



Mind the gap – Women’s and men’s quality of work and employment

Background paper



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EESC / Labour Market Observatory meeting on
‘Women’s access to the labour market’

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Gender mainstreaming is an integral part of the research conducted by the European Foundation for the Improvement of Living and Working Conditions ('the Foundation'). When labour market participation, working conditions and the resulting labour market outcomes are analysed, the difference in the situation of women and men is evident. This report highlights the main issues concerning women's situation in the labour market and indicate where the principal barriers to women's labour market participation lie. It will discuss the following issues:

- employment rates
- labour market position – occupational and vertical segregation
- career development
- working time
- pay gap
- work–life balance
- actions taken by social partners to promote gender equality in the labour market

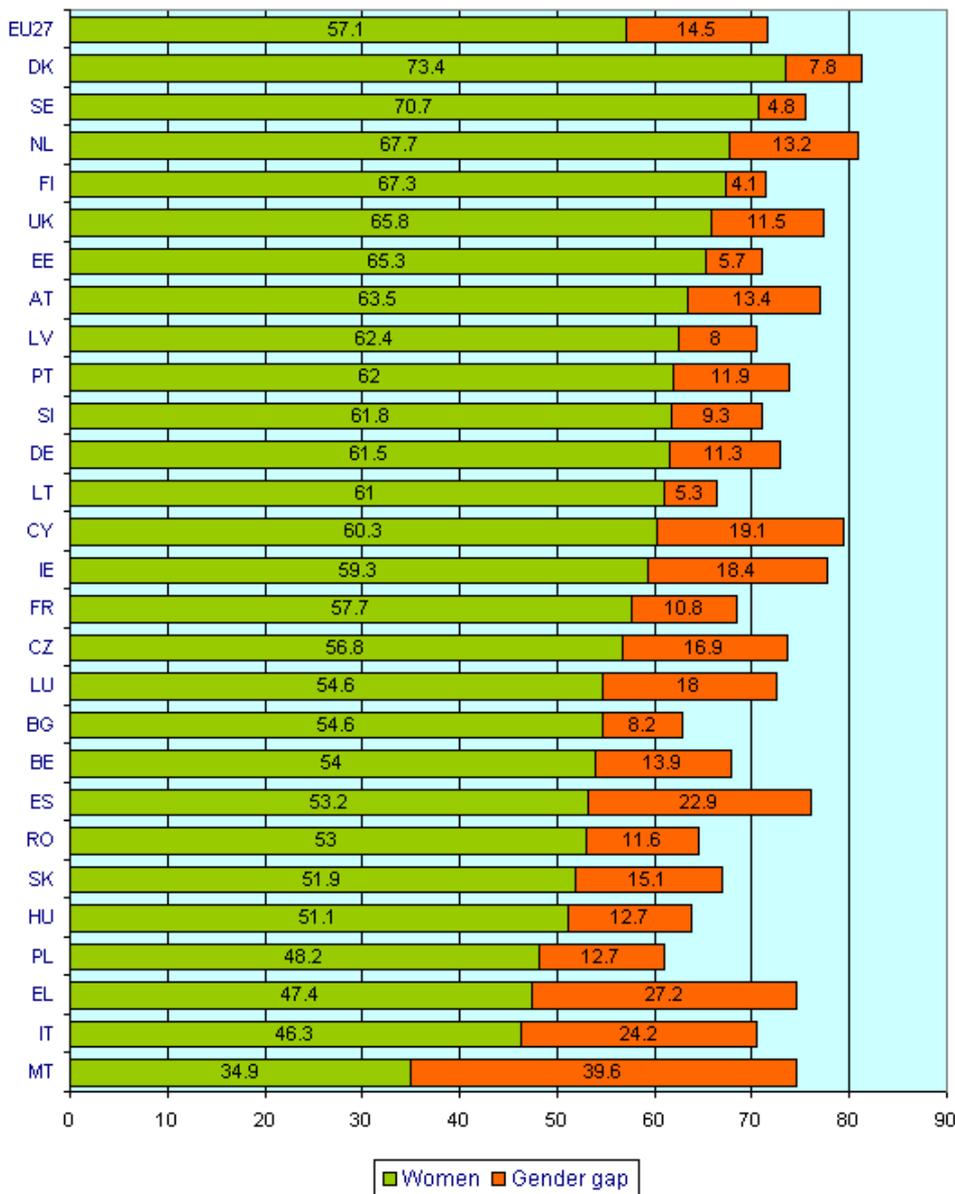
Increasing entry of women into labour market

