Young Women's unemployment in EU

KEY FINDINGS

- The EU28 gender gap in the youth employment rate (15–29) declined between 2007 (8.4 pp) and 2016 (5.9 pp), due to a greater decrease in young men’s employment than in women’s.

- Young women are more likely than young men to be employed part-time (31.9% compared to 16.9% for males), although the incidence of part-time work has been increasing since 2007 for both young men (+4.5 pp) and young women (+5.1 pp).

- The EU28 NEET rate is particularly high for young women aged 25–29 years reaching 24.3% compared to 15.3% of men in the same age group. 67.5% of female NEETs in this age group are inactive.

- EU institutions and Member States are particularly active in promoting initiatives and strategies aimed at supporting the employment of young people, however specific attention to the gender perspective is still missing.

- Policies supporting the work-life balance are implemented in each of the three considered countries (Austria, Denmark and the Netherlands). They appear to be particularly important in reducing youth gender gaps while improving the labour market conditions of young women, and eliminating the main obstacle for the participation of young women in the labour market.

- Tax policy also plays a significant role in promoting female labour participation, according to evidence that the labour supply of women with young children is more responsive to financial incentives compared to other groups. In recent years, many countries (like the Netherlands) have tried to eliminate the fiscal disincentives for lower-earning partners (mainly women) from entering the labour market.

1. INTRODUCTION

The European Parliament Committee on Women’s Rights and Gender Equality of the European Parliament Legal Affairs requested this briefing paper in the framework of its own-initiative legislative report on Women’s Economic Empowerment in the Private and Public Sectors in the EU.
This note in the first section synthesises existing data on employment, unemployment and types of employment illustrating the main differences between young women and young men in the EU. The analysis is based on the most recent available Eurostat data and refers to the age group 15–24, usually considered in the assessment of youth labour market conditions, and the 25–29 age group, due to the longer permanence in education and training of young generations.

The second section provides examples of measures addressing the work-life balance, which represent the main obstacle for the participation of young women in the labour market and leads to active labour market policies, implemented in the Member States with highest employment rates for young women in 2015/2016.

2. GENDER GAPS IN YOUTH LABOUR CONDITIONS

Gender gaps have been decreasing between 2007 and 2016 although they are still particularly significant among those aged 25–29

Young people have been disproportionally affected by job losses during the crisis because they are more often employed under temporary contracts; even over the recent years of economic recovery, access to jobs has remained difficult for new labour market entrants.

The crisis has worsened the labour market conditions more for young men than for young women as male-oriented sectors – especially construction and manufacturing – were hit first and hardest by the economic slowdown. On the contrary, the concentration of women in the service and public sector has so far protected them against the immediate effects of the crisis. However (young) women are likely to be more affected by the long-term consequences of the crisis due to fiscal consolidation and welfare cuts.

As shown in Table 1, the gender gap in the youth employment rate (15–29) declined between 2007 (8.4 pp) and 2016 (5.9 pp), due to a greater decrease in young men’s employment rate (from 54.9% to 51%) than young women’s (from 46.5% to 45.1%). Youth employment rates and gender gaps present wide country differences (Tables A1, A2 and A3): the female employment rate is lower than the men’s in all Member States except in the Netherlands (68.4%) and Sweden (58.1%), due to the substantial increase in female employment rates in those two countries registered in the 2015–2016 period. The gender gaps (M–F) in 2016 are particularly significant in Slovakia (16.6 pp), the Czech Republic (15.9 pp) and Romania (12.9 pp).

Youth unemployment rates are generally much higher than unemployment rates for all ages, reflecting the difficulties faced by young people in finding jobs.

In 2016, the EU28 average young male unemployment rate reached 15% for men compared to 14.6% registered for young women, with wide age and country differences. The unemployment rate is currently higher for young men than for young women for those aged 15–24 (19.6% vs 18.1%); for those aged 25–29 there are no relevant differences between men and women, with unemployment rates around 11%. Young men are also experiencing higher long-term unemployment rates than young women (6.3% vs 5.5%) especially in the 15–24 age group due to the high number registered for the male component (7.2%). This is in part due to the fact that long-term unemployed women are more likely than men to leave the labour force and become inactive.

