

September 2017

Work-life balance for parents and carers

Impact assessment (SWD(2017) 202, SWD(2017) 203 (summary)) of a Commission proposal for a directive of the European Parliament and of the Council on work-life balance for parents and carers (COM(2017) 253) and repealing Council Directive 2010/18/EU

Background

This note seeks to provide an initial analysis of the strengths and weaknesses of the European Commission impact assessment (IA) accompanying the above proposal, submitted on 26 April 2017 and referred to Parliament's Committee on Employment and Social Affairs. The proposal is a follow-up to the withdrawal of the Commission's proposal to revise Council Directive 92/85/EEC (the Maternity Leave Directive). After the withdrawal, the Commission announced its intention to prepare a new initiative with a broader approach. The European Parliament has called in its resolutions for a comprehensive proposal from the Commission on work-life balance.¹ In line with the Treaty on the Functioning of the European Union (TFEU), the Commission conducted a two-stage consultation with the social partners on work-life balance. There was no agreement among social partners to enter into direct negotiations to conclude an EU level agreement. A roadmap² for the new initiative was published in August 2015 and the initiative was included in the Commission's 2017 work programme within the framework of the European Pillar of Social Rights.³ The Commission's proposal for a directive is part of a package of measures aiming to address women's underrepresentation in employment by improving conditions to reconcile work and family duties.⁴ The proposal builds on existing EU legislation⁵ (especially Directive 2010/18/EU on parental leave), policies and best practices of the Member States in the area of work-life balance.

Problem definition

The IA identifies women's underrepresentation in employment as a problem that needs to be addressed at EU level. Women are increasingly well-qualified but, nevertheless, clearly underrepresented in the workplace compared to men. The gender employment gap (for the 20 to 64 age range) in the EU in 2015 was 11.6 percentage points and 18.1 percentage points for full-time equivalent employment (IA, pp. 28-29).

The IA report notes that an unequal sharing of caring responsibilities between women and men is one of the main drivers affecting women's representation in employment (IA, pp. 6, 29 and 50-51). The IA notes that in the 2015 EU Labour Force Survey women reported that taking care of a child or dependent relative was the most important

¹ See Parliament's resolutions on Creating Labour Market Conditions Favourable for Work-Life Balance, P8_TA(2016)338, Equality between Women and Men in the EU in 2014-2015, P8_TA(2017)73, a European Pillar of Social Rights, P8_TA(2017)10, on maternity leave, P8_TA(2015)207.

² European Commission (2015), Roadmap: A new start to the challenges of work-life balance faced by working families.

³ European Commission, Communication of establishing a European Pillar of Social Rights, COM(2017)250, SWD(2017)200, SWD(2017)201, SWD(2017)206. See also Nora Milotay, European Pillar of Social Rights for a more social Europe, EPRS, September 2016.

⁴ European Commission An initiative to support work-life balance for working parents and carers, COM(2017)252.

⁵ Several directives are relevant to work-life balance, in particular Council Directive 2010/18/EU (parental leave), Directive 92/85/EEC (maternity leave), Directive 2006/54/EC (recast, employment and occupation), Directive 97/81/EC (part-time work), Directive 2003/88/EC (working time), Directive 2010/41/EU (self-employment). For further information, Martina Prpic, Maternity, paternity and parental leave in the EU, EPRS, March 2017; Alina Dinu, Implementation Appraisal on the Parental Leave Directive, EPRS, May 2017.

reason for their inactivity in the labour market (IA, p. 31). A higher proportion of women work part time than men. They also often work in jobs below their skill level and are under-represented in management positions. Women have longer absences and reduced working hours for care responsibilities and in some cases drop out from working life. This is especially common when there are difficulties in accessing formal childcare services and long-term care services. This problem is likely to increase further due to demographic ageing (IA, pp. 7-8, 28-31 and 37-40).⁶

