

## Trends in female employment

### SUMMARY

Statistics and research results show that over the past decade, despite the economic and financial downturn, the EU's labour market has witnessed an increase in women's employment rates. Women's employment seems to be more resilient to the economic crisis than men's.

This is partly due to long-term developments and institutional framework changes, as well as to women's tendency to work in particular sectors and accept flexible working arrangements (e.g. part-time work, teleworking). Despite the general upward trend, however, women's employment rates vary by Member State, age, social group, and educational level.

Even though international and EU legislation takes account of women's situation in the labour market, and the EU dedicates a substantial amount of analytical work to it, a number of challenges remain unresolved. Examples include the need to harmonise retirement schemes taking into account specific characteristics of women's careers; to better reconcile work and family life through more flexible employment arrangements; but the improvement and recognition of women's skills, the equal treatment of domestic work and migrant workers, and the further closing of the gender pay gap are likewise important.



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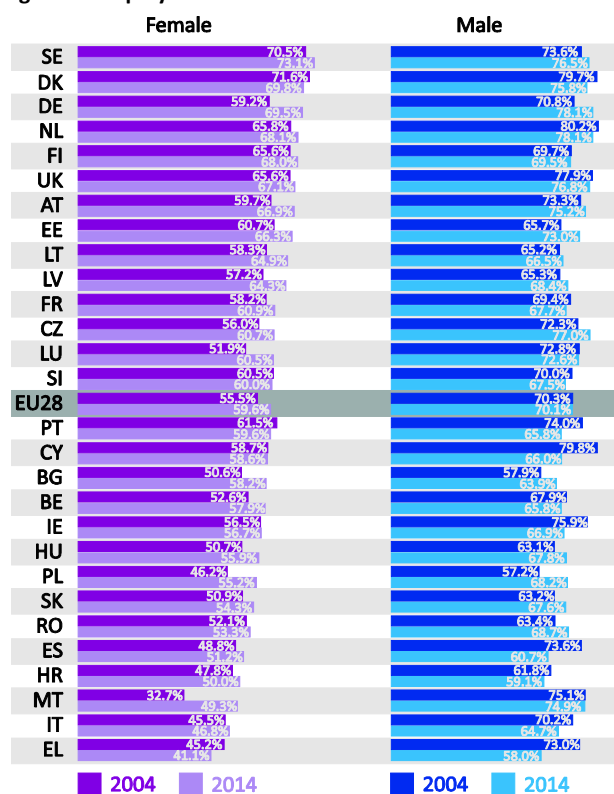
## Issue

A number of [studies](#), such as those by CEPS<sup>1</sup> have demonstrated that the past two decades have been a period of major changes in the position of women in EU labour markets. In spite of the economic and financial crisis, women constitute an increasingly large share of the total workforce, and this trend continues.

While the most significant employment improvements can be observed among older women in the 45-64 age group, women in the 25-45 age group have also experienced major positive employment changes. In contrast, employment rates of younger women (under 25 years of age) have decreased in most EU countries. According to research [results](#) published by the International Labour Organization, unlike men, women's participation in the labour market is characterised by periods of withdrawal from work to care for children or other family members; greater use of flexible working arrangements (part-time work, teleworking, earlier retirement); persistence of a gender-specific pay gap; and lower participation in entrepreneurial activities. In-work poverty and the not always seamless integration of [immigrant women](#) in the labour market are additional challenges.

Nevertheless, despite the considerable improvements noted above, the labour potential of women is far from being utilised entirely or optimally.

Figure 1: Employment rate of men and women 2004–2014



Source: Eurostat ([lfsi\\_emp\\_a](#)).

## Background

According to recent [Eurostat statistics](#), in 2014, the EU-28 employment rate for men was still higher (70.1%) than that for women (59.6%). A longer-term comparison shows, however, that while the employment rate for men in 2014 was lower than ten years earlier (70.3% in 2004), there was a noticeable increase in the rate of employment of women (a rise of 4.1% from 55.5% in 2004).

