# Chapter 11

## Women at work: A snapshot of women in the labour force

## Key findings

- Female employment rates remain well below men's, but gender gaps in employment rates have narrowed in almost three-quarters of OECD countries since 2012.
- Despite women's gains in the labour market, women are still far less likely than men to work full time; women earn less than men; women are less likely to reach management and executive levels; and women tend to be in lower-paid sectors and occupations.
- Some groups of women face especially high barriers to equal participation in the labour force. Mothers and women with lower levels of education, skills and income tend to fare worse than their peers.

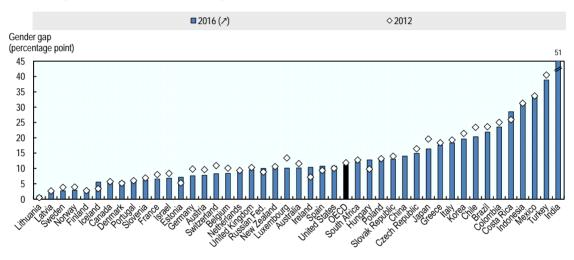
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

### Female employment in the OECD: Cause for cautious optimism?

In every OECD country, men remain more likely to be in paid work than women. Yet historical trends give cause for optimism: gender gaps in employment rates have been narrowing in most OECD countries since 2012, continuing a decades-long pattern and contributing to a decrease of 0.6 percentage points in the OECD average gender gap from 2012 to 2016. The employment rate for working-age men was 74.1% in 2016, up from 71.9% in 2012 on average across the OECD. The OECD average employment rate for women was 62.8%, up from 60.1% in 2012 (Figure 11.1).

#### Figure 11.1. Gender gaps in employment rates have narrowed in many countries since 2012

Gender gap (male minus female) in the employment rate, 15-64 year-olds, 2012 and 2016 or latest available year<sup>a</sup>



*a)* Data for China refer to 2010, for India to 2012, for Indonesia to 2013 and for Brazil to 2015. Source: OECD Employment Database, <u>http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm</u>

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Many factors have contributed to the rising number of women in the workforce: the greater educational attainment of young women compared with young men; gradually changing stereotypes and expectations around gender roles; improvements in public policies aimed at combining paid work with childrearing; and the rising economic need – both in single and couple households – for women to work. Closing gender gaps also reflect a decline or stagnation in male labour force participation in some countries. The share of men employed declined by more than 1 percentage point between 2012 and 2016 in three OECD countries: Chile, Norway and Luxembourg (*OECD Employment Database*).

In several OECD countries, the gap between male and female employment rates actually *increased* between 2012 and 2016, sometimes considerably so: in Estonia, Iceland, Ireland, Hungary and Spain, the gender gap grew by more than 1 percentage point between 2012 and 2016 (Figure 11.1). Explanations for the widening gender gap vary, but in some cases the wider gap reflects women's relative gains in the labour market during and immediately after the Great Recession, which have since lessened as men have re-entered the market. In Ireland, for example, there was a substantially sharper rise in male unemployment compared with female unemployment from 2008 to 2012, following the loss of construction jobs, but men have made substantial gains since 2012 (Conefrey et al., 2014).

Large differences also persist in gender gaps across countries, producing a crossnational pattern which has changed little. Gender gaps in employment remain very small in Nordic countries, for example, but relatively large in Turkey, Brazil, Colombia, Costa Rica, Mexico and the Asian OECD countries.

### Gender gaps in hours worked and occupations

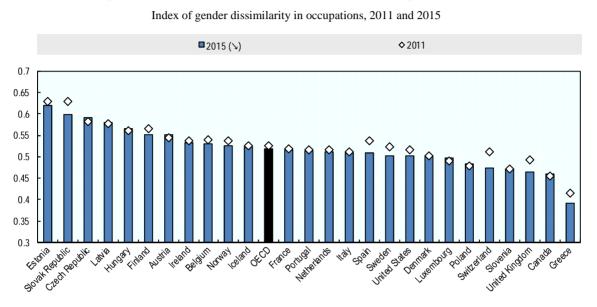
While women are making slow but steady gains in employment across most OECD countries, gender gaps persist in job quality and occupations. Women still face obstacles to working full-time hours; are often employed in low-paying, female-dominated sectors; and face gender-specific challenges to advancing in their careers (e.g., weaker professional networks or fewer female managers).