The IA identifies gender stereotypes, gender discrimination and ill-designed work-life balance policies as root causes for unequal distribution of care responsibilities. The IA also notes that economic disincentives can further reinforce the imbalance. According to the IA, evidence shows that well-designed policies (leave and flexible working arrangements) to reconcile work and family responsibilities can be effective in reducing gender inequalities in employment. Policy reform can play a role in changing attitudes. The opportunities and incentives for men to make use of work-life balance arrangements and their take-up varies between Member States. The IA report includes a table comparing the level of take-up of parental leave by country and gender (p. 37). The report also describes the experiences in some Member States of incentive measures designed to encourage men to take parental leave. The IA report refers to studies and statistics on the link between women's employment and the take-up of family-related leave by fathers (IA, pp. 32-42).

The IA estimates that women's lower participation in employment leads to negative consequences on an individual level, such as career interruptions and low-paid work causing a pay gap, pension gap and a higher risk of poverty, especially in older age.⁷ At company level the consequences may show up in a shrinking talent pool and declining motivation and productivity. For societies, underrepresentation of women in employment leads to lower availability of labour supply, reduced tax-revenue and increased social transfers the cost of which is estimated at €370 billion per year, equivalent to 2.8 % of EU gross domestic product (GDP) (IA, pp. 16 and 42-46).

The IA report includes a summary tree on the problem, drivers and consequences (p. 47). It also provides an evaluation report (Annex 5) of the current legislative framework on work-life balance (the Maternity Leave Directive 92/85/EEC and the Parental Leave Directive 2010/18/EU). The evaluation report is based on a study by an external contractor (ICF), on the implementation and expert reports carried out by the European Commission, other European institutions and equality bodies, on data collection in the context of the impact assessment, and on the open and social partner consultations. The IA report also presents a baseline scenario (no EU action). While there has been positive progress in many EU countries, the recent economic and financial crisis has had a negative impact on work-life balance policies (leave, payment levels, care services) in several countries. The projections up until 2055 show that while female labour market participation can be expected to improve without EU action, the progress is slow and uneven. The persisting gender gap in employment is assumed to have negative economic consequences (IA, pp. 48-50).

Objectives of the legislative proposal

The general objective is to 'address women's under-representation in the labour market and to promote equality between men and women with regard to labour market opportunities by modernising the current EU legal and policy framework and adapting it to today's labour market in order to allow parents with children or workers with dependent relatives to better balance caring and professional responsibilities'.

The specific objectives are to improve access to work-life balance arrangements – such as leave and flexible working arrangements – and to increase take-up of family-related leave and flexible working arrangements by men (IA pp. 50-52). The objectives appear to derive from the problem section of the IA and the evaluation of the current legislation (IA, Annex 5). The IA points out that formal care services and economic disincentives, which have a significant impact on the problem addressed, are not covered in the impact assessment owing to the limited EU competence in these areas (IA, pp. 51 and 118). It would have been useful to have had a clear reference in the

⁶ See Parliament resolution on [Women domestic workers and carers in the EU](#), P8_TA(2016)203.

⁷ Parliament resolutions also on [Poverty: a gender perspective](#), P8_TA(2016)235 and [The need for an EU strategy to end and prevent the gender pension gap](#), P8_TA(2017)260. See also [Gender gap in pensions: Looking ahead](#), study for the FEMM Committee, European Parliament's Policy Department for Citizens' Rights and Constitutional Affairs, 2017.

IA report to the Commission communication (COM(2017) 252), which explains also the non-legislative measures of this initiative.

Range of options considered

The IA report outlines a baseline option (status quo, no new action) and possible non-legislative and legislative options in the areas of maternity leave, paternity leave, parental leave, carers' leave and flexible working arrangements. For these areas key parameters have been identified on the basis of the analysis of stakeholders' views. The IA considers that the options outlined are expected to affect other drivers such as gender stereotypes and gender pay gap. The IA report also provides a summary chart showing the intervention logic of the various options (p. 70). The range of options appears to be broad enough, providing three options in addition to the baseline for each area. They also seem to derive from the experience of the current legislation (IA, Annex 5, pp. 157-199). The IA report presents the operational objectives in the context of core indicators in the monitoring and evaluation section (pp. 119-120).

