Title: Evaluation of the Luxembourg Action Plan For Employment

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Evaluation of the Luxembourg Action Plan For Employment

Expert Group Gender and Employment

Robert Plasman & François Rycx

1 THE GENDER EQUALITY DEFICIT AND THE NEED FOR ACTION IN LUXEMBURG

1.1 Introduction

The overall economic situation in Luxemburg is quite attractive in comparison to the rest of the European Union (E.U.). Indeed, real GDP growth is relatively high, unit labour cost growth and inflation are moderate, there is a public surplus, the unemployment rate is very low and employment has been increasing consistently (see Table 1). Nevertheless, if we focus on the situation of women on the labour market, there appears to be a significant gender equality deficit in Luxemburg. In this chapter we emphasise this issue by tackling respectively the following topics: the evolution of employment and unemployment for women, occupational segregation, the educational deficit, wage inequality and child care services.

Table 1: Broad macroeconomic indicators in Luxemburg*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth</td>
<td>4.2</td>
<td>(2.7)</td>
<td>3.8</td>
<td>(2.4)</td>
<td>2.9</td>
</tr>
<tr>
<td>Unit labour cost growth**</td>
<td>0.3</td>
<td>(0.0)</td>
<td>1.7</td>
<td>(1.8)</td>
<td>0.8</td>
</tr>
<tr>
<td>Inflation rate (CPI)</td>
<td>2.2</td>
<td>(2.9)</td>
<td>1.9</td>
<td>(3.0)</td>
<td>1.3</td>
</tr>
<tr>
<td>Public deficit (as % of GDP)**</td>
<td>2.7</td>
<td>(-5.6)</td>
<td>1.8</td>
<td>(-5.4)</td>
<td>2.8</td>
</tr>
<tr>
<td>Employment growth</td>
<td>2.5</td>
<td>(-0.2)</td>
<td>2.5</td>
<td>(0.6)</td>
<td>2.9</td>
</tr>
<tr>
<td>Unemployment rate***</td>
<td>3.2</td>
<td>(11.1)</td>
<td>2.9</td>
<td>(10.7)</td>
<td>3.0</td>
</tr>
</tbody>
</table>


* E.U. averages between brackets.
** E.U. average refers to 14 countries (Luxemburg excluded).
*** Ratio refers to the population aged 15-64.

This report is not the final version. At this date, June 7-2000, the NAP of Luxembourg has not yet been sent to the Commission. Only a preliminary version, which does not include the NAP for 2000, does exist. This text is only based on the analysis of the 1998, 1999 NAP and on the evaluation of these two NAP included in the partial NAP for 2000. Social partners in Luxembourug have agreed to meet again and to finalize the NAP 2000 after the 15th of June. Part three of the report and part four will be sent later, when the definitive NAP will be received.
**1.2 Employment and unemployment**

Table 2 describes the evolution of the employment, participation and unemployment rate for male and female residents in Luxemburg between 1994 and 1998.

### Table 2: Employment, participation and unemployment rate for residents of Luxemburg*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>44.9</td>
<td>(49.1)</td>
<td>42.2</td>
<td>(49.8)</td>
<td>43.6</td>
</tr>
<tr>
<td>Men</td>
<td>74.9</td>
<td>(70.0)</td>
<td>74.3</td>
<td>(70.4)</td>
<td>74.4</td>
</tr>
<tr>
<td><strong>Participation rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>47.0</td>
<td>(56.5)</td>
<td>44.1</td>
<td>(56.9)</td>
<td>45.7</td>
</tr>
<tr>
<td>Men</td>
<td>77.3</td>
<td>(78.1)</td>
<td>75.9</td>
<td>(77.9)</td>
<td>76.3</td>
</tr>
<tr>
<td><strong>Unemployment rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>4.3</td>
<td>(13.0)</td>
<td>4.4</td>
<td>(12.5)</td>
<td>4.7</td>
</tr>
<tr>
<td>Men</td>
<td>3.0</td>
<td>(10.4)</td>
<td>2.1</td>
<td>(9.5)</td>
<td>2.5</td>
</tr>
</tbody>
</table>


* E.U. averages between brackets.

** Ratio refers to the population aged 15-64.

As you can see from Table 2, while the proportion of women and men being unemployed in Luxemburg is very low in comparison to the E.U. average, the unemployment rate is significantly higher for women than for men (4.2% versus 1.9% in 1998). Moreover, in contrast to men, the unemployment rate of women has not decreased substantially since 1994. In addition, we notice that the employment and the participation rate for women is very low (respectively 45.6% and 47.7% in 1998) not only w.r.t. men but also in an E.U. perspective.

Following Engel and Lejealle (1999), the overall annual average growth rate of dependent employment, i.e. wage and salary earners, has reached 3.7% between 1988 and 1998. Looking at the gender aspect, it appears that during the same period the average annual growth rate of dependent employment has been lower for men than for women (respectively 3.1% and 4.2%).

### Table 3: Dependent employment growth between 1988 and 1998*

<table>
<thead>
<tr>
<th>Residence status</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Native of Luxemburg</td>
<td>-8.1</td>
<td>+6.5</td>
</tr>
<tr>
<td>- Foreigners</td>
<td>+49.5</td>
<td>+65.8</td>
</tr>
<tr>
<td>Frontier workers</td>
<td>+162.7</td>
<td>+221.9</td>
</tr>
<tr>
<td>Total</td>
<td>+35.4</td>
<td>+50.9</td>
</tr>
</tbody>
</table>


* Dependent employment refers to wage and salary earners.

