on the one hand ensure that there is enough supply of childcare places for all and on the other hand reduce the costs of childcare services to parents especially those on low-income such as single parent households. These measures are relevant for Malta since in the country there is very low provision of public childcare centres for children under 3 years.
- The introduction of a company-based programme to encourage companies to introduce more family-friendly working conditions. This programme could be seen as highly beneficial for Malta especially since there is hardly any information on the family-friendly working conditions being offered by the private sector. Such a programme would ensure that more private sector companies abide by employment and gender equality legislation and that they introduce measures that assist workers, in particular women, who require support when trying to combine both work and family responsibilities.
- The introduction of project management agencies that act as intermediaries between older women wishing to return back to work and the Federal Employment Agency. The introduction of a programme that targets specifically the needs of older women returning to work can be considered as a very important step in giving special attention to the specific needs of these women. This project will ensure that the needs of these women are tackled in a comprehensive way. Such a programme would be very beneficial for Malta because of the high inactivity rate among women particularly those in the older age bracket. On the other hand one also needs to ensure that there are in place enough training opportunities and employment schemes to which advisors providing guidance to these women may refer them to. Moreover training and employment schemes need to be especially designed with the specific needs of these women in mind. They also need to equip women with qualifications that are required by the labour market, are recognised by employers and that do not cover only training at empowerment and/or basic level. Otherwise the employment and training opportunities targeting women returnees would be limited and would not assist women on the long term.

- The provision of an online portal. This service can also act as a very important tool for women in order to obtain information on all services provided by the various organisations. This online portal can also be of use for Malta, however one has to note that a significant amount of older inactive women have low levels of education and may not know how to use the computer and access the internet. Thus different ways of how to promote such information other than through an online portal may also prove beneficial.
- The provision of services at the local level. This aspect of the programme can also be considered as very important in trying to reach out for women returnees. In Malta for example women may find it difficult to leave their home town because of lack of adequate transport facilities and the fact that they have other family responsibilities to take care of. In Malta most employment and training services are centralised which may be one of the reasons why less women, particularly women in the older age brackets, make use of such services. Services at a more local level may result into higher interest by women in employment and training activities.
- Programmes that are based on research. The fact that the German programme is based on research is a practice which is also very relevant for Malta. Research on gender and employment issues in Malta is still very limited. The University together with the Maltese government should encourage further research on the subject in order to have policies and programmes that are based on the real needs of women and not on general perceptions.

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