Across EU countries, the female unemployment rate is higher than the male one in southern Europe (EL, IT, CY, PT, ES) and in SK, CZ, SI, HR while it is lower in 14 out of 28 countries (in particular IE, BG and AT) (Table A6).
High youth unemployment coexists sometimes with increased difficulties in filling vacancies. This points to the existence of labour market mismatches due to inadequate skills, limited geographic mobility or inadequate wage conditions.

The NEET (Not in Education, Employment or Training) rate$^2$ is a more complete indicator of gender differences than the unemployment rate because it also takes into account those young people who are inactive but do not participate in education or training. Male NEET rates increased between 2007 and 2015, even though women’s rates remained higher in all EU28 countries except than Croatia (Table A9).

In the majority of Member States, female inactive NEET rates and gender gaps tend to increase with age, as more young women have children and leave the labour market. Gender differences in NEET rates for the 15–24 age group in the EU28 are relatively small, and in 13 countries NEET rates are slightly higher for males than for females (Table A7). However, the situation reverses for the 25–29 age group with NEET rates reaching 24.3% for young women in this age cohort relative to 15.3% for males. In some countries (EL, IT, RO, SK) the incidence of NEETs among women aged 25–29 reaches one-third of the population.

### Table 1: Main labour market indicators by sex and age -% (2007–2016*)

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<td>Men</td>
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<td>Gap (M–W)</td>
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<td>15–24</td>
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<td>15–29</td>
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<td>NEET rate by age (2015)</td>
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<td>Unemployment rate (UR) by age</td>
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<tr>
<td>15–29</td>
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<td>3.6</td>
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*First three quarters average
Source: Eurostat, EU-LFS
As shown in Table 1 and Figure 2, female NEETs are more likely to be inactive than males, especially among the lower educated. The inactivity component for NEET girls aged 15–24, even if declining in recent years, still accounts for 59.3% (22.8% wanting to work and 36.6% not wanting to work), compared to 43.2% of male NEETs; the incidence of inactive people who are female NEET further increases for young women aged 25–29, reaching 67.5% (23.9% wanting to work and 43.4% not wanting to work), compared to 38.6% for young men in the same age group.

Although there are marked differences across the EU28, the inactivity component for NEET women aged 25–29 reaches 80% in CZ, UK, RO, EE, HU and BG. The share of inactivity among NEET women is also high in countries such as the Netherlands, Germany and Denmark, where the overall NEET rate is very low. (Figure 2).

Source: calculations on Eurostat, EU LFS.
The level of educational qualification is particularly important in affecting the probability of being employed and the duration of the school-to-work transition, especially for women (Figure 3). In general, tertiary education graduates experience shorter search periods than those with lower levels of educational attainment and employment rates. The level of educational attainment also plays a crucial role in being NEET. Among women, the share of NEETs with lower education is particularly high in Malta (64%) and Spain (55%). The economic crisis has however increased the probability of moving into the NEET status even for highly educated young people, particularly women: this is the case in Baltic and eastern countries (LV, SI, PL, SK, EE), as well as in Cyprus, Italy, Ireland and Greece where more than one-fifth of young NEET women attained tertiary education in 2015.

**Figure 3 – NEET men and women: composition by education and age, 15–29, 2015 (%)**

Source: calculations on Eurostat, EU LFS.

**Young women face worse employment conditions than young men**

Young workers tend to be on a temporary contract or work on a part-time basis, and they more commonly have jobs with atypical and unusual schedules, including shifts and weekend or night-time work. The incidence of part-time work has been increasing compared to 2007 for both young men (+4.5 pp) and young women (+5.1 pp).

Young women are more likely to hold part-time and/or temporary jobs and to earn lower wages than young men. On average for the EU28, 31.9% of young women relative to 16.9% of men are employed part-time (40.6% and 24.9% respectively for the 15–24 age group). The use of part-time working among young women differs widely across countries due to sociocultural issues and particularly in the Netherlands, where 76.7% of young employed women are in a part-time job in 2015 (compared to 52.8% of young men). On the other side, short working time arrangements are rare in eastern countries for both genders and not common in southern Europe, although these countries have experienced the strongest increases in the use of part-time for young women between 2007 and 2005 (+11.7 pp for ES, +10.9 pp for IT, +10.3 pp for EL and +7.5 pp for PT).

