

Iulian Boldea, Dumitru-Mircea Buda (Editors)  
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## **GENDER DISPARITIES IN THE LABOUR MARKET BETWEEN EUROPEAN UNION COUNTRIES**

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*Abstract: Our paper emphasizes the changes, in the European countries, of the female workforce engagement on the labour market. By analysing the statistical data we make a comparison between the Romanian realities and those from the European Union. The study is focused on gender disparities in terms of employment and unemployment rate, pay gap, risk of social exclusion. As there is a supposed connection between the utilization of female labour force and economic development, we verified if this relationship is significant from a statistical point of view.*

*Keywords: women, labour market, employment rate, risk of social exclusion, economic development.*

### **1. Introduction**

Today, in a world based on selling goods, services and skills on the market, any person should be aware of his/her capacities. We remark a positive evolution of the way contemporary society accepts the new professional and public roles of women and it is more and more open to them.

Some authors emphasize the fact that “women’s equality in the workplace is more than just an equalities issue. There are also clear economic and business arguments for increasing gender diversity of the workforce and ensuring that women are fairly represented at the top of organisational structures” (Thomson, Hakeem, 2014, p.11).

All over the world, „there is a need to formulate gender sensitive vocational educational and training programs and employment policies” (Khan et al., 2013, p.425) to harness the potential that women represent.

Some studies which states that the situation of gender inequality on the labour market is typical for many countries, conclude that this requires the implementation of institutional changes in this area, ensuring not only equal rights for men and women (like equalize of the retirement age, expansion of the use of non-standard working hours, of non-standard work place) but also equal benefits (like equal wages) from economic activities (Kamasheva et al., 2013).

The sustainable development of human resources means to take measures in accordance with the European Women’s Charter (March 2010). The labour market indicators and global gender gap indicators prove that women are generally disadvantaged, reason to improve policies for gender justice. In this respect, the European Commission adopted since 2010, the Strategy for Equality between Women and Men. To achieve the Europe 2020 objectives of

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smart, sustainable and inclusive growth, women's potential and talents need to be used more extensively (EC 2010).

These facts underline that the presence of women on the field of work force serves as a counterbalance for the effects of the diminution of the active age population, reducing thus the burden on public finance and on the social security services, improving the human capital basis and improving competition. These measures are designed to attain the objectives of the Europe 2020 strategy, especially the achievement of an employment rate of 75% for women and men. In 2014 was published a gender segregation report regarding European labour markets, a new way of investigating gender segregation by occupation. The document underlines that the interest in segregation arises mainly from the role it plays in gender inequality (Burcell et al. 2014, p.7). Even if, as outlined in the document, "traditional use of indices to measure segregation does not capture interactions between segregation and various working conditions and working outcomes" (Burcell et al. 2014, p.8), we used these indices to capture at least partially realities on women's participation in the labour market.

**The objectives** of our paper are to present the realities regarding gender balance in the economic field. Women have to acknowledge themselves as *key resources of sustainable development*. The message is that the issue of women deserves more attention in the present context. In what regards the Romanian society, it needs to be more concerned with the importance of woman, having for this purpose European models of good practice.

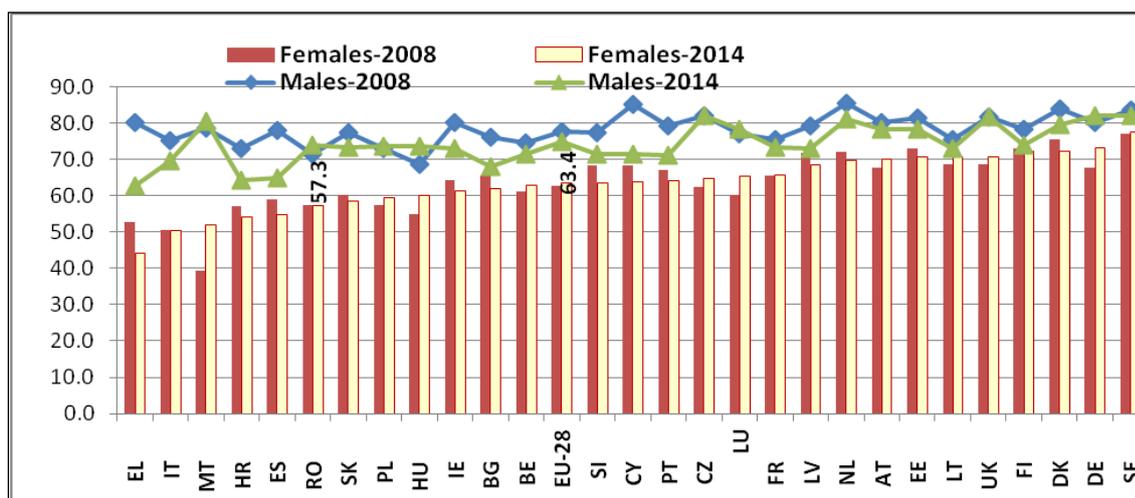
**The methodology** used is the empirical approach and secondary analysis of statistical data available and related to employment rates, women's unemployment, pay gap, risk of social exclusion. In order to verify the intensity of the relation between female Labour Force Participation Rate and the economic development, we calculated the Spearman coefficient in UE countries for the year 2014.