Over time, various [circumstances](#) have contributed to the increase in women's employment rates: long-term trends across developed countries,<sup>2</sup> changes in institutional frameworks<sup>3</sup> in specific countries, as well as the fact that women's employment has been more resilient to the crisis than men's. This has mainly been due to the '[gender sectorial segregation](#)' (more men work in the crisis-hit construction and manufacturing sectors, while women are more represented in the

services sector which has been less affected by the crisis). This phenomenon results in a shrinking gender employment gap, particularly in countries that have suffered the most from the crisis, such as [Spain](#). The increasing participation of women in the labour market is in tune with the employment goals of the Lisbon strategy,<sup>4</sup> launched in 2000 to address the challenges of globalisation and ageing (and re-launched in 2005 with

more focus on growth and jobs); as well as the more recent employment goals of the [Europe 2020 strategy for smart, sustainable and inclusive growth](#) (Europe 2020).

### **Age-specific differences**

The greatest improvements have been observed in the older age group (45-65 years), due to attitudinal changes as well as to country-specific measures,<sup>5</sup> for instance in [Germany](#). Conversely, employment rates among young women (under 25 years of age) have decreased in most EU countries, mainly due to increasing female enrolment in tertiary education, which postpones the beginning of a woman's career. Female students are less likely to combine education and work. In addition, the chance that the childcare period will fall between school and the start of work has grown significantly.

### **Differences due to educational level**

Well-educated women generally have higher employment rates, which pushes overall employment rates up. Moreover, they are more likely to overcome the gender pay gap. According to a recent Neujobs [study](#) and Eurostat [statistics](#), the proportion of women aged 30–34 with tertiary education in the EU-28, rose whereas it had fallen to 33.6 % among men.

### **Specifics of female employment**

#### *Part-time work*

The number in part-time workers differs significantly between men and women. Eurostat [statistics](#) show that almost a third (32.2%) of women aged 15–64 who were employed in the EU-28 worked part-time in 2014. Among male workers, this proportion was much lower (8.8%).

#### *Female entrepreneurship*

While differences in terms of employment rates and salaries are narrowing between men and women, the [gender gap in entrepreneurship](#) is still wide. In 2012, only 31% of self-employed EU citizens were women, while only 10% of working women were self-employed. Moreover, in contrast to men, women entrepreneurs seem more often to be motivated by necessity (e.g. job-finding difficulties, need for better work-family balance), and tend to start their businesses in less innovative sectors. Most women still do not consider entrepreneurship a relevant career option. In its [Strategy for equality](#), the Commission notes that the revised Directive on self-employed women aimed to remove a major barrier to female entrepreneurship.<sup>6</sup>

#### *Sectoral nature*

Women are often over-represented in certain economic sectors and under-represented in others. 'Female' or '[pink-collar](#)' jobs (mostly in healthcare, education and public administration) are in general less valued than typically male professions, with pay lower than in male-dominated sectors. [Analysis](#) by the European Commission confirms that women are under-represented in decision-making positions, mainly in politics and business.

## **Women in EU employment policy**

Women's employment is taken into account in several fundamental EU employment guidelines. The European employment strategy (EES), first launched in 1992 under the Treaty on European Union, has since been the cornerstone of the EU's employment policy. It was relaunched in 1997 and revised in 2005 in order to be better aligned to the revised Lisbon objectives. It is now part of Europe 2020 and is implemented through the [European semester](#). In line with Europe 2020, the EES encourages measures to help

meet three headline targets by 2020, namely: 75% of people aged 20 to 64 to be in work; school drop-out rates to fall below 10%, and at least 40% of 30 to 34-year-olds to have completed tertiary education; and at least 20 million fewer people to be in or at risk of poverty and social exclusion.

One of the strategy's flagship initiatives, the [Agenda for new skills and jobs](#), aims to upgrade, anticipate and match employee's skills according to labour market needs. It treats women, together with younger and older workers, as a specific group at risk and outlines the need to raise employment rates 'particularly for women and young and older workers', while 'enhancing in particular the contribution of women to the formal economy and growth'. The Agenda is complemented by other EU initiatives addressing the concerns of specific groups, such as '[Youth on the move](#)' or the Commission's [Strategy for equality between women and men](#).

The 'Youth on the move' initiative highlights that young women are particularly at risk of falling into the trap of a segmented labour market (temporary jobs alternated with unemployment). It was succeeded in 2013 by the [Youth employment initiative](#), designed to reinforce and accelerate its measures. Also in 2013, the Commission published a [communication](#) aimed at accelerating the implementation of the [Youth Guarantee](#),<sup>7</sup> a further employment-related initiative targeting young people.