Across OECD countries, women are far more likely than men to work part-time (Chapter 18), although men's part-time employment rates grew slightly in all but two OECD countries (Latvia and Poland) between 2004 and 2014. On average across the OECD in 2014, 24.5% of employed women worked part-time, defined as fewer than thirty hours per week in the main job, an increase of just less than 1 percentage point from 2004. Only 9.0% of employed men work part-time, a 2.3 percentage point increase from 2004. Women's movement into part-time work is especially pronounced after they become mothers and typically assume a disproportionate responsibility for unpaid childcare (Chapter 15). While part-time work does keep women attached to the labour market, it has important drawbacks: women working part-time earn less than full-time workers and often miss out on opportunities to advance in their careers.

Men, in turn, are more likely to work very long hours in the labour market. In many countries, expectations of long hours in the workforce combine with women's disproportionate responsibility for unpaid work to produce gendered effects in the labour market: women face difficulties combining long hours of unpaid work with the long time commitment expected in many full-time jobs. This is particularly true in countries with traditionally long full-time work hours, such as Germany, where mothers tend to work part-time, and in Mexico, where mothers are more likely to opt out of the labour market entirely (OECD, 2017a and 2017b).

Men and women are also still likely to work in different sectors and occupations. Women continue to be overrepresented in the service sector, specifically within areas such as retail, health and social work: 84% of employed women worked in the services sector in 2015 (60.7% of men), 11.6% in industry (32.6% of men); and 4% in agriculture (6.3% of men) (Annex Table 11.A1.1). Just over one-fifth of all employed women work in wholesale and retail trade, accommodation and food, and 17.3% work in health and social work activities. Related to this, women experience higher levels of occupational segregation than men, and are restricted in the jobs they "choose" to go into by a variety of factors, including educational background and gendered socialisation (Chapter 8). Across EU countries for which data are available, the most common occupational categories for women are shop salespeople, cleaners, personal care workers, pre-primary and primary school teachers and secretaries (OECD calculations of the EU Labour Force Survey, 2014). Figure 11.2 presents an "index of dissimilarity" based on the number of different occupations women work in compared with men. The scale for the difference across male and female distribution ranges from 0 to 1, from the lowest to the highest level of segregation. Every country experiences job segregation by gender, and therefore every country has a value greater than zero, but the rankings are somewhat difficult to interpret as they cannot account for factors such as self-selection or cross-country differences in female

employment rates. Indeed, the Nordic countries have historically had higher levels of occupational gender segregation and Mediterranean countries lower levels, in part because increases in occupational segregation have positively correlated with growth in the female labour supply (European Commission, 2009).



#### Figure 11.2. Women are concentrated in fewer job categories than men

*Note:* The index of dissimilarity, or Duncan index, measures the sum of the absolute difference in the distribution of female and male employment across occupations. It assumes that segregation implies a different distribution of women and men across occupations: the less equal the distribution, the higher the level of segregation. It ranges from 0 to 1, from the lowest to the highest level of segregation. Here it was calculated using the ISCO classification of occupations, at 3-digit levels.

*Source*: OECD Secretariat calculations based on the European Union Labour Force Survey (EU-LFS) for European Union countries, Iceland, Norway and Switzerland, the Canadian Labour Force Survey (LFS) for Canada, and the United States Current Population Survey (CPS) March Supplement for the United States.