1. Family-related leave

<p>* Maternity leave – Parameters: *arrangements to enable breastfeeding mothers to work *level of payment or allowance for part of the leave *extension of length (discarded) *protection against dismissal (discarded for legislative options)</p>
<p>Baseline: Directives 92/85 and 2006/54, case-law of the ECJ (14 weeks, paid at least at sick pay level, prohibition of dismissal/discrimination for reasons of pregnancy or maternity leave, even after the maternity leave period)</p>
<p>Non-legislative: enhanced enforcement, policy guidance and awareness-raising of current legislation on protection against dismissal, policy guidance and sharing of good practices on facilitating successful transitions between maternity leave and employment (preferred option)</p>
<p>Option 1: entitlement for breastfeeding mothers to breaks of at least 1 hour per full working day; requirement for employers to provide facilities for breastfeeding</p>
<p>Option 2: Option 1 plus first 2 weeks (compulsory period) to be fully paid</p>
<p>* Paternity leave – Parameters: *length *level of payment or allowance</p>
<p>Baseline: No right to paternity leave at EU level</p>
<p>Non-legislative: Policy guidance on key parameters for successful implementation of paternity leave; enhanced coverage of paternity leave entitlements and take-up in the European Semester</p>
<p>Option 1: Individual right to 5 working days, unpaid</p>
<p>Option 2: Individual right to 5 working days, paid at least at sick leave level</p>
<p>Option 3: Individual right to 10 working days, paid at least at sick leave level (preferred option)</p>
<p>* Parental leave – Parameters: *level of payment or allowance *degree of transferability between parents *possibility to take leave on a flexible basis *maximum age of the child *extension of length (discarded).</p>
<p>Baseline: Directive 2010/18/EU (individual right to 4 months' parental leave per parent, per child; maximum age of child 8 years, one month non-transferable.</p>
<p>Non-legislative: Policy guidance for successful implementation. Benchmark on gender-balanced take-up of parental leave. Enhanced coverage of parental leave entitlements and take-up in the European Semester</p>
<p>Option 1: Baseline plus entitlement to flexible uptake (part-time, full-time, time-credit, one or more blocks)</p>
<p>Option 2: Option 1 plus: one non-transferable month, paid at least at sick pay level; maximum age of child 12 years</p>
<p>Option 3: Option 1 plus: 4 non-transferable months paid at least at sick pay level; maximum age of child 12 years. (preferred option)</p>
<p>* Carers' leave – Parameters: *length *level of payment/allowance *possibility to take leave on a flexible basis</p>
<p>Baseline: Entitlement to time off on grounds of force majeure for urgent family reasons in cases of sickness or accident, making the immediate presence of worker indispensable</p>
<p>Non-legislative: Policy guidance for successful implementation of carers' leave; enhanced coverage of carers' leave entitlements and take-up in the European Semester.</p>
<p>Option 1: Individual entitlement to 12 weeks' leave per worker throughout the career; unpaid; entitlement to flexible uptake (part-time, full-time, time-credit, one or more blocks).</p>

<u>Option 2</u> : Individual entitlement to 4 weeks' leave per worker throughout the career; paid at least at sick pay level; entitlement to flexible uptake (part-time, full-time, time-credit, one or more blocks)
<u>Option 3</u> : Individual entitlement to a short-term leave of 5 days, per year, per child or dependent relative; paid at least at sick pay level (preferred option)

