

# Recent trends in female employment

## SUMMARY

Statistics and research results show that in recent decades, before the coronavirus pandemic, the EU's labour market witnessed an increase in female employment rates. Women's employment seems to have been more resilient than men's to the economic and financial crisis in 2008. This was due in part to long-term developments and changes in the institutional framework, but also to women's tendency to work in particular sectors and accept flexible working arrangements (such as part-time work or teleworking).

The coronavirus crisis, however, has had a harsher impact on women than on men when it comes to the labour market. One of the main reasons is that men tend more to work in sectors considered as essential economic activities (with the exception of healthcare), whereas women's work often involves contact with customers and clients, making teleworking impossible. Women have also been faced with increased childcare needs, reducing their ability to work, while enjoying a lower level of social protection owing to their working arrangements.

Although EU legislation takes account of the situation of women in the labour market, and a number of legislative and non-legislative initiatives have recently been taken at EU level, a number of challenges remain. Areas where action is required include: the harmonisation of retirement schemes, to take the specific nature of women's careers into account; better reconciliation of work and family life by means of more flexible employment arrangements; and action to address the perennial gender pay gap.

*This is an update of an earlier briefing on [Trends in female employment](#), from October 2015, PE 569.049.*



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## Female employment – Facts and figures

According to [Eurostat employment statistics](#), during the period between 2005 and 2019, the employment rate for the total population aged 20 to 64 increased by 6.3 percentage points (p.p.) in the EU-27, from 66.8 % to 73.1 %, almost reaching the target of 75 % set in the 2010 [Europe 2020 strategy](#). However, the evolution of the employment rates for men and women over the 2005 to 2019 period was differed: the employment rate for women increased overall in Europe, with an increase of 8.6 p.p. at EU level. The largest increases were observed in Malta (31.9 p.p.), Bulgaria and Poland (both 13.6 p.p.). In 2019, the highest employment rates for women were recorded in Sweden (79.7 %), and the lowest in Italy (53.8 %) and Greece (51.3 %). In contrast, the increase in the employment rate for men at EU level was more limited (3.9 p.p.). The combined effect of the limited increase in the male employment rate and greater increase in the female employment rate was that the gender employment gap decreased during this period from 16.4 p.p. in 2005 to 11.7 p.p. in 2019. Despite the narrowing employment gap, in 2019, there was still a difference of almost 12 % between the male and female employment rates (79 % vs 67.3 %).

In contrast to what is observed in the EU, at global level the labour force participation rate for both men and women (aged 15 and over) is continuing a long-term decline. According to International Labour Organization (ILO) [figures](#), it stood at 61.8 % in 2018 and has diminished by 1.4 percentage points over the past decade. However, even at global level the decline in women's participation rate has been slower than that of men, resulting in a slight narrowing of the gender gap.

Various [circumstances](#) have contributed to the increase in women's employment rates, including long-term trends across developed countries. One [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'. Other causes relate to changes in institutional frameworks in specific countries, such as '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'.

When it comes to age groups, the greatest improvements have been observed in the older age group (45-65 years), owing to attitudinal changes as well as to country-specific policies. Conversely, employment rates among young women (under 25 years of age) have decreased in most EU countries in recent decades, mainly on account of 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.

Well-educated women generally show higher employment rates, pushing overall employment rates up. Moreover, they are more likely to overcome the gender pay gap. According to a NEUJOBS [study](#) and Eurostat [statistics](#), the proportion of women aged 30 to 34 with tertiary education in the EU is growing whereas it has fallen among men. In 2017, women accounted for 54.0 % of all tertiary students in the EU-28.

While the employment rate for women is still below that of men, in 2019, the unemployment rate for women in the EU was 7.1 %, higher than the rate for men, which was 6.4 % according to [Eurostat figures](#). In 2019, the EU's female unemployment rate ranged from 16 % in Spain to 2.4 % in Czechia.

