

European Jobs Monitor 2021: Gender gaps and the employment structure

Introduction

One of the most striking developments in European labour markets over the last half-century has been the huge rise in women's labour market participation. Both the lengthening of working lives and migration have further boosted the EU workforce despite unfavourable demographic trends. This report analyses how these large increases in labour supply have been distributed by sector, by occupation and across the wage distribution. The focus is in particular on workforce feminisation.

Although there are many more women at work now than a generation ago, women and men continue to work largely in different types of jobs. Fewer than one in five workers are in jobs where the workforce includes at least 40% of each gender. The increase in women's employment has been seen largely in jobs where women already predominate. These include many of the sectors with the highest employment growth rates in developed economies over the last two generations and where, owing to demographic shifts, demand is likely to continue expanding in the years to come – health and residential care, for example. Structurally declining sectors – such as agriculture and manufacturing – on the other hand tend to be dominated by men. Women are also outperforming men educationally. Despite these relatively favourable developments, gender gaps in employment and wages have been contracting only gradually in recent years. This report seeks to make connections between changes in employment structure, sociodemographic trends and the persisting differences in labour market outcomes for men and women.

Policy context

Gender equality is a fundamental value of the EU, enshrined in the Treaty on the Functioning of the European Union, which set the EU the task of eliminating inequalities and promoting equality between men and women in all of its activities. More recently, the European Pillar of Social Rights, formulated in 2017, refers to the need to ensure and foster equality in the treatment of and opportunities

provided to women and men in all areas, including participation in the labour market, terms and conditions of employment, and career progression. It also reaffirms that women and men have the right to equal pay for work of equal value. Delivering on the European Pillar of Social Rights' gender-related objectives, a series of measures has been undertaken. In March 2020, the Commission launched a new Gender Equality Strategy for 2020–2025. Areas of particular relevance for this report are the strategy's focus on pay transparency, closing the gender pay and employment gaps, and reducing the barriers to labour market opportunities represented by occupational/job segregation, notably by gender. The Action Plan for the European Pillar of Social Rights includes a proposed directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms. This includes gender pay gap reporting obligations for large companies.

Key findings

- Cumulative headcount employment growth since 1998 has been 2:1 in favour of women and it has been employment growth among women that has driven increases in the employment rate. The increase has been strongest among mid-aged (30–49 years) and especially older (50+ years) women.
- The rise in women's employment has led to low-paying jobs, which were formerly dominated by men, becoming dominated by women. However, women have also benefited more than men from employment growth in well-paid jobs.
- Three predominantly state-paid sectors – public administration, health and education – account for around 60% of net recent (2011–2019) employment growth in mid- to high-paying jobs among women, but account for only very modest employment growth (<10%) among men. Men's employment growth has been mainly in other private service sectors.

- Despite closing gender employment gaps, jobs are not becoming more gender mixed. The share of gender-mixed jobs (where neither gender's share is >60%) in EU employment declined from 27% to 18% between 1998 and 2019. The largest growth in employment has occurred mainly among women and in female-dominated jobs.
- Trends in gender segregation by job differ between central and eastern European Member States and the EU14 (the EU15 minus the United Kingdom). In the former, there has been a steady increase in gender segregation since 1998, although gender segregation in employment was initially lower in these countries than in the EU14. In EU14 Member States, gender segregation has been declining since 2011.
- Female-dominated jobs are systematically different from male-dominated or gender-mixed jobs in terms of their task profile. The biggest difference lies in the 'caring' content of jobs (which is much more common in female-dominated jobs). Machine use is much more common in male-dominated work.
- Information and communications technology (ICT) use, literacy, numeracy and autonomy tend to be higher in gender-mixed jobs and much lower in gender-dominated jobs. These attributes are also associated with cognitively demanding, higher paid work.
- The gender pay gap is highest in the top job-wage quintile. This is a common pattern across Member States.
- There is a consistent pattern of greater 'returns to education' (the positive effect of education on earnings) among men than among women. This pattern becomes clearer the further up the qualification ladder one goes, and the highest levels of 'returns to education' are among those with post-tertiary qualifications.
- The reasons behind the gender pay gap remain largely unexplained. Observable characteristics such as part-time work, education and age/tenure are contributory factors to a little less than one-third of the gap.
- The immediate employment impacts of COVID-19 have been most sharply felt by low-paid workers, especially low-paid women.

Policy pointers

- Current policy targets set out in the European Pillar of Social Rights Action Plan envisage higher employment rates and reductions in the gender employment gap. To meet the target levels of a 78% employment rate and a halving of the gender employment gap (which in 2019 was 11.7 percentage points) by 2030, women's employment will have to increase at a rate at least three times faster than that of men until the end of the decade. This is a significant challenge, as the gender employment gap has been fairly stable since 2014.
- The state's role as an employer has been crucial in boosting women's employment, in particular in well-paid jobs in sectors such as health, education and public administration. Policy decisions in these sectors – namely whether to reduce or expand public expenditure on such services – have a more direct bearing on the quality and levels of women's employment than on those of men's employment.
- The persistence of gender job segregation suggests that more needs to be done through education and training systems and other incentives to encourage young men and women (15–29 years) to engage in occupations dominated by the other gender.
- The measures most effective in reducing the gender pay gap will be those targeting the much higher pay gaps in well-paid jobs, for example those that address the 'glass ceilings' hindering women's advancement or that introduce temporal flexibility into long-hours work cultures, which have tended to boost male pay premiums. However, given the fact that most women do not work in well-paid jobs, this should be accompanied by greater valorisation of work – and increased wages – in female-dominated sectors such as health, education and public administration, starting at entry level.
- From a household perspective, measures to incentivise women's employment through the involvement of men in caring responsibilities, for example effective paternity leave schemes and stopping tax incentives that favour the single breadwinner model, can contribute directly or indirectly to lowering gender gaps in both employment and wages.

Further information

The report *European Jobs Monitor 2021: Gender gaps and the employment structure* is available at <http://eurofound.link/ef21009>

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