Disaggregation of the employment growth between 1988 and 1998 by residence status is very informative. Indeed, Table 3 shows that:

(i) The growth of dependent employment in Luxemburg is essentially explained by the fast increasing number of frontier workers and to a lesser extent by the growing number foreign residents having a job in Luxemburg.

(ii) Dependent employment creation has been mainly favourable for women, in particular for female foreigners, i.e. residents and frontier workers (respectively 65.8% and 221.9%).

(iii) The growth of dependent employment has been negative for male natives (-8.1%) and slightly positive for female natives (+6.5%).

### 1.4 Occupational segregation

The proportion of women working in the public sector is higher than in the private sector. Moreover, within the public sector, they are under-represented among civil servants and
over-represented among employees and manual workers. Female civil servants generally occupy jobs situated in the average of the hierarchical scale. Besides, part-time employment among civil servants concerns almost exclusively women (16% of women and 0.5% of men were working part-time among civil servants in 1998).

Table 4: Proportion of foreigners working in the financial sector by occupation and gender – 1986 vs 1998

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>61.9</td>
<td>53.8</td>
<td>61.3</td>
</tr>
<tr>
<td>Employees</td>
<td>30.7</td>
<td>33.1</td>
<td>32.0</td>
</tr>
<tr>
<td>Manual workers</td>
<td>31.6</td>
<td>62.0</td>
<td>48.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37.4</td>
<td>34.1</td>
<td>35.8</td>
</tr>
<tr>
<td>1998</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>69.8</td>
<td>68.1</td>
<td>69.5</td>
</tr>
<tr>
<td>Employees</td>
<td>58.6</td>
<td>61.8</td>
<td>60.3</td>
</tr>
<tr>
<td>Manual workers</td>
<td>60.4</td>
<td>83.3</td>
<td>76.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61.6</td>
<td>62.4</td>
<td>62.0</td>
</tr>
</tbody>
</table>


Within the private sector, we find the largest fraction of women in the tertiary sector. Women are particularly over-represented in domestic services (97% of total), health and social services (82% of total), education (64% of total), trade (41% of total) and restaurants (51% of total). Most native women are working in the public administration (29.3%), trade (15.7%), health and social services (14.1%) and financial intermediation (12.9%), while their male compatriots are essentially occupied in the public administration (29.0%), manufacturing sector (20.5%), transport and communication (13.1%) and trade (10.8%).

Within the financial sector, men are more numerous than women (54.8% versus 45.2% in 1998). Women are under-represented among the management. The proportion of women in this category rose from 8.5% in 1986 up to 16.3% in 1998. Disaggregation by residential status (see Table 4) shows, in addition, that foreigners (residents or frontier workers) are over-represented in the financial sector (circa 62% for men and women in 1998). They also account for the largest part of management (circa 70% for men and women in 1998).

Table 5: Incidence of part-time employment in Luxembourg*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1.6 (4.2)</td>
<td>1.9 (5.1)</td>
<td>2.1 (5.3)</td>
<td>2.0 (5.7)</td>
<td>2.6 (5.9)</td>
</tr>
<tr>
<td>Female</td>
<td>19.1 (27.0)</td>
<td>28.4 (28.4)</td>
<td>24.7 (28.7)</td>
<td>26.2 (29.4)</td>
<td>29.6 (28.1)</td>
</tr>
</tbody>
</table>

Source: OECD (1999a).

* E.U. averages between brackets.

Finally, from Table 5 we can observe that the incidence of part-time employment is much larger among women than men (respectively 29.6% and 2.6% in 1998). Notice also that the proportion of part-time employment has been relatively stable for men since 1990 (+1 percentage point) while the reverse applies to women (+9 percentage points).

1.5 Educational deficit

Female residents of Luxemburg are less educated than men. 45% of women didn’t get further than primary school in contrast to 30% of men. Likewise, the proportion of women who succeeded a higher non university degree or a university degree is lower than for men (respectively 11% and 25%).
Table 6: Distribution of residents of Luxemburg who left the education system by age, gender and attained level of education, 1997