2. Flexible working arrangements for parents and carers

<u>Parameters</u> : *scope of the concerned population (e.g. parents, workers with dependent relatives) *type of flexibility *extension of the level of the right to request as an absolute right (discarded)
<u>Baseline</u> : Right for parents to request flexible working arrangements when returning from parental leave by requesting changes to their working hours and/or patterns for a set period of time and have such requests duly considered by the employer, taking into account both employers' and workers' needs
<u>Non-legislative</u> : Policy guidance on key parameters for gender-balanced take-up of flexible working arrangements; enhanced coverage of the take-up of flexible working arrangements by women and men; benchmark on gender-balanced take-up of flexible working arrangements
<u>Option 1</u> : Right for parents of children up to 12 years or carers to request flexibility in place of work for a set period of time; in line with current provisions, the employer has to consider the request and reply, no obligation to grant the requested change
<u>Option 2</u> : Right for parents of children up to 12 years or carers to request flexibility in working schedule for a set period of time. In line with current provisions, the employer has to consider the request and reply, no obligation to grant the requested change
<u>Option 3</u> : Right for parents of children up to 12 years or carers to request flexibility in working hours, schedule or place of work for a set period of time; automatic right to return to the previous working hours; in line with current provisions, the employer has to consider the request and reply, no obligation to grant the requested change (preferred option)

Scope of the impact assessment

The IA report describes the economic, social, environmental and health impacts of the initiative. The IA notes that environmental impacts do not appear to be significant in this initiative (p. 113). Assumed impacts have been quantified where possible. Non-legislative options have been assessed only qualitatively as their impact depends on the extent to which the Member States follow the EU guidance. The methodology used for quantitative impact analysis is explained in Annex 4 of the IA report (assumptions, cost benefit analysis, E3ME model). The assessment of the impact of the options is presented for individuals, companies and Member States. The options have been compared from the point of view of effectiveness, efficiency and coherence. Regarding the proportionality principle the IA considers that with the mix of preferred options it is possible to reach the policy objective in a proportionate manner. A legal gap analysis table is included in the IA report (p. 116). The views of stakeholders are described for various measures (IA, pp. 71-118).

The IA notes that the assessment is based on the existing legal provisions and therefore the collective agreements in the Member States have not been taken into account. Entitlements between the public and private sectors may also vary in some Member States which may mean an over-estimation of the impact of the measures in some cases. The majority of the costs are driven by the flexible working arrangements option which is likely to be requested by a high number of workers. As employers can refuse requests, the costs for the company may be lower than estimated in the analysis. As regards the estimated costs, the IA points out that costs of this initiative arise in the short and medium term and the benefits take more time to appear. A quantitative analysis of the costs and benefits of the combination of preferred options (IA, table, p. 117) shows a positive impact on GDP (+€839.7 billion, net present value (NPV) 2015-2055), employment (+ 1.6 million in 2050) and the labour force (+1.4 million in 2050). The total impact of the preferred options on companies is expected to be -€172.7 billion (NPV 2015-2055).

The IA report also presents a sensitivity analysis of lost production when a worker is on a leave or has flexible working arrangements. In the estimated total costs the assumption is that absence of a staff member means 100 % loss of his/her productive value. The analysis notes that part of the lost production could be absorbed by for

instance redistribution of tasks, and consequently the value of the lost production would be lower. SMEs are not specifically mentioned in the sensitivity analysis (IA, pp. 82, 91, 100-101 and 109).

The IA explains that the initiative applies to all workers who have an employment contract or employment relationship as defined by the various Member States. The self-employed are not explicitly covered as there are existing instruments for self-employed activities. (IA, pp. 17-18) In the framework of the European Pillar of Social Rights, the Commission has launched a consultation process on access to social protection, which also covers the self-employed.

Subsidiarity / proportionality

The legal basis of this initiative is Articles 153(2)(b) and 153(1)(i) of the Treaty on the Functioning of the European Union (TFEU). This initiative is in line with the Treaty-based goals of equality between men and women and the EU Charter of Fundamental Rights (equality between men and women, right to family and professional life).

Concerning the proportionality aspect, the explanatory memorandum of the legislative proposal notes that planned EU action is about minimum standards and leaves scope for national decisions while achieving the objectives of increasing female participation and gender equality. In addition, the new provisions are built on the existing legislation (pp. 6-7).