Women have benefited more than men from employment growth in Europe in the last decade both in proportional and in absolute terms. 45% of the European workforce is now female...

In recent decades, there has been a significant rise in female employment rates. In the period from 2000–2006, the employment rate for the total population rose by 2.1%, whereas it rose by 3.4% for women. Where Member States have experienced an overall fall in employment rates, this has mostly affected men, all Member States having recorded positive employment growth for women.

In 2006, the rate of female employment was 57.1% in EU 27, as against 64.3% for the total population (according to the European Labour Force Survey for 2006). Although – at the aggregate European level – the female employment rate is still short of the 60% target set by the Lisbon goals, the gap has narrowed since 2000. The situation varies markedly between the Member States, with the highest female employment rates in Denmark (73.4%) and Sweden (70.7%) and the lowest in Malta (34.9%) and Italy (46.3%).

Figure 1: Gender differences in employment rate by country, EU27 (%)



Source: European Labour Force Survey (ELFS) 2006, cited in European Commission, 2007.

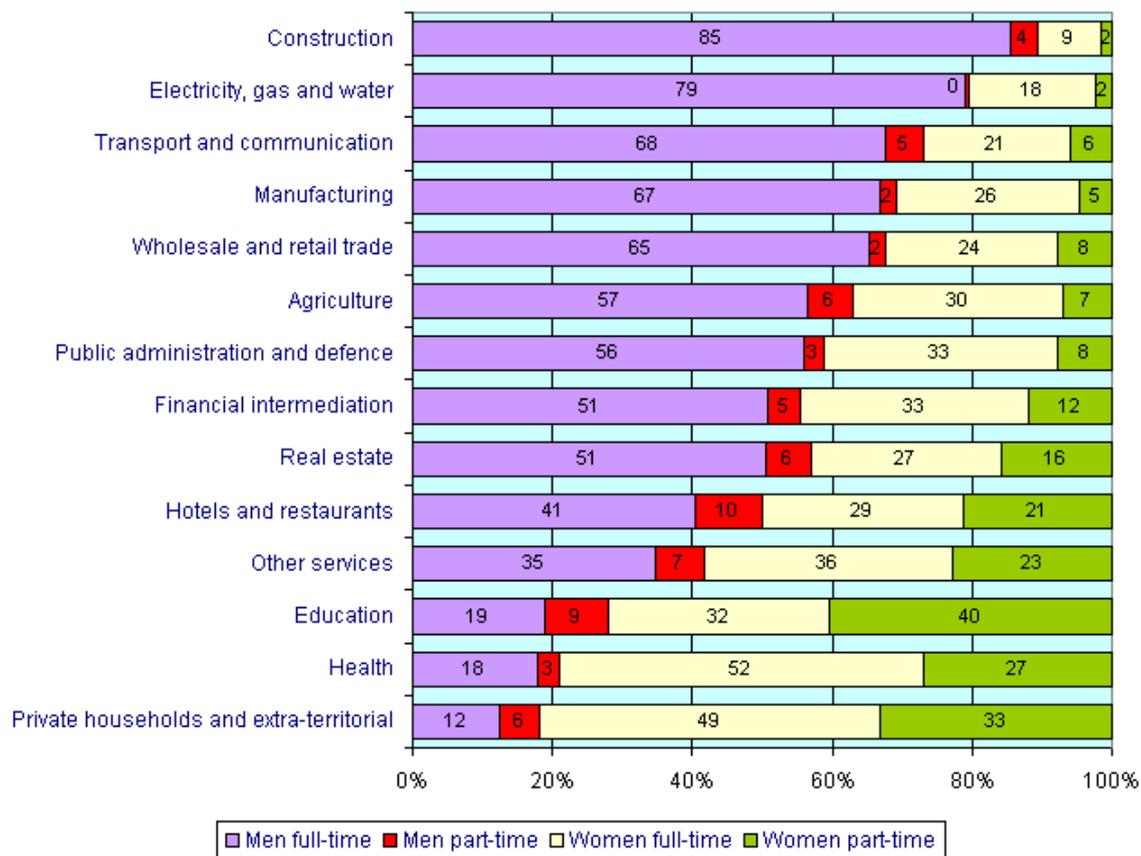
Sectoral concentration

... but a high level of occupational and sectoral labour market segregation persists. Women are over-represented (70%+) in the education and health sectors and under-represented in manufacturing, construction and utilities.

The increase in female employment rates can partly be attributed to the growth of jobs in the services sector. As can be seen in Figure 2, female employment is concentrated in certain sectors. According to the Foundation’s fourth *European Working Conditions Survey* (EWCS), women predominate in the following sectors of economic activity: domestic services in private households (where they form 82% of the workforce), health (79%), education (72%) and other

community, social and personal services (59%). Men, by contrast, constitute the majority of the workforce in construction (89%), electricity, gas and water supply (80%), transport and communications (73%), manufacturing (69%) and agriculture (63%).

Figure 2: Gender segregation by sector, EU27 (%)



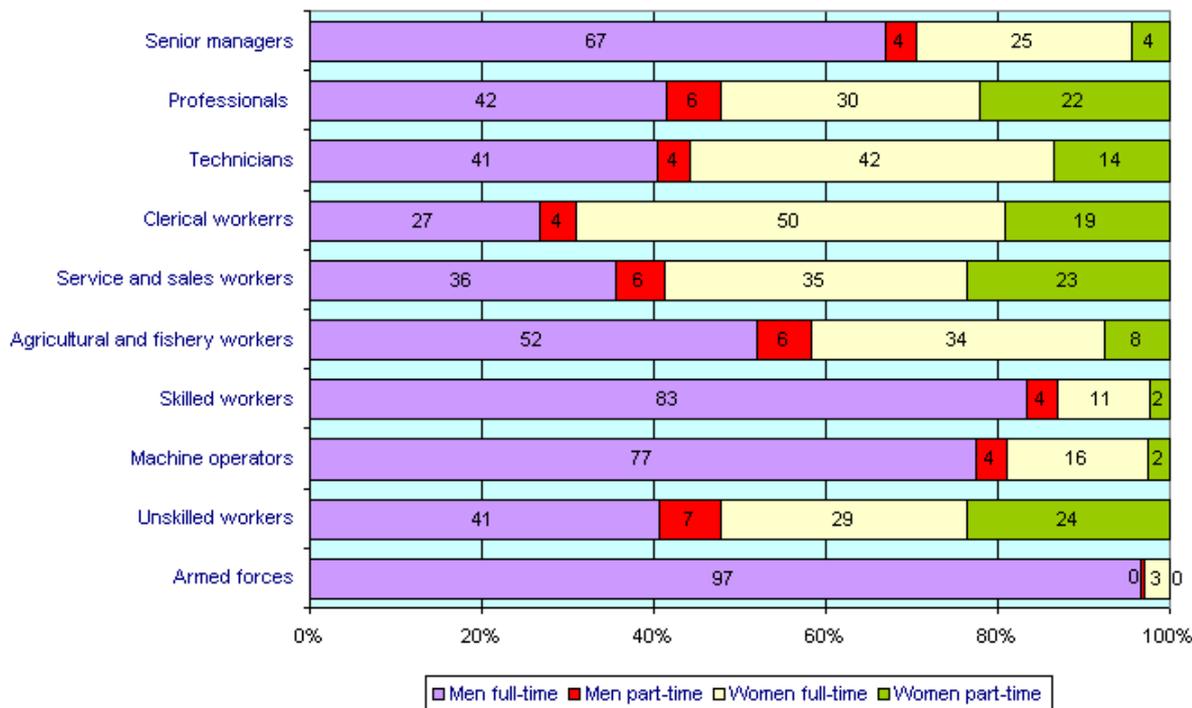
Source: EWCS 2005, cited in European Foundation, 2008.