<table>
<thead>
<tr>
<th>Attained level of education / Age</th>
<th>≤ 29 years</th>
<th>30-39 years</th>
<th>40-49 years</th>
<th>50-59 years</th>
<th>≥ 60 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5.1.1 Male</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than primary school</td>
<td>22.1</td>
<td>24.9</td>
<td>28.6</td>
<td>29.7</td>
<td>42.7</td>
</tr>
<tr>
<td>Technical secondary school</td>
<td>47.7</td>
<td>35.2</td>
<td>29.9</td>
<td>28.5</td>
<td>27</td>
</tr>
<tr>
<td>Lower general secondary school</td>
<td>3.6</td>
<td>2.9</td>
<td>6.7</td>
<td>3.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Higher general secondary school</td>
<td>5.4</td>
<td>6.8</td>
<td>8.8</td>
<td>8.0</td>
<td>10.5</td>
</tr>
<tr>
<td>Higher non university degree</td>
<td>5.8</td>
<td>8.2</td>
<td>11.3</td>
<td>13.4</td>
<td>9.7</td>
</tr>
<tr>
<td>University degree</td>
<td>15.4</td>
<td>22.0</td>
<td>14.7</td>
<td>17.3</td>
<td>5.8</td>
</tr>
<tr>
<td>1.5.1.2 Female</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than primary school</td>
<td>23.8</td>
<td>27.9</td>
<td>44.9</td>
<td>49.5</td>
<td>72.2</td>
</tr>
<tr>
<td>Technical secondary school</td>
<td>45.7</td>
<td>37</td>
<td>26.8</td>
<td>22.3</td>
<td>12.9</td>
</tr>
<tr>
<td>Lower general secondary school</td>
<td>4.5</td>
<td>6.1</td>
<td>8.9</td>
<td>13.6</td>
<td>7.3</td>
</tr>
<tr>
<td>Higher general secondary school</td>
<td>7.3</td>
<td>9.0</td>
<td>9.8</td>
<td>7.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Higher non university degree</td>
<td>4.5</td>
<td>6.0</td>
<td>2.5</td>
<td>2.4</td>
<td>1.2</td>
</tr>
<tr>
<td>University degree</td>
<td>14.2</td>
<td>14.0</td>
<td>7.1</td>
<td>4.3</td>
<td>1.0</td>
</tr>
</tbody>
</table>


Nevertheless, a breakdown by generation (see Table 6) reveals almost no gender difference in attained educational level among the youngest generation (≤ 29 years of age). This illustrates the profound modification in education behaviour of women. The proportion of women who didn’t continue to study after primary school is drastically higher for women over 60 years of age (72%) than for women less than 30 years of age (24%).

Decomposition by nationality shows, in addition, that the education level of female foreign workers living in Luxemburg, apart from the Portuguese, significantly increases the average education level of the female residents.

Moreover, although data concerning vocational training are scarce, Engel and Lejealle (1999) point out that overall women are less involved in such programs. The proportion of women taking part in vocational training programs in the public sector amounts only for one third of total population. The same picture appears for the private sector. Yet, the participation rate of women is higher than in the public sector.

1.6 Wage inequality

Two topics seem particularly relevant when analysing wage inequality between men and women, namely (i) the gender distribution of workers at the minimum wage and (ii) the gender wage gap.

According to Engel and Lejealle (1999), since 1998 the number of men receiving a minimum wage is higher than the number of women. Yet, the proportion of women being paid at the minimum wage is higher than the proportion of men (respectively 22% and 13% of female and male wage and salary earners). This is partly explained by the structure of female employment (generally less qualified jobs).

Table 7: The gender wage gap

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Average female/male wage ratio (no control variables)</th>
<th>Average female/male wage ratio (with control variables)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual and scientific occupations</td>
<td>86.2</td>
<td>89.8</td>
</tr>
<tr>
<td>Intermediate occupations</td>
<td>90.1</td>
<td>93.6</td>
</tr>
<tr>
<td>Administrative employees</td>
<td>88.6</td>
<td>95.5</td>
</tr>
<tr>
<td>Office staff and shop assistants</td>
<td>85.5</td>
<td>86.5</td>
</tr>
<tr>
<td>Qualified blue-collar workers</td>
<td>74.4</td>
<td>74.4</td>
</tr>
<tr>
<td>Non qualified blue-and white collar workers</td>
<td>81.1</td>
<td>86.1</td>
</tr>
</tbody>
</table>

Source: Engel and Lejealle (1999)

* Controlling for human capital variables (i.e. education, experience, tenure), sector, size of the establishment, nationality, existence of a collective bargaining regime or not and extra hours or not.
A further analyses of the wage gap between men and women (see Table 7) indicates that on average female gross hourly earnings were 15% lower than those of men in 1995. In other words, average female gross hourly earning accounted only for 84.7% of male gross hourly earning. As mentioned by Engel and Lejealle (1999), the wage gap was apparently highest in occupations were the relative proportion of men was big (and the other way around). However, part of those wage inequalities can be explained by differences in human capital and other features like the employer’s characteristics (i.e. kind of sector, size of the establishment, existence of collective bargaining regime). Indeed, after controlling for those variables, the gender wage gap interval diminishes from 25-10% up to 25-5% depending on the occupation taken into consideration.

1.7 Child care services

The participation rate of women depends crucially on the number of children they have. This observation is corroborated by the fact that family obligations (domestic work and in particular children) are the main reason given by women in the E.U. for the fact that they do not enter the labour market (Engel and Lejealle, 1999).

Having this in mind, it is clear that the supply of child care services is a particular important issue. Although data for Luxembourg concerning child care services are meagre, Engel and Lejealle (1999) remark that demand for child care services is larger than supply. Nevertheless, they notice that the situation has been improved in recent times.

1.8 Conclusion

The need for gender mainstreaming in Luxembourg is quite obvious from the analysis that has been made throughout this chapter. The following major gender equality deficits have been identified:

(i) Participation and employment rate is significantly lower for women than for men. At the same time, the unemployment rate of female residents is higher than for men.

(ii) Female employment has been consistently increasing over the last decade. Nevertheless, this evolution favoured principally female foreigners (residents and frontier workers) and marginally female natives. Therefore, future policies should try increase the education level of female natives which on average is lower than that of female foreigners.

(iii) While the gender education gap among the younger generations has almost disappeared, women still have the tendency to enter economic activities were they are already over-represented. As a consequence, although employment creation in recent years has been concentrated in the financial sector and has been more favourable for women at all levels of the hierarchy, occupational segregation is still significant.