### The situation during the economic and financial crisis

Female employment rates were more resilient to the crisis than male employment rates during the economic and financial crisis. This was mainly due to '[gender sectorial segregation](#)' (more men worked in the crisis-hit construction and manufacturing sectors, whereas women were better represented in the services sector, which was less affected by the economic and financial crisis). This

phenomenon contributed to the shrinking gender employment gap, particularly in countries that suffered most from the crisis, such as [Spain](#).

## The consequences of the pandemic

In contrast to the economic and financial crisis, the impact of the coronavirus pandemic and the accompanying economic lockdown has been worse for the employment of women than for the employment of men. [Eurofound](#) mentions two main reasons for this. First, with the exception of healthcare, where 85 % of frontline workers are women, men are more likely to work in sectors considered to be essential economic activities, such as transportation, protection services (e.g. policing), farming, and maintenance and repairs; this meant that during the lockdown they were more protected from unemployment. Second, the pandemic has hit many services that involve frequent contact with customers and clients, and for which telework is not possible, such as retail, leisure and personal services (e.g. hairdressers and beauticians), hospitality, travel and tourism (e.g. tour guides and flight attendants). According to Eurofound [analysis](#), over four in ten (41 %) of employees in the EU belong to this category. This 'interactive service work' is female dominated, with 61 % female workers. Yet another explanation is that women also tend to work under more precarious work arrangements, and may not be covered by the full range of employment-related entitlements. Additionally, continuing closures of schools and childcare facilities have greatly increased parents' childcare needs and reduced their ability to work. The increased childcare needs have impacted women's ability to work more than men. There are also more single mothers than single fathers in the EU (according to a European Institute for Gender Equality (EIGE) [study](#), women make up almost 85 % of all single parents). They were heavily affected by the economic lockdown and its consequences, especially since almost half (48 %) of single mothers are at risk of poverty or social exclusion, compared to a third (32 %) of single fathers. According to recent Eurofound [findings](#), slightly more women than men (9 % vs 8 %) became unemployed during the first few months of the coronavirus crisis (April to July 2020). According to this survey, young women aged 18 to 34 were most likely to lose their job (11 % – compared with 9 % of young men).

## Specifics of female employment

### Non-standard work forms

Women are more likely than men to be employed under non-standard work contracts and consequently to benefit from less social protection. The number of part-time workers differs significantly between men and women. Eurostat [statistics](#) show that in 2019 more than a third (35.7 %) of the women aged 15 to 64 who were employed in the EU-27 worked part time. This proportion was much lower among male workers (10.2 %). Women are also more likely than men to be employed under temporary contracts. According to the [findings](#) of Eurostat and Eurofound, in the first quarter of 2020, 13.2 % of working age women had a temporary contract, compared with 11.2 % of men. The situation is much worse for the younger age groups: in the 15 to 24 age group, 47.1 % of young women had a temporary contract in early 2020 compared with 44.1 % of young men. In the 25 to 29 age group, 25.6 % of young women and 21.8 % of young men were on temporary contracts in 2019.

### 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 2018, only a third of self-employed EU citizens were women, while only 9.6 % of working women were self-employed (compared with 16.9 % of working men). Self-employed women also tend to operate different types of business than men. For instance they are more likely than self-employed men to be working in personal and household services and to run smaller businesses, often without employees. Moreover, in contrast to men, women entrepreneurs seem more likely to be motivated by necessity (e.g. job-finding difficulties, need for a better work-family balance), and tend to start their businesses in less

innovative sectors. Most women still do not consider entrepreneurship to be a relevant career option.

## Sectoral nature

As already mentioned in the first chapter, 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 valued less highly 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. [Another paper from the European Commission](#) points out that the uneven concentration of women and men in different sectors of the labour market is a persistent problem in the EU. Three in ten women work in education, health and social work (8 % of men), which are traditionally low-paid sectors. On the other hand, almost a third of men are employed in science, technology, engineering and mathematics (7 % of women), which are higher-paid sectors.