Men’s jobs - women’s jobs: a world apart?

Less than a quarter of the workforce is employed in occupations that are gender-mixed, meaning that there is over 40% representation of both genders.

Despite the increase in the number of women entering the labour market, there is a marked difference between the jobs performed by women and those performed by men. The graph below illustrates the extent of occupational segregation of employment. It can be seen that the majority (69%) of clerical workers and of service and sales workers (58%) are women. In contrast, the majority of skilled workers and machine operators are men (87% and 81%, respectively). Although almost equal percentage of men and women are professionals (48% being men and 52% being women), men tend to predominate in the senior management echelon (71% being men as against 29% being women).

Figure 3: Occupational segregation, EU27 (%)



Source: EWCS 2005, cited in European Foundation, 2008.

Breaking the glass ceiling?

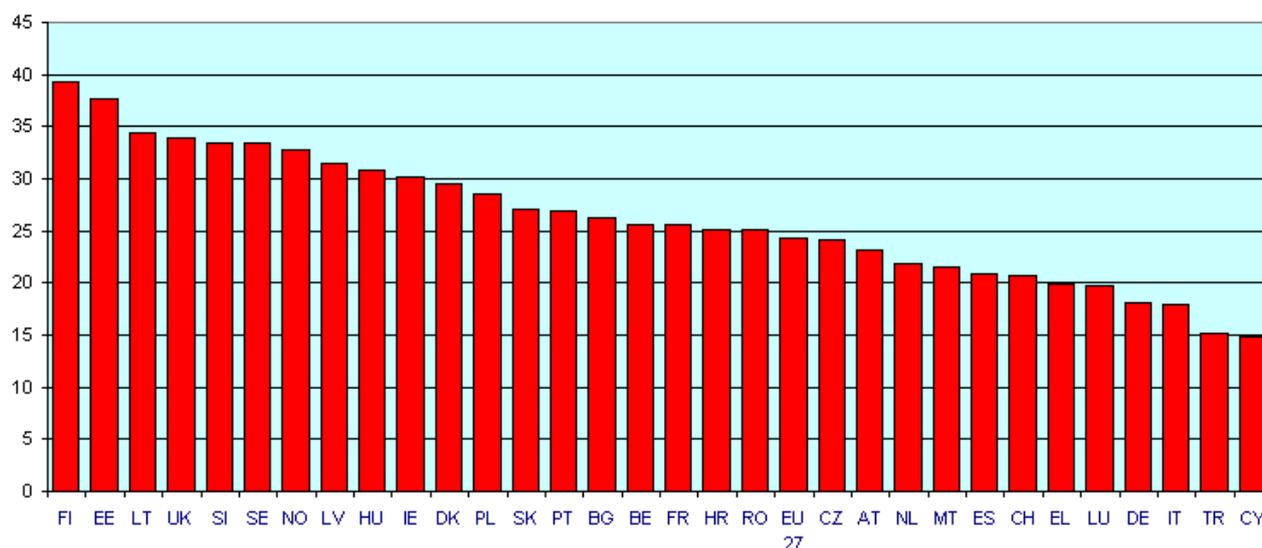
Only one worker in four reports having a female boss and – where women are bosses – they tend to be bosses of other women. Less than one male employee in ten in Europe has a woman as his immediate superior.