(iv) Female participation rate in vocational training is lower than for men. Hence, it does not enable to neutralise the initial gender education gap that is observed among “older” generations.

(v) There is a significant gender wage gap principally because women are less educated and because the are concentrated in economic sectors that pay less.

(vi) Excess demand for child care services (although the situation has been improved in recent times), the price of child care services, the difficulty to reconcile private and occupational schedules, the depreciation of human capital after a career break (even though a parental leave program has been implemented), etc. do not prompt women to enter into the labour market. Besides, a significant fraction of the female labour force go for part-time employment, which means few career perspectives, little responsibility attached to their jobs, lower earnings and lower pensions.
As a consequence and given the low rate of unemployment in Luxembourg, it seems clear that gender mainstreaming should be one of the principal issues in the Nation Action Plan.
2 ASSESSING THE IMPLEMENTATION OF GENDER MAINSTREAMING IN LUXEMBOURG

2.1 Monitoring and evaluation

The gender equality deficit overall has been correctly identified in Luxembourg and the principle of mainstreaming with respect to equal treatment for men and women applies throughout the NAP’s of Luxembourg since 1998. Nevertheless, given that the vast majority of the provisions of the 1998 action plan could only take effect once the law on the implementation of the 1998 NAP came into force, i.e. on 1 March 1999, practical evaluation, underpinned by figures, is still relatively meagre but developing. Besides, the following examples seems to indicate that the future NAP’s will contain additional information in order to accurately monitor and evaluate the gender equality impact of specific policy programmes:

- The government is currently preparing a legal basis and a fund for creating an “Observatory for collective industrial relations” which will be attached to the Ministry of labour and Employment and which will be responsible for *inter alia* evaluating what the social partners have done to implement the NAP in their areas of responsibility. General monitoring of the NAP will be carried out on a tripartite basis and has been put into the hands of the Standing Committee on Employment. The Committee on Women’s Employment also has a brief to monitor implementation of those actions of the NAP which come under its specific remit.

- As a result of the Vienna Guideline (GD 19) concerning the “Gender mainstreaming approach”, the government has set up a more comprehensive system of quantitative assessment of the relevant measures of the NAP, i.e. breaking down the data by sex. Yet, more disaggregated data as well as qualitative data are required in order to evaluate more precisely the gender equality impact of specific policy programmes.

Having said this, it is interesting to analyse, for each pillar of the NAP, which measures impacting the gender equality deficit have been evaluated and to identify the main shortcomings.

2.1.1 Pillar 1: Improving Employability

The principal measures implemented in Luxembourg in order to improve employability are the following:

(i) *Individual psycho-social support for the unemployed*

The evaluation of this measure in the NAP 1999 is relatively satisfactory. Indeed, it provides figures on the percentage of job seekers, decomposed by gender, who benefited from this individual approach in 1998; as well as the percentage of these, decomposed by gender, who found a job on 1 April 1999. The evaluation in the NAP 2000 is less accurate.

(ii) *Induction traineeship contract, preparatory traineeship in an enterprise, division of temporary auxiliaries, ADEM training, pool of assistants, special measures and work programmes for the unemployed, etc.*

Both NAP’s (1999, 2000) contain data, decomposed by gender, on: a) the number of young persons (adults) who became unemployed in month X, b) the number of young persons (adults) who were still unemployed at the end of month X+6 (X+12) without any break, c) the number of young persons (adults) who became unemployed in month X and started a concrete individual action plan before month X+6 (X+12), and d) the number of young persons (adults) who became unemployed in month X, were still unemployed at the end of

month X+6 (X+12) and did not start an individual action plan. Unfortunately, in contrast to PAN 1999, PAN 2000 does not contain separate figures for men and women once the analysis is disaggregated by type of individual action plan. Moreover, in order to make an accurate evaluation, the NAP’s should include more detailed qualitative and quantitative figures ideally for each programme and an analysis of the individual trajectories of the people taking part in these projects, i.e. number of people (men and women) finding a job at the end of the programme, type and quality of the jobs, etc.


(iii) Recruitment subsidies:
This consists of reimbursing to the employer the social security contributions paid by the employer and the insured person: - during 7 years for jobless people aged 50 registered as unemployed for 1 month; - during 7 years for jobless people aged 40 and registered unemployed for 12 months, - during 2 years for jobless people aged 30 years and registered as unemployed for 12 months. The gender impact of this measure has not been evaluated but it would be interesting to do so, i.e. analyse the number of women and men benefiting from this measure, identify sectors were most jobs are created, etc.

2.1.2 Pillar 2: Developing entrepreneurship

- Cutting red tape and significantly reducing overhead cost.

There has been no evaluation of the gender impact of the policy programmes entering in this category of the second pillar.

- Exploiting new opportunities for job creation

Two measures designed to encourage the creation of local jobs by private households have been adopted, i.e. (i) tax treatment of private households has been increased from LUF 24000 to LUF 144000 the lump-sum deductible amounts for supervisions and home-help costs and for the expense of providing care for the elderly an the disabled; (ii) simplified administrative arrangements for private persons. These two measures were expected not only to create jobs, but above all to regularise the situation of certain employees and provide an incentive for combating illicit labour, and provide social protection for staff working in private households. Unfortunately, the gender impact of these measures has not been evaluated.