The reasons for working part-time are different for young women and men and across EU countries. As shown in Figure 4, taking care of family and children is indicated by 31.8% of young female part-time workers aged 25–29 in the EU28 relative to only 3.4% of part-time males. Conversely, men aged 25–29 are more likely to be employed with a part-time job due to difficulty in finding full-time employment (50.8% compared to 37.9% for young girls) with a marked increase compared to 2007 (+12.9 pp compared to +6.3 pp for young girls).

Younger part-time workers (aged 15–24 years) are mostly students: in 2015 the incidence of part-time work was 60.4% for young men (-5.2 pp respect to 2007) compared to 54.8% for women (-0.4 pp).
Among countries with the highest incidence of part-time working, in northern countries (DK, FI, NL) and IE the main reason for part-time work is related to being involved in education and training both for men and women. On the contrary, in the other Member States with high rates of part-time work, such as the UK, ES, IT, and FR, involuntary part-time is more widespread, the main reason being, for both males and females, not having found a full-time job.

**Figure 4 – Employed young men and women: part-time work as a percentage of the total employment by age, 2007–2015 (%)**

![Graph showing the percentage of part-time work for young men and women by age from 2007 to 2015.](source)

Source: calculations on Eurostat, EU LFS.

**Figure 5 - Reasons for part-time employment by sex and age, 2007–2015 (%)**

![Graph showing the reasons for part-time employment by sex and age from 2007 to 2015.](source)

Source: calculations on Eurostat, EU LFS.

Young women present also a slightly higher incidence of temporary employment than young men, who are instead more likely to be self-employed (Figure 6).

Figure 6 shows that the incidence of temporary work for young women (15–29 years old) is 33.1% in 2015 compared to 31.6% of young men. The gender gap is higher for the 25–29 age group: 2.4 pp compared to 0.6 pp for the 15–24 group. Gender differences in the incidence of self-employment are also higher for the 25–29 age group (10.1% of men compared to 6.1% of women), than for those aged 15–24.
They are instead more likely to be employed in the less regulated and less protected temporary contracts widely diffused in Mediterranean countries (ES, PT), as well as in Slovenia, Poland.

Figure 6 – Young men and women employed: incidence of the self-employment and temporary contracts by age, 2007–2015

The difficult labour market situation of young people in Europe has become an increasingly urgent challenge and their integration into the labour market is now a major policy issue. The young need special attention and support because they are more exposed to systematic labour market risk than adults. There are also negative long-term implications of unemployment or inactivity at a young age not only on the individual’s future financial and social situation, but also for the economy and social cohesion at large.

The analysis shows that gender gaps in the labour market are decreasing between 2007 and 2016, although they remain high among the 25–29 age group; young women are more likely than young men to be NEET-inactive and, when employed, to hold part-time or temporary low-paid jobs, even when they have a high educational level. This might be due to their greater care responsibilities than young men, gender segregation in education and training patterns leading to skill mismatches, difficult access to information channels and job search mechanisms, and labour market discrimination. The different conditions faced by young men and women might also imply that there are gender differences in the effects of employment, education and work-life reconciliation policies which need to be addressed in order to design effective policy measures.

The following section presents some examples of good practices supporting young women’s employment in the three Member States with the highest employment rates for young (15–29) women in 2016 (Table A3): The Netherlands (64.4% compared to 60% of men), Denmark (64.1% vs 64.2%) and Austria (60.6% vs to 63.8%).

### 3. EXAMPLES OF GOOD PRACTICES SUPPORTING YOUNG WOMEN’S EMPLOYMENT

As shown in the previous section, notwithstanding their higher average educational attainment compared to young men, young women present a more vulnerable position in the labour market and a more ‘fragile’ school-to-work transition than young men. This might be due to labour market discrimination, a higher probability for young women to be employed with part-time and/or temporary employment contracts or in the informal economy, gender differences in educational choices and skill mismatches. It could especially be due to
household roles and care responsibilities resulting in lower attachment to the labour market and higher probabilities of inactivity for young women than men. However, individual and family conditions do not completely explain the wide country differences in youth labour market conditions and in gender gaps. National policy regimes and economic conditions are other important factors.

