

# Gender equality and economic independence: part-time work and self-employment

# **POLICY CONTEXT**

The **1995 Beijing Platform for Action (BPfA)** set out the first international agenda for women's empowerment. In 1995, the European Council recognised the European Union's (EU) commitment to the BPfA and expressed the intention to annually review its implementation across all Member States. As one of its 12 critical areas, the BPfA has formally recognised the importance of women's economic independence.

Both gender equality and economic growth are at the heart of EU policymaking. The EU's commitment to gender equality in the labour market is reflected in Council Directive 97/81/EC on increasing quality and eliminating discrimination in part-time work and Council Directive 2010/41/EC on the quality of self-employment

for women and men, addressing issues such as maternity leave for self-employed mothers.

Area F 'Women in the Economy' has been reviewed five times since 1995. The Greek Presidency of the Council of the EU (first half of 2014) also chose this area, focusing on strategic objective F1 for the annual review, which emphasises the need 'to promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources'. Using secondary data, the report reviews the position of women and men in the labour market and proposes three new indicators in addition to the other 17, which all provide a more detailed and informed measure of gender equality in relation to part-time work and self-employment.

### **FINDINGS**

Despite the successful entry of women into the labour market, employment patterns still follow a masculine norm. While women have increased their participation in the labour market, their engagement in unpaid work has remained stable.

Equal access to the labour market and to economic resources can increase women's economic independence. Furthermore, the lower participation of women in the labour market seriously endangers reaching the national targets of Europe 2020.

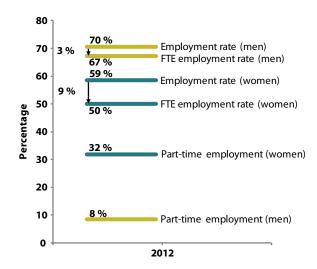
# **FULL-TIME EMPLOYMENT**

Indicator 18: Full-time equivalent employment rate for women and men by age groups

In contrast to the commonly used employment rate, this indicator provides information on women's and men's participation in part-time work as a percentage of total employment.

When accounting for hours worked, women's participation decreases from 59 % to 50 % and men's from 70 % to 67 %, emphasising the different patterns of participation of women and men in the labour market.

Full-time equivalent (FTE) participation offers a more accurate measure of labour market participation



Employment rate and FTE in the EU-28, 2012 *Source:* Eurostat, EU-LFS.



# **PART-TIME EMPLOYMENT**

# Indicator 19: Part-time employment as percentage of total employment for women and men by age groups

- **A.** Share of women part-time workers out of total part-time workers by age groups
- **B.** Main reason for part-time employment for women and men (15–64)
- **C.** Usual weekly working hours in part-time jobs for women and men (15+)
- **D.** Low pay share in part-time employment for women and men (15–64)
- **E.** Sectoral and occupational differences between full-time and part-time employment for women and men (15–64)
- **F.** Transition between part-time and full-time work for women and men (15+)

In 2012, women made up about half of the economically active population in the EU-28 (46 %), but simultaneously accounted for 76 % of all part-time workers.

### Different levels of engagement of women and men in parttime work reflect the level of gender inequality in society

Part-time work — if accessible, equally shared and not discriminated against — can facilitate labour force participation and provide opportunities to improve work–life balance for both women and men.

# Part-time work can have significant negative effects on women's economic independence

As social provisions and earnings are generally lower for part-time workers, their risk of poverty is twice as high as that of full-time workers in the EU-28. Since women are most likely to work fewer hours, with high occupational and sectoral segregation, their risk of poverty is highest in overall terms and in comparison to men. The percentage of part-time workers below the low pay threshold is higher for women than for men in all Member States. Over the course of life, this causes a considerable gender pension gap, estimated at 39 % in 2009 in the EU-27.

As women are more likely to move into part-time work and remain there, they are at a higher risk of being trapped in low paid work, with lower career prospects. In 2011, men were more likely to move out of part-time and into full-time work (27 %), as opposed to women (12 %). Conversely, women were more likely to move from full-time to part-time employment (7 %), as compared to men (2 %).

Gender inequalities in part-time work do not only have consequences for women's economic independence, but can also

reinforce norms, attitudes and stereotypes relating to traditional gender roles that are detrimental to gender equality overall.

# Gender norms are linked to different patterns of labour force participation for women and men over the life course

Commonly a distinction is made between voluntary and involuntary part-time employment, whereby involuntary refers to those who would prefer to work full time, but are unable to find a full-time position.

This measure is problematic from a gender perspective, as it relies on individuals self-reporting the main reason for their engagement in part-time work; with 'could not find a full-time job' and 'care of other family' reasons being cited most often.

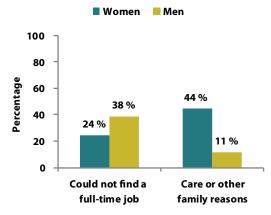
This is problematic for two reasons. Firstly, gender roles can have an important impact on how women and men construct and understand their reasons for part-time work. Secondly, structural constraints associated with expectations of care are not accounted for and the ability of individuals to really choose may be overestimated.