## Unpaid care and housework

Even independently from the crisis, caring responsibilities usually fall more heavily on women. According to EIGE [figures](#), before the pandemic, women in the EU spent 13 hours more than men every week on unpaid care and housework.

## Gender pay gap

Women also earn less than men per hour. The [gender pay gap](#) in the EU stands at 16 % and has barely changed in the last decade. The reasons for this lie in the different working patterns of women, including the fact that women more often interrupt their careers or change their working patterns to look after a child or other relatives. Another reason, as mentioned above, is that women across the EU often work in low-paid sectors and also that their salaries are lower owing to their part-time employment. Some women are even paid less than men for the same work.

## Women in EU employment policy

Women's employment is taken into account in several fundamental EU employment guidelines and initiatives. The Commission's 2012 [Employment package](#) contained measures<sup>1</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 aimed to facilitate women's labour market integration by proposing measures aimed at ensuring equal pay and 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' called 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.

The [European Pillar of Social Rights](#), adopted in 2017, was designed to deliver new and more effective rights for citizens, built upon 20 key principles structured around three categories (chapters): equal opportunities and access to the labour market; fair working conditions; and social protection and inclusion. Chapter 1 mentions gender equality (equality of treatment and opportunities between women and men, including participation in the labour market, terms and conditions of employment and career progression), equal opportunities (the right to equal treatment and opportunities regarding employment, social protection, education, regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation) and 'active support to employment' (timely and tailor-made assistance in finding work) as essential principles. Chapter 2 mentions work-life balance as a key principle: parents and people with caring responsibilities should have the right to suitable leave, flexible working arrangements and access to

care services. Women and men should have equal access to special leave of absence. Chapter 3 highlights the importance of adequate social protection of workers, regardless of the type and duration of their employment relationship, and the fact that women and men should have equal opportunities to acquire pension rights. Some of the principles of the European Pillar of Social Rights have already been put into practice (for instance concerning measures for parents and carers, and predictable working conditions), others are planned in the near future.

After the withdrawal of the proposed maternity leave directive in 2015, the European Parliament insisted on a new work-life balance initiative. In 2019, a [Directive on work-life balance for parents and carers](#) was adopted (it entered into force in August 2019), according to which parents can take up more family-related leave and benefit from flexible working arrangements. The directive also provides opportunities for workers to take time off to care for relatives. Two of the current four months of parental leave will be non-transferable from one parent to the other. Carers' leave will increase to five days per year per worker. Governments will have the possibility to adjust the rules to particular needs, such as those of single or adoptive parents, as well as parents of children with disabilities. The measures should help more women to go back to work.

The participation of women on the labour market depends also on the availability of sufficient and good quality childcare possibilities. In 2002, the Barcelona European Council set objectives in the area of childcare: 'Member States should remove disincentives to female labour force participation, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90 % of children between 3 years old and the mandatory school age and at least 33 % of children under 3 years of age'. Since then, achieving the [Barcelona objectives](#) has been at the heart of European priority-setting, first in the Lisbon Strategy and subsequently in the Europe 2020 strategy. Another step in this direction will be the [European child guarantee](#), planned for 2021 in the framework of the European Pillar of Social Rights, which aims to ensure that every child in Europe at risk of poverty or social exclusion has access to free healthcare, free education, free early childhood education and care, decent housing and adequate nutrition.

The [European Skills Agenda for sustainable competitiveness, social fairness and resilience](#), published in July 2020 addresses specific aspects of the situation of women in education and on the labour market. Agenda action 7 – increasing the number of science, technology, engineering and mathematics (STEM) graduates and fostering entrepreneurial and transversal skills – is aimed at promoting STEM pathways among young women. Currently, only half as many women as men graduate in STEM fields in the EU (although with large variations across Member States). The agenda also promotes vocational and educational training (VET) as an attractive choice for women and men alike. Action 7 also includes 'leveraging and connecting existing networks to provide a European entrepreneurial support for aspiring entrepreneurs, focusing on young women entrepreneurs and self-employment opportunities in the digital and green economy'.