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### The glass ceiling remains intact

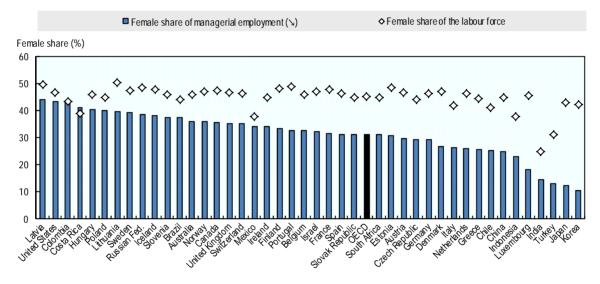
Women's lower labour force participation, their higher probability of interrupting their careers to care for family, their higher likelihood of working part-time, and other, less tangible factors – including discrimination – all lead to attrition in the number of women who advance to upper management. The "leaky pipeline" to top jobs has contributed to women making up only about one-third of managers in the OECD, though there is considerable variation across countries (Figure 11.3). Women are also far less likely than men to become CEOs, sit on boards of private companies, or hold public leadership positions, although government quotas (and, to a lesser degree, targets) have led to relatively quick changes in the share of private and public leadership positions held by women (Chapter 14).

## Highly-educated and childless women fare better than others

Many women face compounding disadvantages. Across education levels, gender gaps in employment rates are smallest among men and women with higher levels of education: there is an 8.5 percentage point gender gap in employment rates among highly-educated men and women, which increases to a 19.5 percentage point gap among men and women with low levels of education (Figure 11.4). In some countries, such as Finland, Norway, Portugal and Sweden, the gender gap in the employment rate is lower than 3 percentage points for highly-educated men and women. An exception to this pattern is Korea, where highly-educated women's options to return to well-paid regular employment after a period out of the workforce to provide care to young children or dependent relatives are limited, and rather than taking up low-paid non-regular employment, women may stay at home if they can afford to do so.

#### Figure 11.3. Women are under-represented in management positions

Female share of management employment and female share of labour force, all ages, 2015 or latest available year<sup>a</sup>



*Note:* For Colombia, the female share of managerial employment is the female share of the employed that hold jobs classified in International Standard Classification of Occupations 1968 (ISCO 68) major group 2 (administrative and managerial workers); for Canada, Chile, India, Indonesia and the United States, the female share of managerial employment is the female share of the employed that hold jobs classified in International Standard Classification of Occupations (ISCO) 88 category one (as legislators, senior officials and managers). For all other countries (except China), the female share of managerial employment is the female share of the employed that hold jobs classified in International Standard Classification of Occupations (ISCO) 08 category one (as legislators, senior officials and managers). For all other countries (except China), the female share of managerial employment is the female share of the employed that hold jobs classified in International Standard Classification of Occupations (ISCO) 08 category one (as managers) that are female. National Occupation Classification for China. For Colombia and India, data on the female share of managerial employment refer to 15-64 year-olds only.

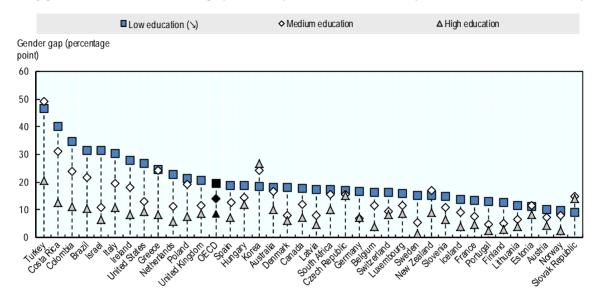
*a)* Data for China refer to 2010, for India to 2011-12, for Indonesia and the United States to 2013, and for Australia, Brazil, Canada and South Africa to 2014.

OECD Source: For the female share of the labour force: Employment Database. http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm, for all countries. For the female share of managerial employment: ILO (2016), ILOSTAT database, http://www.ilo.org/ilostat, for all countries except Colombia, China and India; Census data for China; and OECD Secretariat calculations based on the Gran Encuesta Integrada de Hogares (GEIH) for Colombia and the National Sample Survey (NSS) for India.

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Gender gaps (male minus female) in the employment rate by level of education, 25-64 year-olds, 2015 or latest available year<sup>a</sup>



*Note*: Educational attainment is measured on a three-part ordinal variable (low education, medium education and high education), with distinctions between the three levels corresponding to the usual International Standard Classification of Education (ISCED) classification system: "low education" corresponds to a highest level of educational attainment at ISCED 2011 levels 0-2 (early-childhood education, primary or lower secondary education); "medium education" reflects a highest level of educational attainment at ISCED 2011 levels 3-4 (upper secondary and post-secondary non-tertiary education); and "high education" corresponds to a highest level of education attainment at ISCED 2011 levels 5-8 (short-cycle tertiary education, bachelor or equivalent, master or equivalent, doctoral or equivalent).

a) Data for France, Brazil and South Africa refer to 2014

Source: OECD (2016), Education at a Glance 2016: OECD Indicators, OECD Publishing, Paris, <u>http://dx.doi.org/10.1787/eag-2016-en</u>.

