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# *Global Employment Trends for Women*

## Executive summary



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*An analysis of five key gender gaps in the labour market*

This report examines the conditions of women's engagement in the labour market, by estimating and analysing five key gaps, or gender differentials, between women and men which disadvantage women: in unemployment, in employment, in labour force participation, in vulnerability, and in sectoral and occupational segregation.

*A trend toward convergence has come to a halt*

The gaps are examined in terms of their long-run trends, over the past decade for the economic indicators of unemployment, employment, vulnerability and segregation, and over the past two decades for the slower moving demographic and behavioural indicator of labour force participation. The economic indicators are also examined in terms of more recent trends over the course of the global financial and economic crisis of the past five years.

Globally, gender gaps in the economic indicators of unemployment and employment trended towards convergence in the period 2002 to 2007, but with reversals coinciding with the period of the crisis from 2008 to 2012 in many regions. The gender gap in labour force participation, examined over a longer period of the last two decades, shows convergence in the 1990s, but little to no convergence in the 2000s, with increasing gaps in some regions like South Asia and Central and Eastern Europe. Demographic and behavioural change appears to have added to the impact of the crisis, to reverse convergence in regions harder hit by the crisis, such as the advanced economies and Central and Eastern Europe.

Economic indicators of job quality, such as gender gaps in vulnerability and occupational segregation show significant gaps for 2012. An indicator for sectoral segregation could be observed over a long run period of two decades, and showed women crowding into services sectors, in both developed and developing countries. The report shows that reducing gender gaps can significantly improve economic growth and per capita incomes.

Remedial policy then has to address the reversals in convergence. And it has to address the complex set of economic, demographic and behavioural factors leading to the increase in gender-based gaps in the labour market.

*29 million jobs lost and still to be recovered*

### ***The crisis***

The immediate context of this report is the financial and economic crisis. The policy stimulus of 2009 gave way to austerity in 2011-12, that in 2012 led to a double dip in GDP growth in some countries. The 29 million net jobs lost during the global economic crisis have not been recovered. The Eurozone crisis combined with the "fiscal cliff" threat in the United States, have generated downside risks to growth. The IMF's downgrade of global GDP growth for 2013, from 3.8 to 3.6 per cent, has led the ILO to estimate that an additional 2.5 million jobs could be lost in 2013 as result.

*Global gender gap in unemployment constant pre crisis, increased with crisis*

### **Gender gaps in unemployment**

From 2002 to 2007, the gender gap in unemployment was constant at around 0.5 percentage points, with the female unemployment rate higher at 5.8 per cent, compared to male unemployment at 5.3 per cent (with 72 million women unemployed compared to their global employment of 1.2 billion in 2007 and 98 million men unemployed compared to their global employment of 1.8 billion). The crisis raised this gender gap to 0.7 percentage points for 2012 (destroying 13 million jobs for women), with projections showing no significant reduction in unemployment expected even by 2017.

Analysis of regional trends shows that, over 2002 to 2007, women had higher unemployment rates than men in Africa, South and South-East Asia, and Latin America, while in East Asia, Central and Eastern Europe and more recently the advanced economies, there were negative gender gaps in unemployment rates (male unemployment rates higher than female rates). In this pre-crisis period, there was moderate convergence in the regions in which women's unemployment rates exceeded the corresponding male rates. For the regions with the negative gender gaps, the range was small, between 0.5 and 1 percentage points.

The crisis appears to have worsened gender gaps in unemployment across all regions, regardless of whether they were on the front lines of the crisis like the advanced economies, or a degree removed like Asia and Africa. The pre-crisis convergence in gender gaps reversed as a result of the crisis in South Asia, South East Asia, and Africa. In advanced economies and Central and Eastern Europe, the crisis moved their negative gender gaps towards zero. The gender gaps, positive and large in the Middle East and Latin America and the Caribbean, and negative in East Asia remained unaffected by the crisis.

