Women’s progress towards equality in the labor market

Globally, the employment situation of women is becoming more equal to that of men, but disparities remain in job opportunities and the monetary and social gains of employment. The gap between men’s and women’s labor force participation rates dropped from 31.8 percentage points in 1980 to 26.0 points in 2008 as women’s participation increased slightly and men’s participation decreased. Although the narrowing gap shows movement towards equality in the world of work, lack of jobs available to women, harsh working conditions for women, and negative attitudes towards women’s employment still impede progress in many regions of the world. In an International Labour Office (ILO) report entitled “Women in labour markets: Measuring progress and identifying challenges,” Sara Elder uses data from the publications Key Indicators of the Labour Market and Global Employment Trends for Women to analyze how women fare in labor markets worldwide. The report discusses the relationship of women to work with respect to labor utilization and underutilization, underemployment, patterns in women’s employment, and the latest economic recession.

In general, women still enter the workforce at much lower rates than men. In 2008, the global labor force participation rate for women was 51.7 percent, indicating that nearly half of all women were neither employed nor seeking work. In contrast, 77.7 percent of men participated in the labor force. These global averages, however, mask wide variation at the country and regional levels. For example, East Asian women were economically active in a greater proportion than women in any other region, with a labor force participation rate of 64.0 percent, while women in the Middle East had the lowest participation rate, 21.6 percent. Many factors, both economic and social, influence women’s decisions to enter the labor force. For example, some women who can afford not to work choose not to, and it appears that there also are women who would like to enter the labor market but have not done so because of cultural norms. Other considerations include religious values, access to education, the presence of children, and the strength of legal institutions.

The report also presents the concept of labor underutilization as a broad measure of unused productive capacity. Labor underutilization includes the unemployed as well as those who work part time but would like to work full time (the time-related underemployed), the employed with low earnings, the employed who work in jobs with skill requirements below their education level, discouraged workers, and other people not in the labor force who are available to work. The only measure of underemployment currently available for a large number of countries shows that women have made up the majority of the time-related underemployed in recent years, and the ILO expects that additional underemployment indicators would find that the majority of all underemployed are women.

In discussing where and how women work, the report makes a distinction between wage and salaried work and “vulnerable employment.” The latter includes unpaid family workers and the self-employed because these groups are less likely to have formal work arrangements and access to benefits and social safety nets, and thus are more exposed to economic contractions. In the world’s poorest regions, the share of women in vulnerable employment was much higher than that of men, although women were only a slight majority worldwide. Nonetheless, women in wage and salaried work are often worse off than their male counterparts because they tend to be concentrated in sectors characterized by low pay, long hours, and informal working arrangements. Other lingering inequalities include the following: educated women are more likely to be unemployed than similarly educated men; women are less likely to hold positions in upper management, and wage gaps persist at all occupational and skill levels. The report cites employer discrimination and limited access to jobs in industries traditionally dominated by men as reasons for these inequalities.

Since women are more likely to have informal work arrangements, it might seem that a recession would hurt women disproportionately. However, the latest recession affected the unemployment of men and women almost equally at the global level: the women’s unemployment rate increased from 6.0 percent in 2007 to 7.0 percent in 2009, and the men’s rate rose from 5.5 percent to 6.3 percent during the same period.

The ILO hopes to encourage governments to make efforts to facilitate women’s empowerment, address unequal remuneration between men and women, and strengthen women’s participation in social dialogue.