Since 1998, the government has also decided to focus on extending and developing childcare provision, along with care and assistance for dependent persons. The evaluation of these policies is discussed below (see pillar four “Strengthening the policies for equal opportunities”).

- Making the taxation system more-employment friendly

The minimum tax-free income level has been increased gradually between 1991 and 1998. Besides, with effect from 1 January 1991, the starting tax rate was reduced from 12% to 10%, and the recent reform of 23 December 1997 reduces the starter rate from 10% to 6%. Both measures reduce the tax burden on the low-skilled labour. Although, the majority of low-paid workers are women, the overall as well as the gender impact of this policy has not been evaluated.

2.1.3 Pillar 3: Encouraging adaptability of businesses and their employees

- Modernising work and organisation
The Law of 12 February 1999 makes it possible for enterprises to calculate working time over a fixed reference period of four weeks, which can be reduced or increased to up to 12 months by the social partners or the Ministry of Labour. The gender impact of this measure has not been evaluated. Although this is a particularly important shortcoming, given that both a quantitative and qualitative biased effect on female employment could be anticipated, it has been justified in the NAP simply by the fact that the time-span for carrying on an evaluation was too short.

2.1.4 Pillar 4: Strengthening the policies for equal opportunities

- **Tackling discrimination between men and women**

The Law of 12 February 1999 on the implementation of the 1998 NAP provides a legal basis for positive action in enterprises in the private sector and laid down eligibility criteria. The campaign for organising positive actions, conducted by the Ministry of Women’s Affairs elicited 10 applications, four of which were selected with a view to being subsidised. This policy has been evaluated qualitatively by the Ministry of Women’s Affairs and as a result it will be adjusted in order to be more efficient. Besides the impact of other projects like “Femmes, sciences et technique” is assessed in the NAP 2000.

- **Reconciling work and family life and improving access to care provision**

Since 1998, the government has decided to focus on the extension and development of childcare provision, along with care and assistance for the elderly. Hence, different projects have been developed:

(i) Elderly care and assistance: the old-age nursing care insurance scheme has been introduced by the Law of December 1998. Furthermore, neighbourhood jobs should be created in connection with this insurance scheme. However, it is still to early to evaluate to the concrete impact of this measure.

(ii) Child care arrangements: the target is to create 1000 additional child care place in the medium-term by variety of means: - additional support for child minding arrangements, as an option to crèches; - introduction of an early education system (bringing the age of eligibility for school down to 3, rather than 4 at present, with effect from the start of the 1998-99 school year), - pilot projects with local structures. All these programmes are currently implemented and systematically evaluated in the NAPs of 1999 and 2000. The budget available for these policies is also clearly indicated.

(iii) Parental leave and leave for family reasons: it has been implemented by the Law of 12 February 1999. These policies are briefly evaluated in NAP 2000. Besides, five years after entry into force of the parental leave arrangements, the effect will be evaluated in terms of the labour market and equal opportunities policy. Should the outcome prove negative, the duration of parental leave will be reduced from six to three months.

- **Facilitating return to work**

Given that most women who want to return to work tend towards the service sector and take courses in office technology, it is essential that the range of continuing vocational training be diversified to give them better chances of finding a place on the labour market. Different project have been implemented in this context (see next section "Assessing the priority
accorded to gender equality"). Since most of these measures have been implemented recently, only few of them have been evaluated.

2.1.5 Summary

The vast majority of the provisions of the 1998 action plan came into force very recently. Therefore, although some significant effort has been made to assess the gender equality impact of specific policy programmes, monitoring and evaluation is still in a preliminary stage. Nevertheless, Luxembourg seems to be on the right track.

2.2 Initiatives to promote gender equality

While section 2.1. mainly dealt with the manner and progress of monitoring, evaluation and targets, this section will analyse the NAP's 1998, 1999 and 2000 for proactive policies promoting gender equality, hence the defensive approach to gender equality is described in Section 2.1.

2.2.1 Pillar 1: Improving Employability

The Law of 12 February 1999 on the 1998 NAP provides for an increase of 15% in financing from the Employment Funds in the event of a jobseeker of the sex which is underrepresented in an enterprise or a sector being recruited. Monthly reimbursements to private sector employers of the part of the compensation paid to young people on a temporary auxiliary contract by the Employment Fund are set at 65% instead of 50% when members of the sex which is underrepresented in a sector of activity and/or in occupations in which underrepresentation of one of the sexes justifies application of a specific measure. The same applies to occupational integration or reintegration traineeships for young people or unemployed adults.

Special workshops are organised for female job seekers (workshops for “Frauen op der Sich no Aarbecht”). These are a vital support measure for unemployed women. They offer vocational guidance sketching out possible routes to employment and help in target job hunting.

The Continual Vocational Training Centres run by the National Education Ministry provide for more, more diverse and more decentralised continuing vocational training courses for women who wish to return to work.

2.2.2 Pillar 2: Developing entrepreneurship

- Cutting red tape and significantly reducing overhead costs

Since the 1998 NAP, it has been announced that to encourage the recruitment of women in small and medium-sized enterprises, the obligation will be scrapped for SME’s to provide separate sanitary installations for employees of each sex. However, it is still a project.

- Exploiting new opportunities for job creation

Different projects have been developed in order to increase and extent child care provision, along with care and assistance for dependent persons. For more details see Pillar 4 “Strengthening the policies for equal opportunities”.