The IA report notes that EU action has had a strong added value in addressing the challenges described by this initiative. The IA notes that there is already an EU legislative framework (the parental and maternity leave directives) in relation to work-life balance policies, indicating the common agreement that EU level action in this area is necessary. The EU has also been addressing work-life balance issues and female labour market participation through the European Semester, the European structural funds, investment funds and policy guidance. According to the IA, there are many Member States where the measures to achieve work-life balance objectives are inadequate. Differences between Member States may lead to an unbalanced level of rights, unequal protection for EU citizens across the EU and differences in the functioning of labour markets. The IA notes that 'the modernisation of the existing EU legal framework guaranteeing a level playing field for work-life balance policies can only be achieved by EU level action, rather than by individual Member States' (IA p. 55). EU action based on minimum standards helps to avoid the risk of downward competition between Member States and companies. Common minimum standards are relevant also in the context of the free movement of workers and the freedom to provide services in the internal market of the EU (IA, pp. 54-56). It would have been useful to have had more substantiated explanations concerning the internal market aspects in the IA report.

Under Protocol 2 (TFEU) the national parliaments of Poland (Senate, Sejm) and Netherlands (Eerste Kamer, Tweede Kamer) submitted reasoned opinions by the deadline of 28 June 2017 stating that the proposal is incompatible with the subsidiarity principle (see the [Platform for EU Interparliamentary Exchange \(IPEX\)](#)).

Budgetary or public finance implications

According to the explanatory memorandum of the legislative proposal there are no implications for the EU budget. The preferred options entail costs for central governments on account of administrative costs in processing applications and benefit payments. As the preferred options would also have positive impacts (for instance on women's employment, tax revenue and overall GDP), the IA estimates the impact on governments of the Member States and social security providers (NPV 2015-2055) to be positive (+€343.6 billion), likewise on GDP (NPV 2015-2055) (+€839.7 billion) (IA, pp.114-118).

SME test / competitiveness

The proposal does not include specific exemptions for SMEs and micro companies. The IA report notes that 'the policy options do not disproportionately affect the performance of SMEs' (IA, pp. 74, 81, 91, 100 and 109). According to the IA, for micro-enterprises the estimated costs represent a small share of turnover, being close to the cost level under the baseline ('under 1 % of turnover in most countries and under 3 % in all countries', p. 5, executive summary). However, the IA report notes that costs may be a burden in the short term for the smallest enterprises (pp. 71 and 81). Regarding flexible working arrangements the IA report points out that employers – SMEs and big companies alike – may refuse requests for flexible working (IA, p. 109). In the consultation of the EU

social partners, employers' organisations (in particular HOTREC, ECEG) raised concerns about the burden for SMEs (IA, p. 132).

In the IA report competitiveness is considered in various options, indicating positive impact regarding maternity leave and flexible work arrangements options, no impact regarding paternity leave options, and marginal negative or positive effects regarding the parental and carers' leave options. SMEs are not specifically mentioned in the analysis of competitiveness (IA, pp. 76, 84, 94, 103 and 111). In addition, the presentation of the impact of the combination of the preferred options describes the expected costs for companies in general without specific information on the impact on SMEs and micro businesses (IA, pp. 114-118). The IA report refers to the supporting study which presents the costs for microbusinesses (IA, pp. 74, 81, 100 and 109). It would have been useful to have had more information on the results and figures contained in this study (IA pp. 71-118). The IA report could also have provided more information on the cost benefit analysis for SMEs (IA, 142) and comparative information of the impact on SMES and microbusinesses and bigger companies.

Simplification and other regulatory implications

The initiative builds on the existing EU legislative and non-legislative frameworks. The proposal complements the Council Directive 2010/18/EU (parental leave) provisions and introduces new rights. Currently there is no EU legislation on paternity leave or carers' leave. As regards flexible working arrangements, currently EU legislation provides only the right for parents to request flexible working time when returning from parental leave and to eliminate discrimination against part-time workers. The proposal lays down minimum requirements on paternity, parental and carers' leave and flexible arrangements for parents and workers with caring responsibilities. A table on legislative implications (legal gap analysis) is included in the IA report (IA, p. 116).