Even in those sectors that have a greater female presence, such as healthcare or education, the pattern of vertical segregation holds true. Women predominate in these sectors; however, they tend to occupy lower steps in the occupational ladder, such as clerical occupations or in middle management posts at best. According to the fourth *European Working Conditions Survey*, women are also more likely to manage other women than they are to manage men. While there are many female teachers, school principals still tend disproportionately to be men.

The data collected through the European Commission’s database on women and men in decision-making also points to the fact that women rarely make it to the very top of the occupational ladder: in the EU27, of the largest publicly quoted firms on national stock exchanges, only 10.3% of members the highest decision-making bodies for those companies are women, with only 2.9% of chief executive positions being occupied by women. (These proportions are higher in Scandinavian and central and eastern European countries.)

However, the situation is not entirely bleak and there are hopeful signs of change. Data from the previous editions of the Foundation’s *European Working Conditions Survey* show that the percentage of European workers with female managers rose from 21.3% to 24.8% between 1995 and 2004. This increase can be attributed to the higher percentages of women managers in the 10 new Member States that joined in 2004. (According to the fourth *European Working Conditions Survey*, in 2005, 24.2% of managers were women in the EU15, as against 28.6% in the new Member States.) Again, there are country variations in the percentage of workers reporting their immediate boss being a woman. While the European average is 25%, the figure ranges from 39% in Finland to 15% in Cyprus.

Figure 4: Percentage of workers whose immediate boss is a woman



Source: EWCS 2005, cited in European Foundation, 2008.

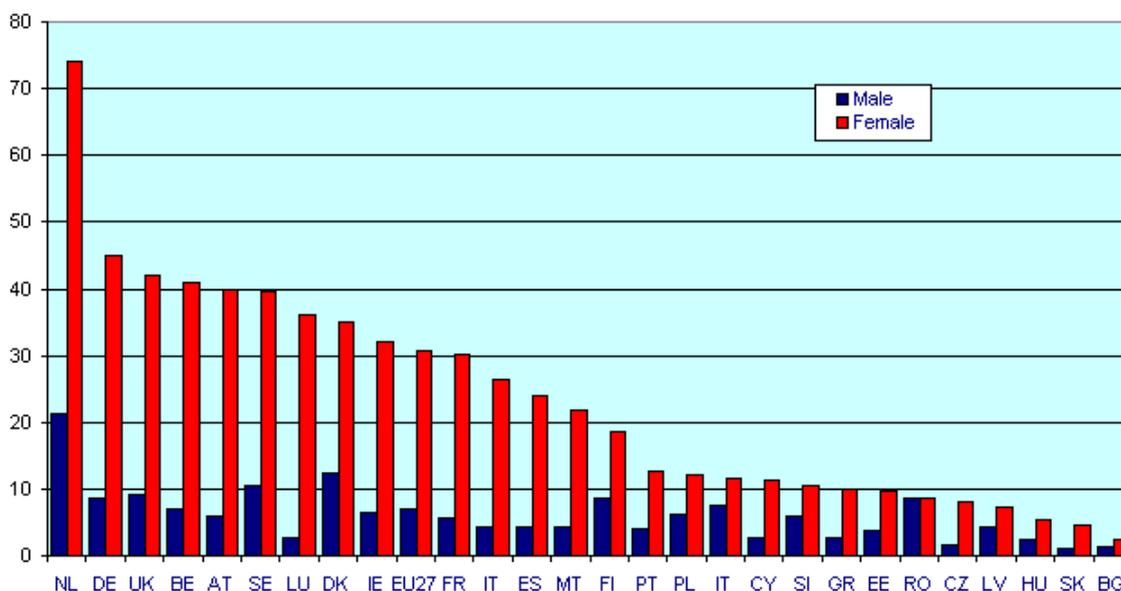
Flexibility for some, security for others

Women are over-represented in most labour market categories that deviate from the ‘standard’ model of full-time, permanent employment. Four out of five part-time workers in Europe are female, as are a majority of non-permanent workers.