EU institutions and Member States are particularly active in promoting initiatives and strategies aimed at supporting the employment of young people; however, specific attention to the gender perspective is still scarce or missing. Policies supporting the work-life balance and facilitating the school-to-work transitions appear to be particularly important in reducing youth gender gaps while improving the labour market conditions of young women. Countries characterised by a policy approach focused on the dual system (like AT and DE) and the Nordic countries, with a well-developed support for work-life balance, present much lower gender gaps in youth labour conditions relative to other countries. They also present higher employment rates and lower unemployment and NEET inactivity rates, for both young women and young men. Measures to reduce gender stereotyping and segregation in education and training also appear important to increase the employability of young women and to improve their future earnings and socioeconomic conditions3.

This section focuses on measures addressing the work-life balance, which represent the main obstacle for the participation of young women in the labour market, as well as to active labour market policies, illustrating some examples of good practices implemented in each of the three considered countries (Austria, Denmark and the Netherlands).

**Austria**

As shown in the previous chapter, among the countries with highest female employment rate for young people, Austria still presents a negative gender gap in employment.

Young people have been the target of the labour market policies in Austria for several years. More recently, measures have been implemented to facilitate the school-to-work transition under the Austrian Youth Guarantee programme, ranging from the promotion of educational and employment pathways for NEETs, to the creation of specialised vocational information centres and the strengthening of the Public Employment Services (AMS), to subsidies for company-based apprenticeships4. These measures are addressed to both young boys and girls without any distinction.

More directly addressing gender differences, are those measures facilitating a balance between work and family life5 in order to overcome women's persistently disadvantaged position in the labour market. These are designed to make it easier for young women to make the choice of having children without giving up employment or education. Among these, Austria has implemented:

- income-related childcare allowance;
- favouring young fathers to leave their work for some periods;
- provision of childcare facilities;
- support for flexible leave and flexible working measures;
- family audits and awareness-raising measures in companies/organisations.

The box below illustrates some examples of Austrian measures in these fields.

**Box 1 – Austria: Measures for the reconciliation of family and work**

A number of legislative measures were taken to improve the balance between family and work, e.g. childcare allowance, which was introduced in 2002.

Since January 2010 parents have the choice between two schemes: a flat-rate childcare allowance (for those who were employed before the birth of the child or not) and an income-related childcare allowance. The latter is designed as an incentive also for high-earning parents to withdraw from the
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job for a limited period of time to look after their child. Statistics show that since the implementation of the new system the number of fathers who receive the allowance has increased.

Flexible parental leave schemes until the child starts school and the right to reduce working hours or have flexible working for parents with children under seven, were introduced in 2004 in the private sector for companies with more than 20 employees. Small companies with fewer than 20 employees who voluntarily grant working time flexibility to parents can apply for financial support to alleviate the costs associated with the reorganisation of working time. The reform was positively evaluated in 2008 by the majority of affected businesses (64 per cent). Only 14 per cent of parents making use of the legal right were fathers.

The Austrian government is also currently (2017) investing EUR 305 million for the expansion and the quality assurance of childcare services – especially for children aged up to three years – via a mix of in-kind and monetary spending. The aim is to reach the Barcelona objectives for each age group and region, and to improve childcare quality. Special subsidies are granted to support innovative forms of external childcare.

The Federal Ministry of Families and Youth also subsidises societal and awareness-raising measures designed to support mothers and fathers in their jobs. These include the Work and Family Audit which enterprises can run to receive economic benefits from family-friendly measures, or the University and Family Audit introduced in 2010 to meet the special needs and requirements of university employees and young students with children. To meet the special needs and requirements of small and medium-sized businesses the Audit Compact was also introduced, in 2013.

In 2012 the Work and Family Index – to measure family consciousness in enterprises – was developed (www.berufundfamilie-Index.at).

In the same year, the Charter reconciling family and work was completed as a public commitment to the relevance of family-friendly measures in companies and organizations. Building on the Charter, the network Companies for Families was launched by the Federal Ministry of Families and Youth in March 2015. It is a platform for companies and communities supporting family-friendly measures in working life and living, as well as for awareness-raising among the general public.