*Global employment gap inched down pre crisis, but crisis reversed it*

### **Gender gaps in employment**

The global gender gap in the employment-to-population ratio, between 2002 and 2007 inched down, but remained high at 24.6 points. The reduction in the gap from 2002 to 2007 was particularly strong in Latin America and the Caribbean, the advanced economies, Africa and the Middle East. The pre-crisis gap increased significantly in only one region, Central and Eastern Europe. This pre-crisis reduction of the gender gap in the employment-to-population ratio was based on historically higher employment growth rates for women of 1.8 per cent, compared to men at 1.6 per cent, from a low base for women. Again this held for all regions.

However, the period of the crisis saw a reversal in the historically higher employment growth rates for women, lowering them below those for men by 0.1 percentage points, and with no projected return to the earlier trend even by 2017.

This reversal in employment growth rates during the period of the crisis, in turn, reversed the weak trend toward convergence in employment-to-population ratios that had been in place. Three regions increased their gender gaps in employment-to-population ratios, South Asia, Central and Eastern Europe, the Middle East and

marginally East Asia.

South Asia is a particular enigma, with consistently negative employment growth rates for women over many of the crisis years, raising its already massive gender gap in the employment-to-population ratio from 45.9 to 48.1 percentage points.

Since South Asia was not the primary region affected by the crisis, the explanation for its reversal in the employment gender gaps comes from gender gaps in the broadest base of the labour market pyramid, labour force participation rates.

*Labour force participation rates converged in previous decade, but were constant in last decade*

### ***Gender gaps in labour force participation***

The labour force participation rate is influenced by changes in both employment and unemployment. It reflects demographic and behavioural change, indicating very importantly, increase or decrease of different age groups' participation in the labour market.

The gender gap in the labour force participation rate decreased globally in the 1990s from 27.9 to 26.1 percentage points, with men's rates falling faster than women's, in all regions. However, in the last decade, between 2002 and 2012, this gap remained constant, with both men's and women's participation rates falling equally. Three broad reasons cited for the fall in participation rates are, most importantly education for younger age cohorts, aging, and a "discouraged worker" effect.

*Reversals occurred principally in East Asia, South Asia and Central and Eastern Europe*

Significant reversal in three regions accounts for the global halt in convergence in the participation gaps. The largest reversal was in South Asia, where the gender gap in participation increased by 2 percentage points due to a decline in women's participation by 4 percentage points in the last decade. In East Asia and Central and Eastern Europe, the participation gap increased by 0.6 and 1.6 percentage points, respectively, based on declines in women's participation of 2.6 percentage points (East Asia) and based on a larger increase in male participation rates (2.7 percentage points) compared to the female rate (1.1 points) (Central and Eastern Europe).

Decomposition by age cohort shows that young female participation rates fell in all regions but adult female participation rates fell only in South Asia and East Asia, by 3.7 to 1.9 percentage points.

*Higher education levels increased adult female participation but longer education spells reduced participation for young women*

The labour force participation gap for women was driven by two contrasting developments. As women have become more and more educated, in particular in developing countries, their participation rates tended to increase thus allowing them to reap the full benefits of their higher productivity and capacity to generate income. At the same time, the higher education levels for adult women came at the expense of longer stays in the education system for younger female cohorts. This tended to decrease the labour force participation rates for young women, which – depending on the relative size of the youth cohort – even decreased the overall female participation rates in some regions.

*Vulnerability gaps are pervasive, and still high in Africa and Asia*

### ***Gender gaps in vulnerability***

Women also suffer from a difference in the quality of employment in comparison to men. Vulnerable employment, which comprises contributing family workers and own account workers (as opposed to wage and salaried workers), is more widespread for women than for men. In 2012, there was a global gender gap of 2.3 percentage points, with a larger share of women in vulnerable employment (50.4 per cent of employed women, compared to 48.1 per cent of men).

Regional vulnerability gaps varied, with North Africa at 24 percentage points, the Middle East and Sub-Saharan Africa at 15 points, and the Asian regions lying between zero and 10 percentage points. Only in the advanced economies, Central and Eastern Europe, and Latin America and the Caribbean, were a smaller share of women in vulnerable employment as compared to men. Within the category of the vulnerable, a larger share of men are own account workers, while a larger share of women are contributing family workers. The higher share of women in contributing family labour overrode the higher share of men in own account work, resulting in the gender gap in vulnerability.