As a consequence of the changing nature of work and work organisation, the concept of career has also evolved. As indicated in the report *Gender and career development*, from the Foundation’s European Industrial Relations Observatory (EIRO), the concept of career no longer solely means continuous and uninterrupted service with one employer. It now encompasses a variety of pathways that may include a career outside organisational settings, such as freelance or other forms of independent work, transitions between private and public sectors, and career breaks. While women have tended until now to be penalised for discontinuities in their labour market attachment, developing a truly ‘borderless’ career model may facilitate a better combination of private and professional life without incurring penalties.

Such a new career model also adapts well to considerations of flexicurity, and could provide an individual’s designing their own career path with a better balance between flexibility and security. However, it seems that the application of this concept is polarised along gender lines. While men continue to have secure career pathways, women are over-represented in labour market categories that are considered ‘flexible’; in such categories, flexibility is as likely to mean ‘marginal’, ‘non-standard’ or ‘atypical’ as it is to have any more positive meaning relating to control or choice over working time. Most significantly, however, women predominate in the category of part-time workers, four out of five part-time workers in Europe being women.

Figure 5: Part-time work as a percentage of total employment, by country, EU27



Source: European Labour Force Survey (ELFS) 2006.

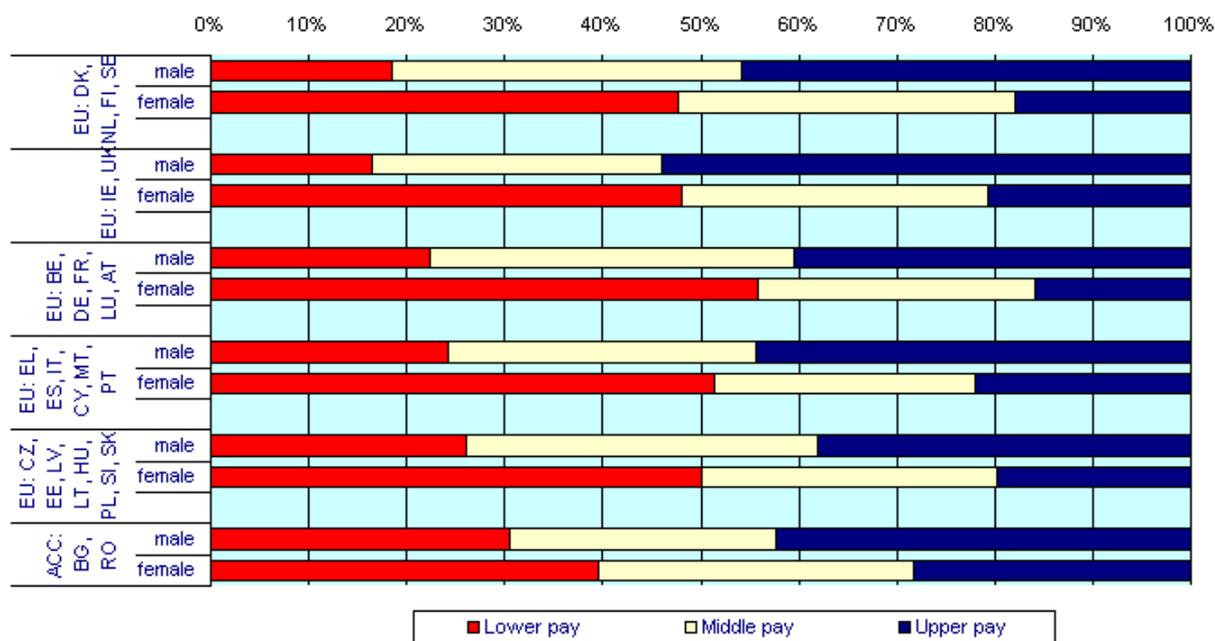
Mind the pay gap

Despite long-standing legislation on equal pay for equal work, women earn on average 15% less than men. Even when we control for sector and occupational differences and compare like-for-like jobs, women continue to be subject to a pay penalty of 5%.