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Large gaps among workers with low levels of education are frequently tied to the financial incentives faced by higher- versus less-educated women. Education correlates with wages, and less-educated women generally earn less than both highly-educated women and less-educated men (Chapter 12). Childcare fees reduce the attractiveness of labour force participation, and for many less-educated women this results in low financial incentives to work. Barriers to paid work are especially high for migrant women with low levels of education. These women tend to have lower labour force participation rates than both migrant men and native-born women (Chapter 21).

Gender gaps in the labour force increase with age, particularly after men and women start families. Women's careers are disproportionately hampered by childbearing and childrearing. Women who are mothers are more likely than childless women to work fewer hours, earn less than men, or opt out of the workforce entirely. Men tend to have a higher probability of work after becoming fathers (OECD, 2016).

The gender gap in the employment rate between *childless* men and women is a relatively small 4.8 percentage points, on average, across the OECD. This gender gap more than quadruples, to 22.6 percentage points, when comparing men and women who have at least one child aged 0-14 (Figure 11.5, Panel A). In the three Baltic countries and Finland, the gender employment gap for men and women without dependent children is positive.

This is in part due to sectors of female employment being less affected by the Great Recession than male employment, and because the pre-existing gender employment gaps were relatively small.

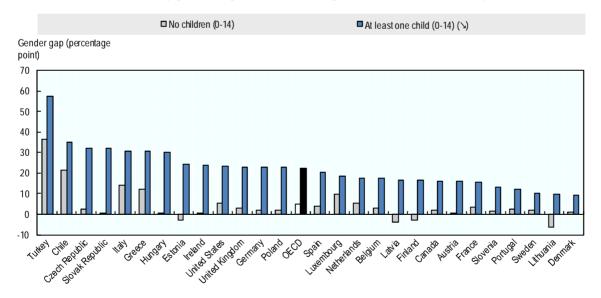
The negative effects of motherhood on labour force participation are particularly pronounced for women with low levels of education (Figure 11.5, Panel B). While it is challenging for most parents (both mothers and fathers) to balance a career with childrearing, low wages tend to reduce the financial incentives even further. Tackling the low levels of participation among mothers with low levels of education is crucial for closing remaining gender gaps in labour force participation, and it is necessary for meeting the G20 target of a 25% reduction in gender gaps by 2025.

## **Targeting policies for gender equality**

The other chapters in this report detail various policy measures that governments have taken to reduce gender gaps in employment. Such measures include those steps necessary for work-life balance: paid parental leave, good quality and affordable childcare, workplace flexibility measures, and promoting the equal sharing of unpaid work responsibilities. The results of this overview chapter suggest that the potentially largest payoffs to female labour force participation may come from promoting the workforce participation of mothers, lesseducated women and lower-skilled women.

#### Figure 11.5. Less-educated mothers face barriers to paid work

Gender gaps (male minus female) in the employment rate by the presence of at least one child aged 0-14 and for men and women with at least one child aged 0-14 by level of education, 25-54 year-olds, 2014 or latest available year<sup>a</sup>

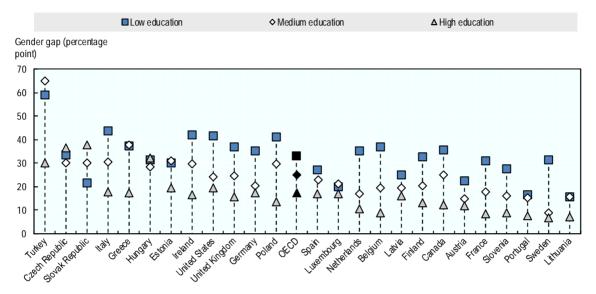


Panel A. Gender gap in the employment rate by the presence of at least one child aged 0-14