...
Two measures (described in Section 2.1.) have been adopted to encourage the creation of local jobs for private households. Although an explicit evaluation should be required, these measures will probably have both a quantitative and a qualitative positive impact on female employment in private households.

The “Chambre de Commerce” and the “Chambre des métiers” have undertaken an initiative, in the framework of the European Social Fund, in order to encourage women to become company managers. Beside the project “Femmes créatrices d’entreprises” was inter alia intended to women who wished to create their own company.

- **Making taxation more employment friendly**

Measures have been taken in order to reduce the tax burden on the low-skilled labour (see Section 2.1.). Given that the majority of low-paid workers are women, this policy can be seen as proactive.

2.2.3 Pillar 3: Encouraging adaptability of businesses and their employees

- **Modernising work organisation**

The government provides some financial inducements to encourage collective agreements which seek to reduce working time, on condition that such agreements lead to the recruitment of persons who are registered unemployed. Where such people are taken on, the employment fund will, for a maximum period of 5 years, pay their social welfare contributions (varying between 22.4% and 32.1% of gross pay). This measure can be seen as relatively favourable to women in particular when compared to policies which promote part-time employment.

Law of 12 February 1999: new legal instruments can be used both to boost employment and humanise working conditions. They include:

- the possibility of calculating working time over a fixed reference period of four weeks laid down by the law, which can be reduced or increased to up to 12 months by the social partners or the Ministry of Labour. To enable them to apply such a reference period, enterprises must draw up a plan for the organisation of work in advance which describes the system for all workers for the entire reference period. This could have a negative impact on female employment: the gender impact of this policy should certainly be evaluated.

- introduces a premium paid by the Employment Fund to the employer equivalent to all the social security contributions due for an employee who has switched from full-time to part-time employment, as long as the employer recruits a job seeker of the underrepresented sex on a permanent contract. This premium is otherwise equal to the employer’s share of social security contributions only.

- **Supporting adaptability in enterprises**

Besides, the Law of 12 February 1999 on the 1998 NAP obliges employers to give workers on a career break such as a sabbatical leave, maternity leave, parental leave, training leave or unpaid leave access to the enterprise and any continuing training it provides. Collective agreements must without fail stipulate the arrangement for meeting this obligation. This a particular favourable policy for women. Indeed, it will enable women to remain in touch with the firm, will enable them to keep up to date along with current employees, and will enable them to find their way back into the firm later without any major difficulty.
2.2.4 Pillar 4: Strengthening the policies for equal opportunities

- **Tackling discrimination between men and women**

  The following legislative measures to promote female employment contribute to the overall framework for achieving a better representation of women on the labour market:
  - Introduction since 1998 of an equal opportunity delegate in firms in the private sector and public sectors.
  - Adoption of a law against sexual harassment at work by the “Chambre des Députés” in April 2000.
  - The Law of 12 February 1999 on the implementation of the 1998 NAP provides a legal basis for encouraging positive actions in the private sector and lays down eligibility criteria. The campaign for organising these positive actions, conducted by the Ministry of Women’s Affairs, elicited 10 applications, four of which were selected with a view to being subsidised. Subsidies were granted for: equipment of childcare facility at a hairdressers for customers and staff, training for women in horticulture, training for saleswomen in clothing departments to become heads of department, training for cleaning women to become team supervisors.
  - The project “Femmes, sciences et technique” has been implemented in order to encourage girls to consider a wide range of occupational options, to channel them towards future oriented courses of training, more especially in science and technology. Besides non-governmental organisations and other non profit associations (e.g. Zarabina asbl in collaboration with the Centre for continual vocational training of Esch-sur-Alzette) have provided training courses in office automation and informatics as well as vocational guidance for women.

- **Reconciling work and family life and improving access to care provision**

  The following measures have been taken in order to develop and extent childcare provision, along with care and assistance for dependent persons:
  - The Law of 8 September 1998 governing the relations between the State and bodies active in social, family and therapeutic work laid the foundations for the quality control in this sector which is absolutely indispensable in order to ensure that this sector develops properly (by introducing an official authorisation system).
  - The Parliament adopted a bill introducing a long-term insurance scheme as well as multiple bills (i) creating two public establishments (centres, units and services for the elderly; geriatric centres) and (ii) determining pricing mechanisms for residential or other services to the elderly in centres, units and services (public and private) in Luxembourg. These arrangement aims at providing a compulsory insurance system under the social security banner and should make care and assistance services affordable for dependent persons. They should also provide ways and means of supervising the personal services sector, particularly where dependent and disabled persons are concerned.
  - Child care arrangements: the aim is to create 1000 child care places in the medium term by a variety of means:
    (i) Additional support for child minding arrangements, as an option to crèches.
    (ii) Introduction of an early education system (bringing the age of eligibility for school down to 3, rather than 4 at present). The municipalities were asked to create pre-school education groups from 1998/99 school year onwards. Some 20 of the 118 municipalities were offering pre-school education pilot projects for the 1998/99 school year. 37 pre-school education groups have been created, catering 1040 children on an optional basis. Pre-school education will be introduced throughout the Grand Duchy in the years to come. The municipalities have been asked to draw up plans for introducing it and it will have to be available without fail in every municipality from 2005 onwards.
Pilot projects with local structures. At very present a very large number of projects are being developed. The number of places in day care centres which are planned or being built and which ought to open in the coming months or years is estimated at 350. As far as non-funded day-care centres are concerned, the Family Ministry had the following budget for encouraging the setting up of day-care centres by individuals or commercial enterprises or providing financial support for day-care centres managed by non-profit making organisations: State subsidy for infrastructure charges for private day-care centres: LUF 1000000, State subsidy for running costs of non-funded day-care centres: LUF 2500000. Furthermore, in 1998 the Family Ministry Started renting places at non-funded day-care centres. This initiative has been repeated in 1999 enabling the number of places accessible to low-income families to be increased in the short term, pending completion of building of funded day-care centres by municipalities. In 1998, the family Ministry’s budget for renting places in non-funded day-care centres was LUF 3700000. Subsequently, the Family Ministry supported day-care centres created by legal persons for the benefit of their staff or customers, mainly by providing technical assistance but also via a subsidy for infrastructure costs. The day care centres thus can take into account the enterprise’s specific requirements, such as working hours (e.g. hospitals) or the staff’s linguistic roots (e.g. European institutions), or may relieve parents or customers of the burden of care for a short period of time. Finally some enterprises offer their customers a day-care centre for children for periods of several hours, enabling the parents to pursue a short-term activity without their children. The basic idea is to offer the children more interesting and more suitable activities for their age during this time.