The series of data that we have selected starts in 2008, when the economic crisis was triggered and stops with the years 2014-2015, until official data are published.

## **2. Women's Participation on the Labour Market and Risk of Social Exclusion**

Taking in consideration the female labour force engagement on the labour market in European countries, we can notice that there is a gap between male and female employment rates (Fig. 1). Historically, the employment rates for men are higher in all these countries. In Romania, employment rates for women are at the same level at the beginning and the end of the analyzed period, i.e. 57.3%, but with 6.1 percentage points below the average female employment rate in the EU and obviously, below the rate of male employment.

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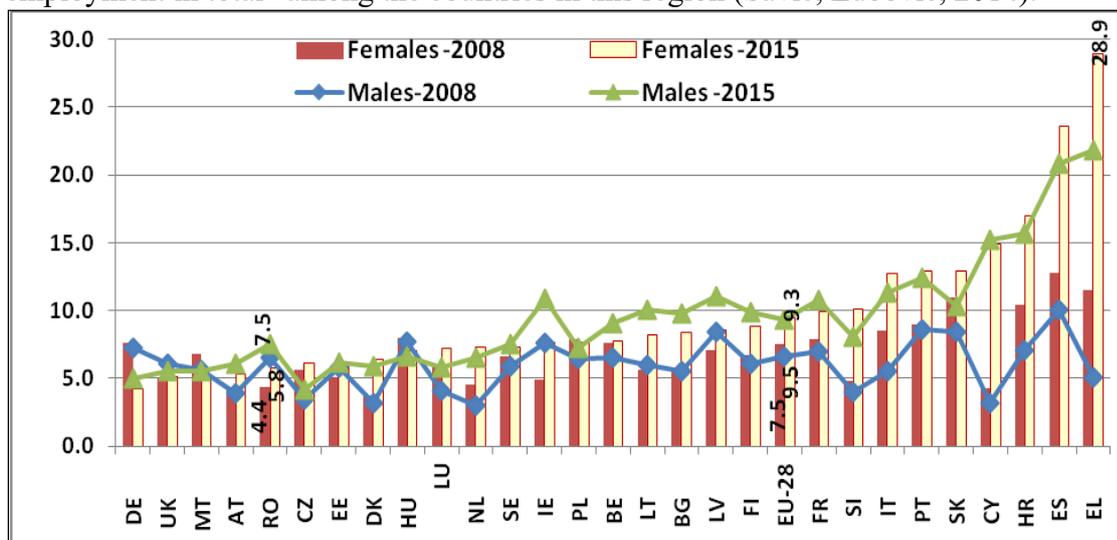


**Figure 1. Employment rates by sex (from 20 to 64 years), 2008-2014**

(Own processing based on Eurostat Database 2016)

The situation regarding men's and women's unemployment rates in European countries is shown comparatively (in Fig. 2). Since 2008, when they were at their lowest levels of 6.3 % and 7.4 % respectively, the male and female unemployment rates in the EU-28, the two rates have risen reaching respectively 9.3 % and 9.5 % in 2015 (Eurostat 2016).

Recent studies on labour markets in South-East Europe confirms that in the case of female labour force, "Romania and especially Bulgaria have made significant advance" and conclude that "these two countries are the leaders concerning female labour force and employment in total" among the countries in this region (Savić, Zubović, 2014).