As already mentioned above, young women on the labour market are in a particularly vulnerable situation. In 2013, the European Commission set up the Youth Guarantee, an employment-related initiative targeting young people. The Youth Guarantee is a commitment by all Member States to ensure that all young people under the age of 25 years old receive a good quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education. The Youth Guarantee has become a reality across the EU and has provided over 2.4 million young people with [direct support](#), reducing considerably the number of young people not in employment, education or training (NEETs). The EU's commitment to the youth guarantee was reiterated in the European Pillar of Social Rights. The 'youth on the move' initiative highlights that young women are at particular risk of falling into the trap of a segmented labour market (temporary jobs alternating with unemployment). That initiative was succeeded in 2013 by the [youth employment initiative](#), designed to reinforce and accelerate its measures. In July 2020, following the outbreak of the coronavirus pandemic, the European Commission launched the youth employment support package, which is built around four strands:

- the Commission's [proposal](#) for a Council recommendation on a bridge to jobs, reinforcing the youth guarantee and stepping up outreach to vulnerable young people across the EU, now covering people aged 15-29;
- the Commission's [proposal](#) for a Council recommendation on vocational education and training;
- a renewed [European alliance for apprenticeships](#);
- additional **measures to support youth employment**, including employment and start-up incentives, capacity building, young entrepreneur networks and inter-company training centres.

The Commission has published several strategies for equality between women and men in recent years. The first, the [strategy for equality between women and men](#) (2010-2015) focused on five priority areas, two of which concerned labour market issues. The 'equal economic independence' priority area was designed to enable women to make genuine career choices and proposed ways to improve the overall framework for a better work-life balance. It focused on the need for increased labour market participation among older women, single parents, disabled and migrant women, and women belonging to ethnic minorities. The [strategic engagement for gender equality \(2016-2019\)](#) reaffirmed these commitments and added a mix of legislative, non-legislative and funding instruments in order to achieve objectives under each priority, namely: integration of a gender-equality perspective into all EU activities; enforcement of equal treatment legislation; EU funding programmes for 2014 to 2020; improved data collection; exchanges of good practice and peer-learning between Member States and cooperation with all actors; and an annual review of key actions carried out (annual progress reports on equality between women and men).

Commission President Ursula von der Leyen has identified gender equality as a major theme and objective of her Commission (2019-2024). In her [political guidelines](#), she promised a new EU gender equality strategy to underpin this political commitment and support long-term work inside and outside the EU. The Commission included a proposal for a new EU strategy on gender equality in its work programme for 2020 under the sixth priority – 'A new push for European democracy'. The [strategy](#), adopted on 5 March 2020, includes three priorities. Two of them refer to the labour market participation of women. The first is boosting women's economic empowerment and ensuring equal opportunities in the labour market, including equal pay. Related measures will include supporting effective implementation of existing EU legislation (in particular the work-life balance directive) and a proposal for binding pay transparency measures by the end of 2020 to address the gender pay gap. The second aims to give women the opportunity to lead and participate in all sectors of the economy and in political life. Measures here will include pushing for the adoption of the 2012 proposal for a directive on improving the gender balance on corporate boards.

## Further challenges

### Revision of retirement schemes

[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 relate to improving retirement provisions and securing more flexible employment arrangements.

Limiting early retirement and increasing the statutory [retirement age](#) can increase the length of [labour market activity](#), particularly if carried out alongside efforts to encourage active and healthy ageing and lifelong learning. However, women typically face additional challenges relating to years spent shouldering 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, while 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. This increase should be combined with the development of workers' skills through lifelong learning. In June 2020, the European Commission published a report on the [impact of demographic change](#). This report draws attention to the importance of bringing more older workers (in particular women) into employment. In the medium term, population ageing will likely require more people to work longer. The paper also mentions that women are more likely to be affected by old-age poverty, because they tend to have lower employment rates, more career breaks and lower wages and they are more likely to have been employed in part-time and temporary work. Their monthly pensions that are consequently about one third lower than those of men, while they have a longer life expectancy. The green paper on ageing, scheduled for 2021, will focus on these issues in more depth, taking into account the vulnerabilities that emerged during the pandemic.