The Strategy for equality between women and men focuses on five priority areas, two of which concern labour market issues. The priority area of 'equal economic independence' enables women to make genuine career choices and proposes ways to improve the overall framework for a better work-life balance. It focuses on the need for increased labour market participation of older women, single parents, disabled and migrant women, and women belonging to ethnic minorities. To help achieve this goal, the Commission monitors national policies to improve gender equality on the labour market, boost women's social inclusion, promote female entrepreneurship and self-employment, and improve measures concerning family-related leave and childcare facilities. Another goal is to support gender equality in matters of immigration and the integration of migrants. In the 'equal pay for equal work' priority area, the Commission explores ways to improve the transparency of pay and the impact on equal pay of arrangements such as part-time work and fixed-term contracts, as well as to support equal pay initiatives in the workplace.

The Commission's 2012 [Employment package](#) contains measures<sup>8</sup> to promote self-employment and start-ups, targeted at 'groups with the greatest potential (such as unemployed workers with professional skills, women or young people)'. It also aims to facilitate women's labour market integration by proposing measures aimed at ensuring equal pay, adequate childcare, eliminating or discouraging discrimination and tax-benefit disincentives, and optimising the duration of maternity and parental leave.

The Commission's 2013 [communication](#), 'Towards Social Investment for Growth and Cohesion' calls on Member States to close the gender pay gap, address other barriers to women's participation in the labour market, and encourage employers to address workplace discrimination as part of efforts to pursue a strategy of active inclusion.

In its 2015 [work programme](#), 'A New Start', the Commission reiterates its commitment to promoting equality between men and women, and to enabling greater female participation in the labour market.

## Further challenges

[Eurostat forecasts](#) that by 2025 the EU's working age population will shrink by 8 million and its average age will rise significantly. These developments will reshape the labour market considerably. As it is generally considered that women's labour potential is under-utilised, boosting their labour market participation could meaningfully contribute to addressing this demographic problem. According to a Neujobs [study](#), key policies that can help bring more women into the labour market are related to the improvement of retirement provisions and more flexible employment arrangements.<sup>9</sup>

### Revision of retirement schemes

Limiting early retirement and increasing the statutory [retirement age](#) can increase the length of [labour market activity](#), particularly if done alongside efforts to encourage active and healthy ageing and lifelong learning. However, women typically face additional challenges related to the years spent with caring responsibilities. It is often suggested (for instance, by the above-mentioned Neujobs [study](#)) that pension systems should take into account child-related career breaks – in order to avoid penalising women for taking maternity leave, whilst not encouraging longer periods of labour market inactivity. Better life expectancy and an improved healthcare system would permit further increases in the retirement age and would facilitate the continued harmonisation of men's and women's statutory pensionable ages. According to the study and in line with earlier papers, this increase should be combined with the development of workers' skills through lifelong learning in order to prevent the [deterioration of human capital](#) among older people.

### Reconciliation of work and family life

Women are often faced with the task of reconciling work and family life, which exposes them to logistical and career challenges. Further appropriate institutional measures are required to take account of this, as it would also ultimately help increase female employment.

#### *Flexible employment schemes*

[Flexible employment arrangements](#) (e.g. part-time work, flexible working hours and telework) can be a useful step in establishing a balance between work and family life. Job flexibility would also afford greater lifelong learning possibilities, as it would help women keep their qualifications up to date, while coping with childcare duties. However, such flexibility has to be handled with care, an [analysis](#) from the European Institute for Gender Equality cautions, as it could have controversial effects on women's wages. Furthermore, employment conditions and security should be comparable to those of full-time workers.

#### *Maternity-related policies*

Maternity and childcare often force women to withdraw from the labour market, which can decrease both their length of work and pensions. Better designed parenthood-related policies, such as special leave and improved access to affordable childcare facilities could mitigate these effects and help women to successfully combine employment with family responsibilities.

Greater involvement of men in family life would do a lot to help increase female employment. [Neujobs](#) claims this could be encouraged by introducing legislative changes in the Member States, affording better terms for [parental leave](#) to fathers.

Provisions on maternity leave have again come [into focus](#), after the Commission's 2008 proposed directive was withdrawn – despite Parliament accepting it with some amendments in 2010 – due to an impasse in the Council since 2011. Parliament aimed to extend the maternity leave period to 20 weeks (from 14 weeks at present) and proposed two weeks of paternity leave with the same level of compensation as maternity leave. In August 2015, the proposal was withdrawn by the Commission and replaced by a [new roadmap](#) to address the challenges of work-life balance faced by working families.