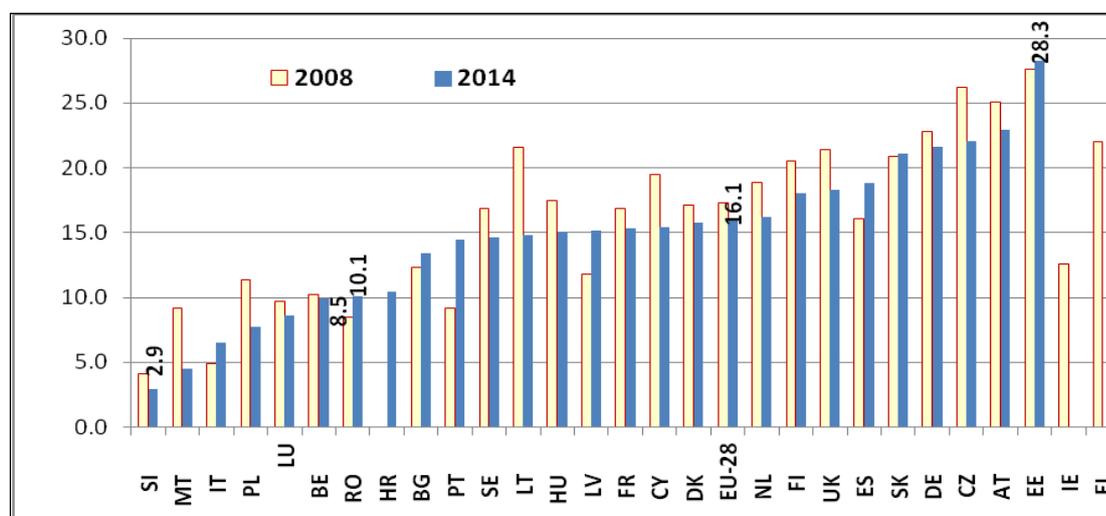


**Figure 2. Unemployment rate by sex 2008 and 2015**

(Own processing based on Eurostat Database 2016)

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As a particular situation, the female unemployment rate in Romania, in 2008 as well in 2015, was under the male unemployment rate. For these reasons, if we consider the *absolute gender gap in employment rates* (the difference between men's and women's employment rate), our country has a positive gap, that means a better comparative indicator. Even in the situation that women are employed, there is a gender pay gap. The unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees, as a percentage of average gross hourly earnings of male paid employees (Eurostat 2016). The differences between men's and women's wages cannot be explained by observable characteristics. Three possible explanation emerge, states Ramirez and Ruben: "gender-based discrimination in wages, even when there is no discrimination in entry into the labour force; implicit wage discrimination due to gender-based job specialization; and wage differences linked to opportunity costs (shadow wage)" (Ramirez, Ruben, 2014, p.103).



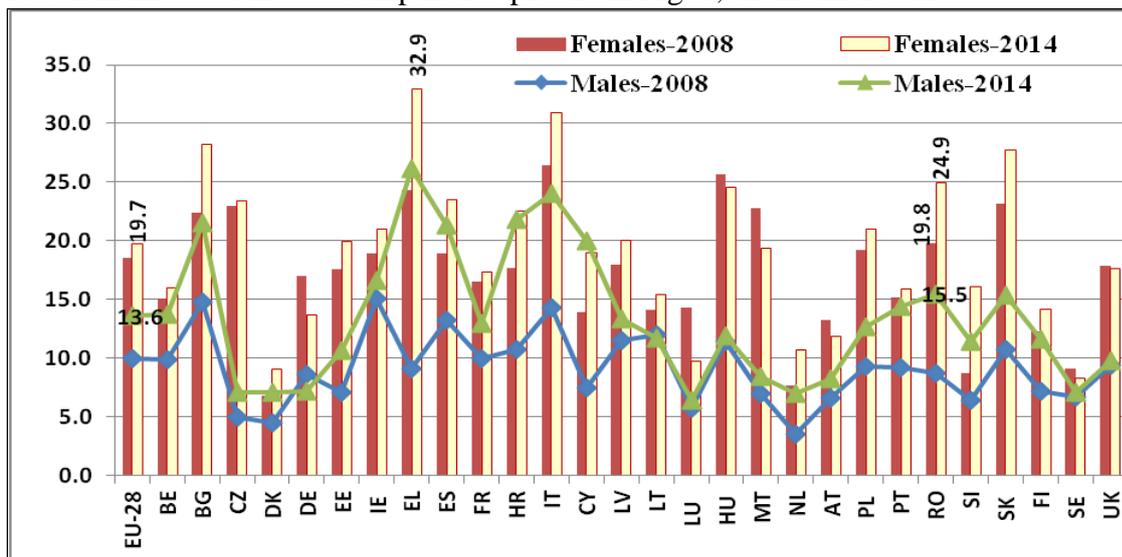
**Figure 3. Pay gap between women and men in unadjusted form, EU 2008-2014**  
 (Own processing based on Eurostat Database 2016)