The Netherlands

The Netherlands shows high rates of female labour market participation and employment and low gender gaps. However, this is due mainly to the concentration of women in part-time jobs, as family responsibilities remain a binding constraint for young women’s labour market participation. In the box below are illustrated some measures adopted in the Netherlands to support the work-life balance.

Box 2 – The Netherlands: Measures for reconciliation of family and work

Quality control of childcare facilities and childcare subsidies

This measure is operative since 2005 with the aim also to stimulate the labour participation of young mothers, by ensuring good quality childcare. It is built on the two main pillars of the 2005 Childcare Act: parental choice (enabling parents to choose the childcare facility) and competition (privatisation of childcare services leading to competition on quality and price as a result of market forces). The Childcare Act sets the general quality criteria for childcare facilities, while detailed criteria are established with parents’ organisations and operators. Municipalities are responsible for supervising compliance with the quality criteria. Childcare facilities with positive results are then included in a public register. In order to incentive parents to use registered childcare facilities, working parents placing their children in registered facilities are eligible for childcare subsidies up to a maximum amount of €6.84 (for daycare centres) per hour for 230 hours per month per child.

Working hours adjustment Act (Wet Anpassing Arbeidsduur)

The Act supports more flexible transitions between full- and part-time employment, and working hours flexibility in order to facilitate the work-life balance over the life course. Employees may request an expansion or reduction of their working hours and, under certain conditions, alter the terms of an existing employment contract. Requests for alterations must be made in writing to the employer at least four months before the intended starting date; employers may reject the requests only in cases of
The right to change the working hours apply to employees who have worked for their employer for at least a year before the request of adjustment in working time.

Tax policy also plays a significant role in the Dutch efforts to promote female labour participation, according to the evidence that the labour supply of women with young children is more responsive to financial incentives compared to other groups (de Boer et al., 2014). Traditionally the Dutch tax system reinforced the male breadwinner model, as a number of tax credits and allowances could be transferred between tax partners, and means-tested credits or allowances were based on overall family income. In recent years, there have been efforts to eliminate the disincentives for lower-earning partners – particularly women – from entering the labour market and combining work and care (Eurofound, 2016).

Box 3 - The Netherlands: Fiscal policy measures (tax credits, benefits) as an incentive to women’s labour participation

The new system of the Childcare Tax Subsidy (kinderopvangtoeslag) reimburses parents for a percentage of childcare costs. This system is combined with the rise in the Earned Income Tax Credit for parents of young children, in order to increase the participation incentive for mothers of young children.

Phasing out of the transferability of the general tax credit (algemene heffingskorting)

This reform, enacted in 2009, gradually eliminates the transferability of the general tax credit, which allowed non- or low-earning individuals to transfer the rebate on their income tax and national insurance contributions to their tax partners. This mechanism acted as a negative income tax, and resulted in a high marginal tax rate for second earners, making employment relatively unappealing for individuals with a higher-earning partner. For this reason the transferable credit was known as the ‘kitchen sink subsidy’ (aanrechtsubsidie). From 2009, the proportion of the general tax credit to the non- or lower-earning partner that is transferable has been reduced over 15 years at a rate of 6.67 percentage points per year. From 2024, the general tax credit will no longer be transferable.

Denmark

The female employment rates in Denmark are generally very high, in line with Danish family policies based on the dual earner/carer model. However, the impact of parenthood on women employment remains negative, as in the majority of European countries. As in the previous countries, in Denmark childcare facilities and leave policies are particularly important in supporting women’s participation in the labour market. Childcare facilities are organised in a flexible way and supplied at affordable prices in order to meet parents’ needs and reduce the costs for mothers returning to work.