- Pilot projects for local structures are not confined to child care. Indeed although pilot projects may be active in child care and related activities (supervision before and after school hours and during free time, and other care arrangements) they may also inter alia concern activities involved in helping the aged (ranging from family services to organising leisure activities). Their aim is two-fold aim:

(i) The projects have two labour policy aims: a) they are designed to transform genuine needs currently existing in our societies into actual jobs. Given that these are permanent needs, some of the jobs created should be permanent ones; b) at the local level, they are aimed at giving the unemployed a chance to re-enter the labour market via temporary jobs.

(ii) They also have a family aim and a women’s affairs policy aim. The services offered by such local structures will be aimed at helping families to reconcile the commitments of working and family life and encouraging a more equitable distribution of family responsibilities between men and women.

During the first stage, a detailed analysis is to be made of the possibilities for setting up such local structures and to determine the actual needs and the people’s intentions to actually take advantage of such services if they were offered and to make at least a partial contribution to funding them (therefore a survey among the population is to be carried out). At present four municipalities are negotiating with the ministries concerned to finalise an agreement on implementing the first phase of a pilot project. Besides, the two most representative trade unions at national level have each launched an initiative (respectively, “Full Employment Objective” and “Forum for Employment”) to ease rapid re-integration of job-seekers, whether they are in receipt of benefits or not, into the labour market in connection with the policy aim of taking account of the local situation in fighting unemployment. The socio-economic projects which are launched ensure that training centres are available which generate added value in terms of quality of life both for the participants and the local population which reaps the benefits.

- The Law of 12 February 1999 on the implementation of the 1998 NAP introduces parental leave and leave for family reasons.
The aim of the law on parental leave is to grant, under certain legal conditions, six month full-time or 12 month part-time parental leave, with compensatory payment of approximately Flux 60000 or 30000 respectively from the national family benefit fund, to any parent bringing up one or more children under 5 in their household. The entitlement to parental leave is an individual entitlement for any parent who is either a paid employee, self-employed or a civil servant. Parents in paid employment have their contact of employment suspended during the period of parental leave, following which they are reinstated automatically. During the leave period, social security entitlements are upheld (sickness insurance, pension insurance via baby years), as are other entitlements related to seniority and other advantages which workers have acquired at start of their parental leave. During parental leave, employees are protected in the same way as pregnant women are women who have recently given birth, i.e. there is legal ban on their being dismissed. Parental leave has to be taken in full and in one go. One of the parents must take his or her parental leave immediately following maternity or adoption leave, failing which it is forfeited. This leave is an entitlement and employers cannot refuse to grant it if the legal conditions are met. The other parent may take his or her parental leave at the same time the child has reached the age of five. Since the two parents may not take full-time parental leave at the same time (though they may take part-time leave), priority is given to the mother if both parents apply for parental leave at once. Single parents may take their parental leave up to the time their child has reached the age of five. For the second period of parental leave, employers may, under certain conditions which are strictly laid down in the law, defer parental leave for a maximum of two months and, in enterprises with fewer than 15 workers, up to six months. A second deferral is not possible and the leave must be granted without fail at the end of the deferral period. These measures enable enterprises to take on replacements during absence of maternal and parental leave. The State provides financial support for recruiting job seekers to replace people on parental leave, whether it follows maternity leave immediately or not.

Leave for family reasons concerns employees who have to stay at home with a child under 15 who is seriously ill if there is nobody else who can do so. The maximum leave of two days per child and per year can be exceeded only if the child is suffering from an extremely serious illness. A medical certificate must be submitted to provide evidence of the illness, the need for the employee’s presence and the duration thereof. Yet, the number of beneficiaries from this measure is still very low.

Facilitating return to work

The vast majority of women wishing to return to the labour market have no, or inadequate, vocational training. This is why ADEM organises workshops specifically for women to provide them with information to prepare them for the exigencies of working life. Ten workshops were organised in 1998. They provide vocational guidance, sketch out possible routes back to work and help in seeking specific employment. Informatics instructors have been trained and several courses in informatics for women returning to work or low-skilled women seeking employment have been organised.