Quality of data, research and analysis

The IA is based on the study by an external contractor, ICF, and supporting studies by the European Social Policy Network, the London School of Economics and the European Network of Equality Bodies. According to the IA report some of them have been published but there are no links to the publications. This undermines the transparency of the information included in the IA report. Annex 4 of the IA describes the methodology used for quantitative impact analysis. The two-fold methodology comprises a cost-benefit analysis (policy options) and a macro-economic analysis (E3ME model). Assumed impacts have been quantified in the IA where possible. The calculations for most socio-economic impacts are based on the estimated take up and duration of leave options and flexible working arrangements under each option. In the baseline scenario, data has been collected from desk research for each Member State (as relevant administrative data is not available in some Member States). Non-legislative options have been assessed only qualitatively (IA, pp. 139-156). The IA notes the data limitations in this policy field (IA, pp. 119, 162).

Stakeholder consultation

Annex 1 of the IA report provides procedural information and Annex 2 provides information on stakeholder views in line with the [Better Regulation Guidelines](#). An **open public consultation** was carried out (November 2015 to February 2016) on challenges and possible action concerning work-life balance. It resulted in 786 contributions from the EU28 (229 from organisations, 557 from individuals). In line with the Treaty, the Commission undertook a **two-stage consultation with the EU social partners** between November 2015 and January 2016 and from July 2016 to September 2016 on the possible direction for EU action and the content of the envisaged proposal. While the social partners agreed with the objective of improving women's employment, there was no agreement on new EU legislative action or on entering into direct negotiations.

The trade unions supported EU legislative action to improve the transition into work and protection against dismissal and to increase maternity leave duration and pay. Regarding parental leave, they supported an increase in the duration, the non-transferable period and the maximum age of the child, the introduction of payment and flexibility in uptake. Trade unions were in favour of paid paternity leave and carers' leave. **Employers' organisations** did not support further EU legislation on account of the costs, which affect competitiveness, employment and SMEs. They preferred non-legislative measures such as good practices, better awareness-raising, EU-level support for the formal care services and policy guidance to reduce tax-benefit disincentives for women to work. Employers considered that flexible working arrangements should be defined at a company-level.

The **EU Advisory Committee on equality between men and women** stressed the importance of care services, incentives for men to take leave and action to challenge stereotypes. The Committee considered that the Member States should go further with the targets to develop childcare provision. The **European Parliament** called in its resolution of 13 September 2016⁸ for effective protection for pregnant and breastfeeding women and single mothers. Regarding parental leave, it supported an increase in duration and the maximum age of the child, flexibility in uptake for leave, introduction of pay and a significant non-transferable part of the leave. It called for paid paternity leave and paid carers' leave, introduction of care credits, implementation of the Barcelona targets for childcare and introduction of targets for long-term care services. Parliament was in favour of flexible working arrangements and asked for the needs of adoptive parents and parents of children with a disability or serious or long-term incapacitating illness to be taken into account. **Ministries** in 10 Member States, which contributed to the open consultation, had different views on the need for EU-level action. **NGOs** supported EU action, paid paternity leave, paid carers' leave and improvements to parental leave.

Monitoring and evaluation

The monitoring and evaluation plans are explained in the IA report and in the explanatory memorandum of the directive proposal. The European Commission plans to evaluate the revised legal framework five years after its entry into force. In order to monitor progress in relation to the general and specific objectives and to address the lack of systematic European monitoring data in the field of this initiative, the Commission has identified seven core progress indicators. The IA presents a table with operational objectives, core indicators and description of the current EU situation. The monitoring plan takes into account the targets under broader EU initiatives, such as the Europe 2020 strategy and the European Pillar of Social Rights, and progress will be monitored notably regarding the objective of achieving an employment rate of 75 % (for women and men between the ages of 20 and 64) (IA, pp. 119-121 and 162, explanatory memorandum, pp.10-11). The initiative also intends to develop benchmarks for evaluation and improve data collection. This is described in the communication (COM(2017) 252).