It can be observed (see Fig. 3) that the differences on payment are not as high in Romania as they are in other European countries, being at 10.1%, with 6 percentage points lower than the average GPG in EU-28. But we noticed an increase of the pay gap in our country in 2014, compared with the one registered in 2008 (8.5%), unlike the European trend, of diminishing these differences. Romania is among the few countries that go against the current, along with Bulgaria, Portugal, Latvia, Spain and Estonia.

A relative recent indicator used by Eurostat is *NEET* – *young people neither in employment nor in education and training*, which corresponds to the percentage of the population of a given age group and sex, who is not employed and not involved in further

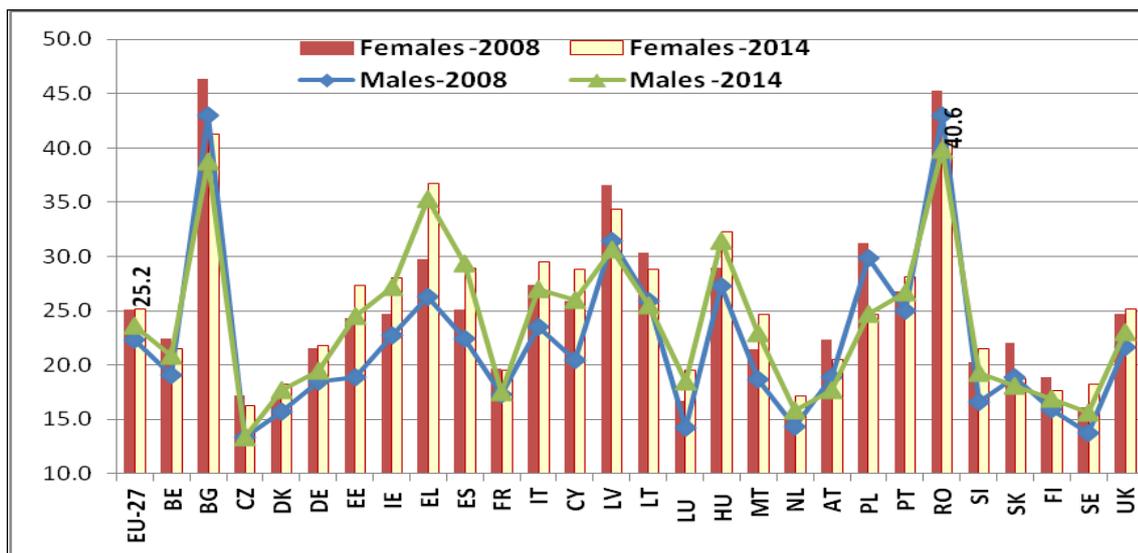
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education or training (Eurostat 2016). This group faces a high risk of being excluded from the labour market. We have a comparative picture in Fig. 4, of this indicator.



**Figure 4. NEET rate by sex (from 15 to 34 years), in EU, 2008-2014**  
 (Own processing based on Eurostat Database 2016)

As we can observe, young women are more affected by this situation, than young men. In Romania, the risk of female exclusion from the labor market increased during the analyzed period and it is with 9.4 percentage points above the same indicator for men, in 2014. A situation that should alarm us relates to the risk of poverty and social exclusion (see Fig.5).