Box 4 – Denmark: Measures for reconciliation of family and work

The Danish maternity, paternity and parental leave system

This system is considered by the European Commission among the most generous and flexible in the EU. It is a universal protection scheme that covers the active population, including the self-employed, and provides for one year of leave counting maternity, paternity and parental leave. The mother is entitled to four paid weeks of maternity leave before the expected date of birth and 14 weeks of leave after birth. The father is entitled to two paid weeks of paternity leave within the first 14 weeks after birth. On top of that, both parents are entitled to 32 weeks after the 14th week of freely shared parental leave (with no quotas). The total leave period with maternity leave benefits is thus 52 weeks (the longest in the EU). To cover the loss of pay during maternity, paternity and parental leave, parents receive cash benefits based on former earnings up to a ceiling of €546 per week for full-time employees and self-employed people. This is funded by the state from general taxation, except for the first eight weeks when municipalities bear half of the cost. The parental leave period can be split or postponed, but must be taken before the 9th birthday of the child. Parents have also the option of extending their parental
leave, up to 46 weeks for employees and self-employed and 40 weeks for all others. Over this extended period, it is possible to return to work on a part-time basis, extending the leave proportionally, by agreement with the employer.

**Maternity fund for the self-employed**

In 2013 a specific fund was set up to support the maternity fund for the self-employed, building upon the eligibility of the self-employed for state benefits and providing additional compensation to be claimed under the maternity, paternity and parental leave system. As employees, self-employed women and men are entitled to the same parental leave entitlements described above. Women can thus receive a weekly payment for 4 weeks before childbirth and for 14 weeks after the birth. Self-employed men can receive a weekly payment for two continuous weeks within the 14 weeks following birth. Both parents can share a leave of 32 weeks after the initial 14 weeks. The Maternity Fund for the Self-employed provides additional compensation to self-employed persons, on top of their state benefits, in order to increase their earnings during parental leave. The scheme is administered on a contributory insurance basis, based on the contributions of self-employed persons.

**Guaranteed day-care services**

Parents are entitled to a guaranteed day-care place for their children at the end of the parental leave period. Local authorities are responsible for providing places, and must cover parents' expenses for a private care scheme or a place with another local authority if they fail to do so within a four-week waiting period. Parents are entitled to full-time places, with children of two working parents having priority. Places are subsidised by at least 75% of their cost, with subsidies being paid directly to childcare providers and the remainder borne by parents. Parental contributions are income related.

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**4. CONCLUSION**

The analysis shows that gender gaps in the labour market are decreasing between 2007 and 2016, although they remain high among the 25–29 age group; young women are more likely than young men to be NEET-inactive and, when employed, to hold part-time or temporary low-paid jobs, even when they have a high educational level.

The different conditions faced by young men and women might also imply that there are gender differences in the effects of employment, education and work-life reconciliation policies which need to be addressed in order to design effective policy measures.

The key challenges to increase female labour market participation appear to refer to cultural norms and values concerning care and work with reference to young women. The elimination of financial/fiscal incentives for the sole-breadwinner family model has traditionally encountered political resistance, as well as the incentives for men to take up parental leave and workplace expectations are usually not conducive to fathers taking up leave. It’s central to keep on reducing fiscal disincentives for lower-earning partners (mainly women) to entering the labour market and promoting policies supporting the work-life balance. In particular, improvements in public childcare provision (number, high quality and affordable services), to offer a real alternative to parental care as well as improvements in accessing to flexible working. This policy mix could be very important to reduce youth gender gaps and to improve the labour market conditions for young women.

Finally, policies supporting women’s access to education and training or favouring employability and labour market reinseration are particularly important in achieving a full participation of young women in the labour market.
Young women’s unemployment in EU

1 European Labour Force Survey (EU LFS) and European Survey on Income and Living Conditions (EU SILC).
2 The unemployment rate represents an incomplete measure of the difficulties faced by young people in the labour market as a growing number of youths who have exited education are not (or no longer) looking for work and thus are not included in the official unemployment statistics. The NEET rate is defined as the percentage of the population of a given age group who are not employed and not involved in further education or training. It differs from the youth unemployment rate for two main reasons: it includes inactivity not due to education and training besides unemployment and is based on the population in the reference age as a whole and not only to the economically active population (as in the case of the unemployment rate).
5 http://ec.europa.eu/social/main.jsp?catId=1248&langId=en&intPageId=3632;
7 See: http://ec.europa.eu/social/main.jsp?catId=1080&langId=en&practiceId=39
9 Eurofound (2016), *cit.*
10 See: http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/prive/toeslagen/kinderopvangtoeslag/