



Highlights of GAO-07-817, a report to congressional requesters

June 2007

## WOMEN AND LOW-SKILLED WORKERS

### Other Countries' Policies and Practices That May Help These Workers Enter and Remain in the Labor Force

#### Why GAO Did This Study

Increasing retirements and declining fertility rates, among other factors, could affect the labor force growth in many developed countries. To maintain the size and productivity of the labor force, many governments and employers have introduced strategies to keep workers, such as women and low-skilled workers, in the workforce throughout their working lives. Because other countries have also undertaken efforts to address issues similar to those occurring in the U.S., GAO was asked to (1) describe the policies and practices implemented in other developed countries that may help women and low-wage/low-skilled workers enter and remain in the labor force; (2) examine the targeted groups' employment following the implementation of the policies and practices; and (3) identify the factors that affect employees' use of workplace benefits and the resulting implications. We conducted an extensive review of workplace flexibility and training strategies in a range of developed countries, and we conducted site visits to selected countries. Our reviews were limited to materials that were available in English. While we identified relevant national policies in the U.S., we did not determine whether other countries' strategies could be implemented here. Labor provided technical comments, and State had no comments on this report.

#### What GAO Recommends

This report contains no recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-817](http://www.gao.gov/cgi-bin/getrpt?GAO-07-817).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd R. Nilsen at (202) 512-7215 or [nilsens@gao.gov](mailto:nilsens@gao.gov).

#### What GAO Found

Governments and employers have developed a variety of laws, government policies, and formal and informal practices, including periods of leave, flexible work schedules, child care, and training. Each of the countries we reviewed has some form of family leave, such as maternity, paternity, or parental leave, that attempts to balance the needs of employers and employees, and, often, attempts to help women and low-wage/low-skilled workers enter and remain in the workforce. In Denmark, employed women with a work history of at least 120 hours in the 13 weeks prior to the leave are allowed 18 weeks of paid maternity leave. In addition to family leave for parents, countries provide other types of leave, and have established workplace flexibility arrangements for workers. U.S. federal law allows for unpaid leave under certain circumstances. All of the countries we reviewed, including the United States, also subsidize child care for some working parents through a variety of means, such as direct benefits to parents for child care or tax credits. For example, in Canada, the government provides direct financial support of \$100 a month per child, to eligible parents for each child under 6. Last, governments and employers have a range of training and apprenticeship programs to help unemployed people find jobs and to help those already in the workforce advance in their careers.

Although research shows that benefits such as parental leave are associated with increased employment, research on training programs is mixed. Leave reduces the amount of time that mothers spend out of the labor force. Cross-national studies show that child care—particularly when it is subsidized and regulated with quality standards—is positively related to women's employment. Available research on training in some of the countries we reviewed shows mixed results in helping the unemployed get jobs. While some initiatives have shown promise, some evaluations of specific practices have not been conducted. Some country officials said it is difficult to attribute effects to a specific policy because the policies are either new or because they codified long-standing practices.

While policies do appear to affect workforce participation, many factors can affect the uptake of workplace benefits, and employees' use of these benefits can have implications for employers and employees. For example, employees' use of workplace benefits can create management challenges for their employers. Additionally, employees are more likely to take family leave if they feel that their employer is supportive. However, while a Canadian province provides 12 days of unpaid leave to deal with emergencies or sickness, low-wage workers cannot always afford to take it. Similarly, the uptake of available benefits can also have larger implications for an employee's career. Some part-time jobs have no career advancement opportunities and limited access to other benefits. Since employers tend to target their training to higher-skilled and full-time workers, employees who opt to work part-time may have fewer opportunities for on-the-job training that could help them advance, according to researchers in the Netherlands.