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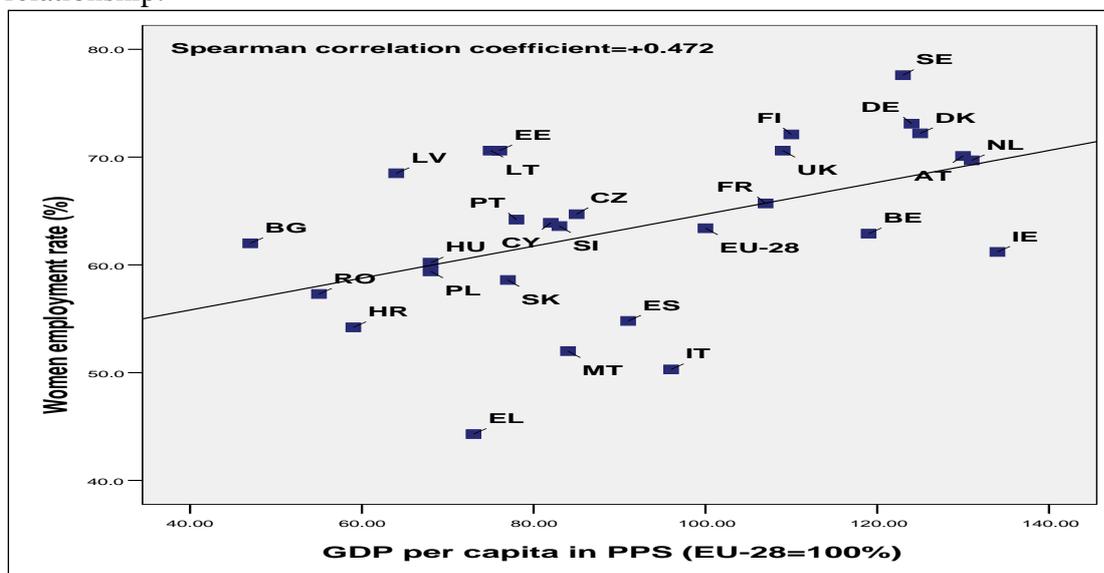
**Figure 5. People at risk of poverty or social exclusion by sex (percentage of total population)** (Own processing based on Eurostat Database 2016)

In Romania and Bulgaria, it exceeds 40% of the population, with far above the average European level, both for men and women.

### 3. Discussion

Employment rate is an important indicator of the labour market. Female labour force use, employment rate, can be correlated with the economic development of a country, measured in Gross Domestic Product/capita (GDP/capita).

The Spearman correlation coefficient of +0,472 underlines that, at the UE-28 level, the link between the level of economic development in 2014, expressed by GDP /capita in Purchasing Power Standards (PPS), and the women's employment rate are in a direct relationship.



**Figure 6. Correlation between female employment rate and GDP/capita in EU Member State, in 2014**

(The authors' calculations based on data provided by Eurostat)

The link is positive and statistical significant. Thus, in the EU countries where GDP per capita is high, the female employment rate is also high, reflecting the fact that it provides favorable framework for better integration on the labor market.

It should be mentioned that in the economic field, there are in Romania some aspects regarding female participation, opposite with the European trend: increase of the pay gap in the analyzed period (see Fig. 3) and increase of the risk of young female exclusion (see Fig.4), rather than diminish them.

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If we look ahead globally female employment rate, as forecast published by the International Labour Office, the global economic slowdown that occurred in 2015 is likely to have a delayed impact on labour markets in 2016-2017, resulting in a rise in unemployment levels, particularly in emerging economies (ILO 2016). Emerging economies, including that of Romanian, are expected to see an increase in unemployment of 2.4 million in 2016. Depending on the economy, this takes the form of involuntary temporary or part-time work and lower participation rates, especially among women and youth.

### Conclusions

Our study allows us to have a general image of the changing realities on gender issues in European and Romanian society, based on recent statistical data.

The originality of it consists in the analysis and comparisons of the women presence on the labour market and also, in connecting female labour force use with the economic development.

Following comparisons made with the situation in the EU countries, positive aspects for our country are: that the pay gap is smaller in Romania; in the same time, we notice that the Romanian female unemployment is lower than the male one, as a peculiar aspect, but not as a result of special policies to promote women in the world of work, but due to economic context.

Negative aspects: women employment rate is below that of men; the risk of women exclusion from the labour market is high.

As we applied the correlation coefficient of Spearman, we can conclude that there is a statistically significant direct relationship between female employment rate and GDP/capita.

As we saw, in the economic field there is an important participation of women on the labour market, but gender equality is still missing. We believe that the analysis made in this paper provide important insights for policy makers in Romania.

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