### **Improvement and recognition of skills**

As well-educated women enjoy higher employment rates, the increasing number of women graduating from tertiary education pushes total employment rates up. Despite the fact that women are, on average, more educated than men, finding a first job is harder for women. School-to-work transitions are easier in countries where studying is frequently combined with work. Hence, this educational model could be supported by [public policies](#), for example by introducing apprenticeship programmes and supporting and encouraging summer jobs or internships. Such policies could have a positive impact on access to the labour market, skill development and earnings, with programmes providing students with knowledge and skills valued by employers. However, when it comes to lifelong learning, and particularly formal further education, women are less likely to participate, due to housekeeping and childcare obligations. And yet, they possess more skills acquired through [non-formal learning](#) (e.g. care competences) than men, which could be given formal recognition.

### **Equal opportunities in the labour market**

Equal opportunities for men and women is a fundamental human right,<sup>10</sup> and one of the values on which the EU is founded.<sup>11</sup> The first European pact for gender equality was adopted by the European Council in 2006 and a [new version](#) was published in 2011 for the 2011–2020 period. In 2010, the Commission published a [communication](#) on equality between women and men (the 'Women's Charter'), stressing the importance of women's economic independence, equal pay and representation in decision-making positions.

In July 2006, the Parliament and the Council adopted [Directive 2006/54/EC](#) (the 'Equal Treatment Directive'), which consolidated and modernised the EU *acquis* in this area. It encouraged employers and those responsible for vocational training to combat all forms of gender-related discrimination and to ensure equal pay for equal work. Member States were urged to address the problem of gender-based wage disparities and gender segregation on the labour market by introducing flexible working time arrangements. In December 2013, the Commission issued a [report](#) on the application of Directive 2006/54/EC, stating that implementation of the equal pay principle has been hindered by a lack of transparency in pay systems, a lack of legal certainty about the concept of 'work of equal value', and procedural obstacles.

Parliament's FEMM Committee drafted a [motion for a resolution](#) on the application of Directive 2006/54/EC, which was adopted in plenary on 8 October. It gives an overview of the transposition of the Directive's provisions on equal pay and equal treatment, and stresses the need to increase efforts to combat stereotypes and discrimination through government measures and greater media involvement.

### *Further closing of the gender pay gap*

The principle of equal pay for men and women for work of equal value is also enshrined in the [EU Treaties](#). However, this principle alone cannot prevent a gender pay gap: its causes extend well beyond equal pay for equal work. The [Strategy for equality](#) mentions

that the gap is due to the different educational and professional development of women compared to men, the sectoral nature of female employment, and the difficulties women encounter in reconciling family and work responsibilities. Despite [country-specific differences](#), the gender pay gap remains a [challenge](#) in all EU countries. Generally, it is highest among women aged 40–49. A Neujobs [study](#) estimates that the ongoing demographic changes, in particular the increasing number of employed women aged 50 and over, will probably lead to a widening of the gender pay gap, especially in countries where female labour participation rates are low.

Parliament has consistently called for more action to enhance the application of the equal pay provisions at European level and has adopted resolutions to that effect in [2008](#), [2012](#) and [2013](#).

The Commission's 2014 [recommendation](#) on strengthening the principle of equal pay between women and men through transparency points out that increased transparency can detect the potential presence of gender bias and discrimination in the pay structures, as it enables employees, employers and social partners to take appropriate action to ensure implementation of the equal pay principle.

#### *The research sector*

An [own-initiative opinion](#) of the European Economic and Social Committee notes that data available at European level show a strong imbalance between women and men in the European research sector: the proportion of women in decision-making, selection and other relevant departments of research institutions and universities is far from the [25% target](#) set by the European Commission in 2005.

Parliament's FEMM Committee drafted a [motion for a resolution](#) on women's careers in science and universities, and glass ceilings encountered, which was adopted in plenary on 9 September. Despite positive changes in recent years, it draws attention to the strong vertical and horizontal segregation in women's academic careers and the existence of cultural and institutional barriers. It urges awareness campaigns and measures to enable better professional and personal life balance, and encourage institutional projects.