Participation in the “femme-training-net” project for equal opportunities education/training under the European equal opportunities programme has resulted in very close co-operation betwenn the Department for the promotion of Women’s Employment at the Administration of Employment and the Vocational Training Department of the Ministry of National Education and Vocational Training. Models for training unemployed women have been analysed and planned, giving rise to training schemes for pharmaceutical assistants and informatics instructors. A brochure providing initial guidance for women who wish to return to work has
been realised in the course of this project. Furthermore, under the “femme-training-net” project, the above-mentioned bodies are co-operating to raise the awareness amongst trainers, counsellors and teachers to support access to new technologies or technical or craft occupations for girls. Various projects aimed at making it easier for women to return to the labour market are being co-funded by the European Social Fund. Furthermore, the bill on the support and development of continuing vocational training stipulates that enterprises which include in their training plans women who have had a career break with a view to helping them to return to work can also benefit from aid available under the bill.

Besides, the Law on the implementation of the NAP of 12 February 1999 obliges enterprises to open their doors and to provide access to continuing vocational training for those of their employees who have had a career break as a result of maternity leave, parental leave, training leave or sabbatical leave, etc. This is a measure which should appreciably increase the chances of the persons in question returning to their jobs after a career break. It should therefore greatly benefit women who wish to return to work after interrupting their career to have a baby. It should be noted that the arrangements for this measure must be stipulated in the relevant collective agreement without fail. Under the same law, the Employment Fund pays the travelling expenses of unemployed single parents who take part in continuing training if their income is not one and a half times the minimum social wage. Moreover, the Law of 12 February 1999 on the 1998 NAP opens up apprenticeships (dual training system) for technicians and technical training to persons over the age of 18 (certified apprenticeships for adults).

Finally as mentioned before (see Section 2.1., pillar 1) the law of 12 February provides for an increase of 15% in financing from the Employment Funds in the event of a job seeker of the sex which is underrepresented in an enterprise or a sector being recruited.

2.3 Coherence and consistency in the gender mainstreaming approach

The approach to gender mainstreaming and gender equality in the NAP’s of Luxembourg is quite coherent and consistent. Indeed, the Law of 12 February on the implementation of the 1998 NAP constitute a major step in order to reduce the gender equality deficit (see conclusion of chapter 1) and to promote equal opportunities. It inter alia:
- provides for an increase of 15% in financing from the Employment Funds in the event of a jobseeker of the sex which is underrepresented in an enterprise or a sector being recruited;
- introduces a premium paid by the Employment Fund to the employer equivalent to all the social security contributions due for an employee who has switched from full-time to part-time employment, as long as the employer recruits a job seeker of the underrepresented sex on a permanent contract;
- requires that an equal opportunity plan be drawn up as an obligation when collective negotiations are being carried out with a view to drawing up a collective agreement;
- obliges employers to give workers on a career break such as a sabbatical leave, maternity leave, parental leave, training leave or unpaid leave access to the enterprise and any continuing training it provides;
- collective agreements must without fail stipulate the arrangement for meeting this obligation;
- opens up apprenticeships for technicians and technical training to persons over the age of 18; guarantees that the Employment Fund will pay travelling and child care expenses for unemployed persons on continuing training courses whose household income is less than 1.5 times the minimum social wage for unskilled workers; introduces parental leave of six months for mothers and fathers with guaranteed reemployment and compensation of EURO 1490 a month by the State;
- introduces leave for family reasons;
- provides a legal basis for organising positive action in the private sector.

Nevertheless, future NAP’s will have to provide more detailed information both qualitative and quantitative in order to evaluate and to monitor accurately the gender impact of these measures. In addition, certain measures which could have negative consequences on female
employment, like for example the possibility of calculating working time over a longer reference period (between 4 weeks and 12 months), will demand a particular attention.

2.4 Mechanisms for implementing gender mainstreaming

The Luxembourg action plan is the product of an agreement concluded by the tripartite national co-ordination committee. A key amendment has been made to the legislation on collective agreements to enable the social partners to make a very practical and measurable contribution. Henceforth, all collective negotiations must, without fail, include discussions on the subject of employment and combating unemployment. In order not to be declared null and void, collective agreements must set out the results of collective bargaining on this matter and inter alia on the implementation of equal treatment for men and women, which might include drawing up of an equal opportunities plan. It should be emphasised that the law obliges the partners to base their discussion on the text of the most recent employment policy guidelines adopted by the European Council. Besides, it is worth noting that the government is currently preparing a legal basis and a fund for creating an “Observatory for collective industrial relations” which will be attached to the Ministry of Labour and Employment and which will be responsible for, inter alia, evaluating what the social partners have done to implement the NAP in their areas of responsibility. General monitoring of the NAP will be carried out on a tripartite basis and has been put into the hands of the Standing Committee on Employment. The Committee on Women’s Employment also has a brief to monitor implementation of those actions of the NAP which come under specific remit. Finally, notice that the following legislative measures will promote female employment and will contribute to achieve a better representation of women on the labour market: (i) Introduction of an equal opportunities delegate in firms of the private and public sector; (ii) Introduction of positive action into the general rules governing civil service employment; (iii) Creation of a framework for encouraging positive action in the private sector; and (iv) Establishment of an equal opportunities plan in private-sector collective agreements.

References