Operational objectives	Core indicators	Current EU situation
Reduce gender employment gap	Employment rate (between the ages of 20 to 64 by gender)	The gender employment gap is 11.6 % (2015).
Reduce gender gap in part-time employment	Part-time employment rate (20-64 years by gender)	The gender part-time employment gap is 23.6 % (Q1 2016).
Reduce impact of parenthood on women's employment rate	Employment impact of parenthood on women and men for 1 child under 6 years of age	-8.8 % gap between mothers of 1 child under the age of 6 and mothers without children
Reduce % of women inactive on account of caring responsibilities	Women's inactivity on account of caring responsibilities	18.7 % of inactive women are inactive on account of caring responsibilities.
Reduce gender gap between women and men in part-time work on account of caring responsibilities	Women's and men's part-time employment owing to caring responsibilities	26.2 % of women and 3.8 % of men work part time owing to caring responsibilities.
Reduce women's risk of poverty and social exclusion	People at risk of poverty or social exclusion (between the ages of 18 and 64 by gender)	26.2 % of women aged from 18 to 64 are at risk of poverty.
Ensure gender-balanced use of leave arrangements	Take-up of parental and carers' leave by women/men, paternity leave by men	No EU average, lack of comparative data

⁸ Parliament resolution on [Creating labour market conditions favourable for work-life balance](#), P8_TA(2016)338.

Commission Regulatory Scrutiny Board (RSB)

The RSB issued a negative opinion on a draft version of the IA report on 20 January 2017, asking for clarifications and justifications throughout the proposal. On 20 March 2017, the RSB adopted a second, positive opinion with reservations on a revised version of the IA. While the RSB acknowledged improvements, the opinion included further recommendations to clarify in particular the scope (limited versus broader approach, target group, protection against dismissal, paternity leave and carers' leave) and presentation of the impacts of the mix of the preferred options (more transparency regarding the impact on micro enterprises, asymmetry between costs and benefits over time). The remarks of the RSB and follow-up measures are described in Annex 1 of the IA report (pp. 123-128). While it seems that the RSB's recommendations have largely been addressed in the final IA report, transparency regarding the impact on micro enterprises could have been improved further.

Coherence between the Commission's legislative proposal and IA

The legislative proposal of the Commission largely follows the recommendations expressed in the IA. It has to be noted, however, that regarding carers' leave, the legislative proposal defines the leave as five days of leave per year per worker, rather than 'per child or dependent relative' which was one of the preferred options. Non-legislative measures concerning maternity leave, which were among the preferred options, are mentioned in the communication (COM(2017) 252).

Conclusions

Overall, the IA presents a good description and explanation of the problem. Broad stakeholder consultations have been conducted. The options derive from the evaluation of the current legislation and stakeholders' views. It can be noted, however, that stakeholders have different views on the options and on the need for further EU legislation. The IA report openly notes the lack of comparable data and defines core indicators for monitoring. In the presentation of the impact of the mix of preferred options, more attention could have been paid to transparency of the impact on micro-enterprises and SMEs instead of presenting the costs for companies in general. Furthermore, it would have been useful to have had more information on the supporting studies. This concerns for example the study including the costs for microbusinesses (results, calculations), which was referred to several times in the IA report. The IA report could also have provided comparative information regarding impact on SMEs and microbusinesses and bigger companies. On a technical point, it can be noted that the main text and abstract clearly exceed the length recommended in the Better Regulation Guidelines.

This note, prepared by the Ex-Ante Impact Assessment Unit for the European Parliament's Committee on Employment and Social Affairs, analyses whether the principal criteria laid down in the Commission's own Impact Assessment Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal. It is drafted for informational and background purposes to assist the relevant parliamentary committee(s) and Members more widely in their work.

To contact the Ex-Ante Impact Assessment Unit, please e-mail: EPRS-ImpactAssessment@ep.europa.eu

Manuscript completed in September 2017. Brussels © European Union, 2017.

The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

www.europarl.europa.eu/thinktank (Internet) www.eptinktank.eu (blog) www.eprs.sso.ep.parl.union.eu (Intranet)