## Further 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. Despite significant progress in this area, further appropriate institutional measures are required to take account of this, as it would also ultimately help increase female employment. As mentioned in the Commission's report on the impact of demographic change, in 2019 the employment rate for women with children under the age of six was almost 14 percentage points lower than for those without children. Women still also receive lower pay for their work than men, with the gender pay gap currently at 14.8 %. The Commission is addressing these issues as part of its work on equality and through the new 2020 – 2025 EU gender equality strategy.

Flexible employment arrangements (e.g. part-time work, flexible working hours and telework) can be useful when it comes to striking a balance between work and family life. Job flexibility also affords greater lifelong learning possibilities, as it helps women keep their qualifications up to date, while coping with childcare duties. Flexibility of this kind has to be handled with care, however, as it can have controversial effects on women's wages. Furthermore, employment conditions and security should be comparable to those of full-time workers. One important step taken in this direction was the November 2019 Council [Recommendation on access to social protection for workers and the self-employed](#). Other initiatives will follow in 2021, for instance a move to improve working conditions for platform workers.

## Equal opportunities in the labour market

Equal opportunities for men and women is a fundamental human right,<sup>2</sup> and one of the values on which the EU is founded.<sup>3</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, Parliament and Council adopted [Directive 2006/54/EC](#) (the 'Equal Treatment Directive') to consolidate and modernise the EU *acquis* in this area. The directive encouraged employers to combat all forms of gender-related discrimination and ensure equal pay for equal work. Member States were urged to address 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 had 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. Despite progress in this area,

further advances are necessary in areas such as the gender employment gap, the gender pay gap and the gender balance in decision-making.

### 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 the gender pay gap: the causes for which are complex. The 2010-2015 [strategy for equality](#) explains that the gap is due to the different educational and professional development of women compared with 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 to 49. A NEUJOBS [study](#) estimates that 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.

### Improving gender-balance in decision-making

According to European Commission [data](#), the presence of women in corporate leadership has gradually increased. However, in the first half of 2020 less than 29 % of board members of the largest publicly listed companies registered in the EU were women. Only 7.8 % of board chairs and 8.2 % of chief executive officers (CEOs) are women. The most significant improvements have been observed in countries that have legislated in order to improve the gender balance on boards. In the political field, data from 2020 show that the proportion of women in national parliaments (single/lower houses) across EU countries has reached an all-time high (32 %), but still over two thirds of members of parliament are men and progress is slow and uneven.

The challenges for women's employment are inter-related, are not new, and are already at the top of the agenda in most EU countries. Significant progress was made during the last Commission mandate, but there is still some way to go. Studies agree that in order to improve female employment, it is important to monitor the situation continuously and adapt policy to take account of changing needs and labour market conditions. The changes wrought by the coronavirus crisis have shone a harsh light on the weak points of female employment – it is now up to the EU to learn the lessons.

### 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.

Eurofound, [Living, working and COVID-19](#), September 2020.

ILO, [World employment Social Outlook, trends for women](#) 2018.

## ENDNOTES

- <sup>1</sup> For example, mobilising EU budget funds (in particular the European Social Fund), granting hiring subsidies, or reducing employers' social taxes.
- <sup>2</sup> Laid down in the EU Charter of Fundamental Rights, Article 23, and the [UN Convention](#) on the Elimination of All Forms of Discrimination against Women.
- <sup>3</sup> The principle that men and women should receive equal pay for equal work has been enshrined in the European Treaties since 1957 (now Article 157 of the Treaty on the Functioning of the European Union). In addition, Article 19 TFEU allows for legislation to combat all forms of discrimination, including on the basis of gender.

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