#### **Labour market situation of female immigrants and the issue of domestic work**

As mentioned in the [Strategy for equality](#), the employment rate of migrant women is still low, especially during their first years in the host country. They have problems in entering the regular labour market due to legal and linguistic obstacles, as well as difficulties in combining work and personal life. The strategy states that there is thus a strong need to provide early support to migrant women. It is essential to make them more aware of their rights and to facilitate their integration and access to education and healthcare. Migrant women often face problems related to doing domestic work,<sup>12</sup> which can be undeclared, undocumented or precarious. The ratification of [ILO Convention 189](#) on domestic workers by all Member States could provide protection and decent working conditions for migrant female workers.<sup>13</sup>

Parliament's FEMM Committee intends to produce an [own-initiative report](#) on women domestic workers and carers in the EU. The Employment and Social Affairs Committee is associated under Rule 54.

The challenges for women's employment are inter-related, are not new, and are already at the top of the agendas in most EU countries. Studies agree that in order to improve female employment, it is important to continuously monitor and adapt policy solutions to take account of changing needs and labour market situations.

## Main references

Iga Magda et al., [Women on the European Labour Market](#), Neujobs policy brief 16.4, June 2014.  
Piotr Lewandowski et al., [Gender Dimension of the Labour Markets over the Past Two Decades](#), Neujobs working paper D16.1, February 2013.  
[Global Employment Trends for Women](#) 2012, International Labour Organization, December 2012.

## Endnotes

- <sup>1</sup> Iga Magda, Agnieszka Kaminska: Women as workers - in the middle of the marathon. In: Green, Pink & Silver, The future of labour in Europe (2015), p. 128–52.
- <sup>2</sup> The IZA [study](#) mentions the following drivers: 'changes in cultural attitudes towards work especially in countries where participation is traditionally lower' and 'changes in the characteristics of the female population such as fertility decisions and elderly care responsibilities, educational choices and demographic changes'.
- <sup>3</sup> The same study mentions 'reforms of the welfare state and changes of labour market institutions and policies specifically targeted at groups with lower attachment to the labour market such as family-related subsidies and specific reductions'.
- <sup>4</sup> One of the key targets was that the European Union should have 70% of the working age population in employment by 2010. This was supported by secondary targets, such as a 60% employment rate for women. According to the Commission's evaluation [document](#), substantial progress towards the Lisbon goals was booked before the economic crisis (2008), when employment rates reached 59.1%.
- <sup>5</sup> See the [German Employment Plan](#) or projects such as the [Equal pay day](#).
- <sup>6</sup> [Directive 2010/41/EU](#) on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity (OJ L 180, 15.7.2010) encourages Member States to promote entrepreneurship initiatives among women; take measures in order to facilitate the creation of companies between spouses and life partners; ensure equal social protection for spouses and life partners, as well as sufficient maternity allowance enabling interruptions in women's occupational activity. Other important aims are legal protection of women entrepreneurs and the creation of equality bodies.
- <sup>7</sup> The Youth Guarantee aims to ensure that all young people under 25 get a good-quality, concrete offer (job, apprenticeship or traineeship), adapted to their needs and situations, within four months of leaving formal education or becoming unemployed. Every Member State has to develop its own Youth Guarantee scheme, which requires strong cooperation between key stakeholders, such as public authorities, employment services, education and training institutions, youth support services, business, employers, trade unions, etc.
- <sup>8</sup> For example, mobilising EU budget funds (in particular the European Social Fund); according hiring subsidies or reducing employers' social taxes.
- <sup>9</sup> Increasing the statutory retirement age for women prolongs the period of their labour market activity, which has a positive impact on their employment rates. Legislative changes introducing more flexibility into employment contracts support women's employment expansion as working conditions become more suited to their needs.
- <sup>10</sup> Laid down in the Charter of Fundamental Rights, Article 23, and the [UN Convention](#) on the Elimination of All Forms of Discrimination against Women.
- <sup>11</sup> The principle that men and women should receive equal pay for equal work has been enshrined in the European treaties since 1957 (today: Article 157 TFEU). In addition, Article 19 of TFEU enables legislation to combat all forms of discrimination, including on the basis of gender.
- <sup>12</sup> The ILO defines domestic work as 'work performed in or for a household or households and a domestic worker as 'any person engaged in domestic work within an employment relationship'.
- <sup>13</sup> The convention has been ratified by six Member States: Belgium, Finland, Germany, Ireland, Italy and Portugal.

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