#### Figure 11.5. Less-educated mothers face barriers to paid work (cont.)

Gender gaps (male minus female) in the employment rate by the presence of at least one child aged 0-14 and for men and women with at least one child aged 0-14 by level of education, 25-54 year-olds, 2014 or latest available year<sup>a</sup>

Panel B. Gender gap in the employment rate for men and women with at least one child aged 0-14, by level of education



*Note:* For both panels, countries are sorted from left to right in descending order according to the gender gap in the employment rate between men and women with at least one child (0-14)

Individuals with "at least one child (0-14)" are defined as those that live in the same household as a child (aged 0-14) for who they are reported as either the mother or the father. Those with "no children (0-14)" are defined as those who live in a household without any children (aged 0-14) for who they are reported as the either the mother or the father. For Canada, children aged 0-15, and for the United States children aged 0-17.

Educational attainment is measured on a three-part ordinal variable (low education, medium education and high education), with distinctions between the three levels corresponding to the usual International Standard Classification of Education (ISCED) classification system: "low education" corresponds to a highest level of educational attainment at ISCED 2011 levels 0-2 (early-childhood education, primary or lower secondary education); "medium education" reflects a highest level of educational attainment at ISCED 2011 levels 3-4 (upper secondary and post-secondary non-tertiary education); and "high education" corresponds to a highest level of education attainment at ISCED 2011 levels 3-4 (upper secondary and post-secondary non-tertiary education); and "high education" corresponds to a highest level of educational attainment at ISCED 2011 levels 5-8 (short-cycle tertiary education, bachelor or equivalent, master or equivalent, doctoral or equivalent).

a) Data for Denmark, Finland and Sweden refer to 2012, and for Chile, Germany and Turkey to 2013.

*Source*: OECD Secretariat calculations based on the European Union Labour Force Survey (EU-LFS) for European Union countries, the Canadian Labour Force Survey (LFS) for Canada, the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile, the Turkish Household Labour Force Survey (LFS) for Turkey, and the United States Current Population Survey (CPS) basic files for the United States.

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Most of the social and employment policies that are "good for women" in general will have an even greater payoff for mothers and women at the lower end of the education, skill and income spectrum. Employment-protected paid leave around childbirth and when children are young is important for ensuring that women have income security around these life events and have a job to return to when their child is older. Paid parental leave is associated with higher female labour force participation across countries, as it incentivises women's employment prior to giving birth (to ensure paid leave eligibility) and gives women employment security post-birth. Publicly-funded wage replacement during maternity and parental leave is especially important for low-income workers, who, in some countries, are less likely than high-skilled or higher-income workers to received generous leave benefits through their employers (Adema et al., 2015). Subsidised childcare is critical for shifting the scales in favour of low-income mothers' work. A statutory right to request flexible work is another measure that can help parents achieve the work-life balance they need without risking losing their job. Such policies are especially important for single parents, who often struggle to provide childcare and engage in paid work and who face higher poverty risks than couple families (*OECD Family Database*).

## Key policy messages

- Governments must continue to implement measures aimed at promoting work-life balance, including paid parental leave (Chapter 16), good quality and affordable early childhood education and care (Chapter 17), and smart workplace flexibility measures for both fathers and mothers (Chapter 18).
- Policies should continue to focus on disadvantaged women, e.g. low-skilled women with children, to ensure that engaging in paid work "pays off".
- Policies should not only prioritise getting women into jobs, but also improving the quality of women's jobs. Further efforts are needed to address gender gaps in wages, hours worked, occupations held and sectors in which women are employed.

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- OECD Employment Database, http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm.
- OECD Family Database, http://www.oecd.org/social/family/database.htm.