Sectoral and occupational segregation, employment status and access to training and career progression all have significant consequences on an individual’s earning potential. The unadjusted gender pay gap clearly indicates this inequality. This is a structural indicator that shows the imbalances in the labour market by pointing to differences in gross hourly wages between men and women. This unadjusted gender pay gap (‘unadjusted’ in that it does not take account of individual, job or company characteristics) is estimated to be, on average, 15% (European Commission, 2007). This means that at the aggregate level, for one hour of work a woman will only earn 85% of what an ‘average’ man can earn in that time. Even when sector and occupational differences are controlled for, and like-for-like jobs are compared, women continue to be subjected to a pay penalty of 5%.

Figure 6 illustrates the distribution of women and men on the income-earning spectrum. When the working population is divided into three groups – the low earners, the middle earners and the high earners – it is clear that women are over-represented among the low earners. While there are more men among the high earners, in absolute terms the largest proportion of men is in this top earning category. This holds true regardless of the type of social welfare regime in operation.

Figure 6: Distribution of male and female workers on the earnings spectrum, by EU Member State cluster (%)



Source: European Foundation, fourth *European Working Conditions Survey* (2005)

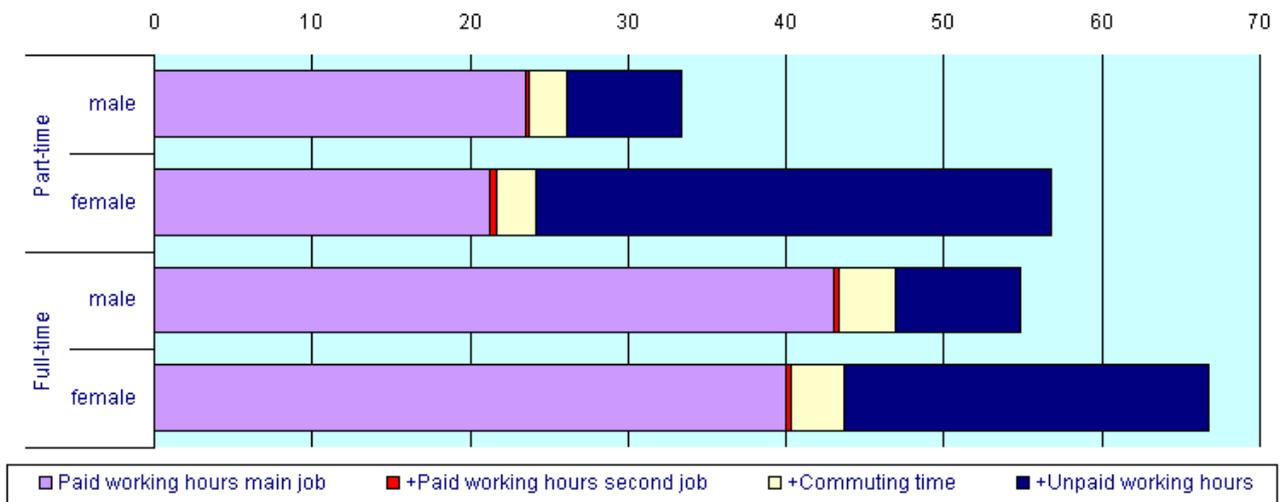
Work–life balance

For many working women, work-life balance means spending a large share of their time working both at home and at work. Taking into account paid work (in the labour market) and unpaid domestic (caring, household etc) work, part-time women work longer weekly hours than full-time men.