*Sectoral segregation increased over time with women moving strongly into services*

### ***Gender gaps in sectoral segregation***

Women are more limited in their choices for employment across sectors. This sectoral segregation increased over time, with women moving out of agriculture in developing economies and out of industry in developed economies, and into services.

In 2012, at the global level, a third of women were employed in agriculture, near half in services, and a sixth in industry. Women's industrial share only slightly rose over the last two decades as most women are moving out of agriculture and directly into services.

In advanced economies, women's employment in industry halved, crowding more than 85 per cent of them into services, primarily in education and health.

In most developing economies, women moved out of agriculture, and into services, with the exception of East Asia, where women's employment in industry rose to a quarter.

*Occupational segregation persisted in the last decade*

### ***Gender gaps in occupational segregation***

Occupational segregation has been pervasive over time, with some evidence of a decline in the gap in the previous decade, and a stalling in this convergence in the past decade. For a sample of both advanced and developing countries, men were over-represented in crafts, trades, plant and machine operations, and managerial and legislative occupations. In contrast women were over-represented in mid-skill occupations, like clerks, service workers, and shop and sales workers.

The initial impact of the crisis, in the advanced economies, seemed to have affected men in trade-dependent sectors more than women in health and education. Conversely women were strongly hit in developing economies, in tradable sectors.

*High incidence of crisis policy on gender, especially legislation to address gaps*

### ***Policies to address gender gaps***

A review of crisis policy responses based on an ILO/World Bank Policy Inventory database showed that 39 out of the 55 low and middle income countries and 17 out of 22 high income countries sampled had adopted new measures to address their large gender gaps in employment and participation. The provisions ranged from legislative revision on discrimination, equality and sexual harassment, to changes in systems for taxation, electoral parity, and parity in employment. In general, crisis-related gender policy measures varied by countries' income levels. Some high-income countries opted for more child care support, yet others cut it. Low and middle-income countries targeted unemployed women.

Countries that were able to offer labour market policies to unemployed women on a large scale already had programs in place, as in the case of Chile's targeting of unskilled female heads of households, South Africa's women's quota in its expansion of its public works program, Turkey's subsidy for employed women, and India's National Rural Employment Guarantee Scheme.

A few countries had a more integrated approach to promote gender equality during the crisis, notably the Crisis Pact enacted in the Netherlands in 2009 which packaged together extensions in parental leave, child care access, and public benefits for self-employed women.

*Policies must be country-specific*

Women continue to face many barriers to enter labour markets. These barriers not only hold back women, they also hold back economic growth and development in countries with large gender gaps.

Given the complexity of the movement in gender gaps in the labour market and the complex set of factors accounting for convergence and divergence, policy recommendations can only be country-specific and must integrate economic, sociological and cultural factors.

*Six general policy instruments whose relative importance would vary according to context*

The final chapter of the report discusses general and specific policy measures. As regards general policies, the chapter discusses the need to expand social protection measures to reduce women's vulnerability, the need to invest in their skills and education, and policies to promote access to employment across the spectrum of sectors and occupations. In addition, the chapter also contains six policy guidelines focussed on creating the right conditions to help households reduce the gender bias in their work decisions:

- (a) Reducing the burden of house work through better infrastructure – principally electricity, water, sanitation, mobility and school access
- (b) Reducing the burden of unpaid care work through provision of care services – child care (and in some demographic contexts, care for elderly) being especially correlated to women's participation in the labour force
- (c) Balancing the gender division of paid and unpaid work – mainly being programs to increase fathers' share of parenting
- (d) Changing the costs and benefits of gender specialisation – principally taxes and

transfers to encourage dual earner families

- (e) Compensating for unequal employment opportunities based on gender – principally compensating for the adverse impact of career breaks through paid leave and right of return to post
- (f) Public campaigns to challenge gender stereotypes, and for proper implementation of legislation against discrimination.