## Annex 11.A1

## Additional data on gender segregation

#### Table 11.A1.1. Women tend to be over-represented in service sector jobs

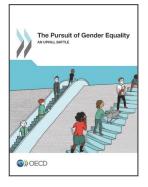
Distribution of employment by broad economic activity, by gender, 2015 or latest available year<sup>a</sup>

	Men			Women		
	Agriculture	Industry	Services	Agriculture	Industry	Services
OECD	6.3	32.6	60.7	4.0	11.6	84.0
Australia	3.7	30.9	65.4	2.0	8.7	89.3
Austria	5.7	36.3	58.0	5.2	11.5	83.3
Belgium	1.6	32.8	65.6	0.7	8.4	90.9
Canada	2.9	30.0	67.1	1.2	8.4	90.4
Chile	12.8	32.3	54.9	4.5	10.7	84.8
Czech Republic	3.9	49.3	46.7	1.6	23.8	74.6
Denmark	3.8	29.4	66.9	0.9	9.3	89.8
Estonia	5.3	43.5	51.2	2.5	17.5	80.0
Finland	6.1	34.1	59.8	2.2	8.7	89.1
France	3.7	30.2	64.7	1.6	9.4	87.9
Germany	1.8	40.0	58.2	1.0	13.9	85.1
Greece	13.5	20.1	66.4	12.4	7.8	79.8
Hungary	6.8	40.0	53.2	2.6	19.1	78.4
Iceland	6.5	27.7	65.8	1.7	6.9	91.3
Ireland	9.9	26.5	63.5	1.6	8.7	89.6
Israel	2.3	25.3	69.3	0.6	8.4	89.2
Italy	4.8	36.8	58.4	2.4	13.3	84.3
Japan	3.9	33.8	62.3	3.2	14.6	82.3
Korea	5.6	32.6	61.8	5.7	13.7	80.6
Latvia	10.9	34.7	54.4	5.1	12.7	82.1
Luxembourg	1.2	17.5	72.2	0.7	4.1	87.0
Mexico	19.4	30.0	50.5	3.6	16.5	79.9
Netherlands	2.8	23.4	73.9	1.4	5.6	93.0
New Zealand	9.1	30.3	60.4	4.6	9.7	85.5
Norway	3.0	31.6	65.4	0.9	7.1	92.1
Poland	12.5	41.9	45.7	10.3	16.4	73.3
Portugal	9.7	33.4	57.0	5.4	15.2	79.4
Slovak Republic	4.7	48.4	47.0	1.3	20.7	78.0
Slovenia	7.0	43.5	49.5	7.1	18.2	74.6
Spain	5.8	29.5	64.7	2.1	8.7	89.2
Sweden	3.0	28.6	68.5	1.0	6.9	92.1
Switzerland	3.7	27.9	66.2	2.7	9.6	84.8
Turkey	17.8	31.1	51.0	37.0	15.3	47.7
United Kingdom	1.8	28.4	69.8	0.8	7.8	91.4
United States	2.3	27.4	70.3	0.9	8.3	90.8
Colombia	22.7	23.8	53.5	7.0	13.6	79.4
Costa Rica	17.3	25.0	57.7	4.2	9.6	86.1
Lithuania	11.6	34.0	54.3	6.6	16.4	76.9
Brazil	17.1	30.5	52.3	10.5	11.8	77.6
China						
India						
Indonesia	33.6	26.0	40.4	31.7	15.9	52.4
Russian Federation	8.2	37.6	54.2	5.1	16.2	78.7
South Africa	6.6	33.3	60.1	4.3	11.7	84.0

*Note*: Data for Australia, Austria, Canada, Chile, Ireland, Israel, New Zealand, Colombia, Brazil, the Russian Federation and South Africa are based on International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 3. Data for all other countries are based on ISIC Rev. 4. Information on industrial classification not available for the United States.

*a)* Data for Austria and New Zealand refer to 2010, for Denmark to 2011, for Australia and Israel to 2012, for Turkey to 2013, and for Canada, Chile, Ireland, Korea, the United Kingdom and Brazil to 2014.

*Source: OECD Annual Labour Force Statistics (ALFS) Database*, <u>http://stats.oecd.org/Index.aspx?DataSetCode=ALFS\_EMP</u>; for France, Luxembourg, Switzerland, the United States, Costa Rica, Latvia, Lithuania, India and South Africa: ILO (2016), *ILOSTAT database*, <u>http://www.ilo.org/ilostat</u>.



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