Women, including working women, continue to shoulder a disproportionate share of household and caring responsibilities. They have not been freed from the so-called ‘double burden’ of household work and labour market participation, despite a generation of rising female labour market participation. It continues to be the case that for every one hour spent by men on childcare or domestic duties, three hours are spent by women.

In the Foundation’s fourth *European Working Conditions Survey*, a composite indicator of working time was calculated, which comprised time spent in the main (and second) jobs in the labour market as well as in domestic work, care duties and commuting time. The results reveal that – from this perspective – it is women, not men, who have the significantly longer working week. Even those women who work part time work longer hours overall than do men working full time.

Figure 7: Composite weekly working hours indicator, by employment status and gender, EU27



Source: European Foundation, fourth *European Working Conditions Survey* (2005)

Social partner actions

The involvement of social partners is central to dealing with gender discrimination in the labour market. The *Framework of actions on gender equality* adopted by ETUC, Business Europe, UEAPME and CEEP in 2005 indicates the level of commitment of the social partner to the issue. The framework outlines four priority areas of action:

- addressing gender roles,
- promoting women in decision-making;
- supporting work–life balance;
- tackling the gender pay gap.

The social partners differ on which is the best strategy to follow in order to address these issues – whether they should be addressed by compulsory measures, collective regulations or individual arrangements. In general, employer organisations favour addressing gender-equality issues through diversity policies and tailor-made solutions at company level. Trade unions, by contrast, tend to favour universal, compulsory solutions.

Social partners have put in place some concrete proactive measures to promote gender equality in the labour market. These are indicated below

- **Pay increments (Finland)** Addressing the gender pay gap by channelling funds to the female-dominated/and or low-paid sectors through central level negotiations. While this is a positive measure, the financial gains for the individual are rather minimal as overall pay levels are low in the first place.
- **Job (re-)evaluation schemes (Lithuania)** These entail a review of job characteristics based on objective criteria, from a gender perspective. It can result in a favourable re-evaluation of typically female occupations, which may be paid lower than their objective value, eg. nurses or teachers.

- **Voluntary pay audits (Trades Union Congress, UK)** Pay reviews were carried out to identify potential gender pay gaps. An evaluation of the project suggested that it had played a significant part in pushing equal pay up the negotiating agenda and in prompting employers to agree to equal pay audits.
- **Equality plans at the workplace (Sweden)** This is a compulsory measure introduced by the Equal Opportunities Act in Sweden; all workplaces with more than 10 employees should have an equality plan and are obliged to actively monitor its implementation.
- **National intersectoral agreements (France)** The national intersectoral agreement on gender equality and gender balance in workforce composition concluded in France in April 2004 covers such issues as narrowing the gender pay gap, preventing maternity leave from adversely affecting women’s career development, and addressing labour market segregation.

Conclusions

Differences in quality of work and employment between men and women are evident throughout Europe. Moreover, women tend to be concentrated in certain sectors and the vast majority of part-time workers (generally less well-paid than their full-time counterparts), are female. Due to the part-time nature of their work, women might not be covered by collective agreements in which yearly wage increases are negotiated for full-time workers. The gender pay gap results in further consequences for women that accumulate over life time: lower wages over a lifetime, combined with shorter contribution periods (due to taking time out of employment to care for children and elderly relatives) translate into lower pension contributions and consequently lower pensions. In addition, more flexible working arrangements may in some circumstances lead to lower levels of access to supplementary pension schemes.

Although social partners have taken some action to promote greater gender equality, the issue could still be higher on the collective bargaining agenda.

Further research needs to be done to better understand women’s early career choices – what attracts women to certain occupations and sectors. In addition, it would be interesting to learn which particular skills and personal characteristics are attractive to higher-paying employers, to enable young women to develop these skills.

Finally, more research examining the dynamics of the gender pay gap over the life course would help to determine how the pay gap originates and how it impacts other policy areas, such as education and social and personal services.

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