Distinguishing between involuntary and care-based reasons for part-time employment therefore emphasises the association of women with care work, based on gender norms and attitudes.

In the EU-28, almost half of women part-time workers (44 %) give personal and family responsibilities as the main reason for their reduced hours, compared to one in ten men (11 %). The percentage of women working part time due to care responsibilities increases to 55 % for the age group 25 to 49.

This pattern is reversed for those saying they are unable to find a full-time position, with 38 % of men, compared to 24 % of women

# Women's greater responsibilities for care can represent an important source of involuntary part-time work



Main reason for part-time work in the EU-28, 2012 *Source*: Eurostat, EU-LFS.

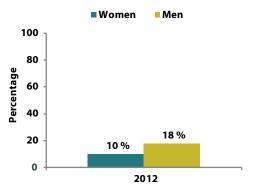
### **SELF-EMPLOYMENT**

# Indicator 20: Self-employment as percentage of total employment for women and men by age groups

- **A.** Share of self-employed women and men with and without employees (15–64)
- **B.** Median income in euros from self-employment for women and men (15+)
- **C.** Fit of working hours with family or social commitments for self-employed women and men (15+)

In contrast to women's over-representation in part-time work, they are under-represented in the area of self-employment. In 2012, 10 % of all women and 18 % of all men workers were self-employed.

#### Men are over-represented in self-employment in the EU-28



Self-employment as percentage of total employment in the EU-28, 2012 *Source*: EU-LFS.

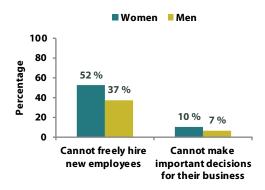
# Low conceptual clarity

The report proposes a distinction between self-employment with employees (the category most likely to overlap with entrepreneurship), and without (own account workers). In the EU-28 men are more likely to be in self-employment with employees. In 2012, 24 % of self-employed women and 31 % of self-employed men were employers.

Similarly, the issue of 'bogus' self-employment is raised in the report. 'Bogus' self-employment is generally characterised by dependency on only one client, the presence of regular payments and the lack of capacity to freely hire new workers and/or make important decisions related to the business.

Women are more likely to be in own account self-employment or 'bogus' self-employment. For instance, about half of self-employed women do not feel they can freely hire employees (52 %) or make decisions about their business (10 %); as compared to men, with 37 % and 7 %, respectively.

#### Women are over-represented in 'bogus' self-employment



Percentage of women and men at risk of 'bogus' self-employment in the EU-28, 2010 *Source*: Eurostat, LFS.

# Self-employment can lead to lower earnings and income for women and to greater risk of poverty over the course of life

Consistently, gender gaps in earnings from self-employment are wider than those observed for workers in paid employment. In 2011, the gender gap in gross annual median earnings was 15 percentage points higher for self-employed workers (45 %), compared to workers in paid employment (30 %). Additionally, self-employed workers' poverty risk was three times higher as compared to that of paid employees' in the EU-28 in 2012. Paid family workers, who are often women working in the agricultural sector, or the 'bogus' self-employed, are particularly at risk.

Lower earnings among self-employed women can be attributed to many factors, such as low-growth propensity and thus smaller businesses; segregation into less profitable sectors; higher levels of 'bogus' self-employment; unequal share of time and care work or different starting points in terms of social and human capital. The extent to which differences in self-employment between women and men reflect wider gender inequalities should nevertheless not be under-estimated.

Relatedly, self-employed women are more likely to have a tertiary educational attainment (37 %), as compared to men (28 %). Thus, women's participation in self-employment seems to be influenced by traditional gender norms and stereotypes relating to their educational choices and a lack of access to professional networks and training.

Moreover, the lack of social provisions for self-employed workers is especially problematic for women; most notably in relation to maternity protection. Even if maternity benefits are provided they cannot always be claimed, due to the necessity of business continuity.



## Self-employment can provide an opportunity to work on a more flexible basis and enhance opportunities for work-life balance without reducing working hours

There is no one type of self-employment. While some forms constitute an alternative to part-time work — especially for women — others can be associated with long working hours. In the EU-28, self-employed women worked considerably fewer hours per week (37) than self-employed men (46) in 2012. This suggests that it is women who disproportionately resort to self-employment as an alternative to part-time employment in order to achieve work-life balance.

Indeed, 78 % of self-employed women and 82 % of self-employed men find that they can take a couple of hours off to deal with

personal or family matters without difficulty; compared to 63 % and 67 % for women and men employees, respectively.

Women workers often cite work-life balance issues as an important motivational factor for entering self-employment, as it allows for more flexibility and higher autonomy. However, differences in perceived work-life balance between employment and self-employment are small. In 2012, 80 % of self-employed women felt that their working hours fit with their family or social commitments, compared to 83 % of all women workers in the EU-28. Consequently, despite the potential flexibility, self-employed women are less likely to perceive their working hours to match their family obligations as compared to employed women.

# RECOMMENDATIONS

# Support work-life balance for both women and men

- Provide accessible, affordable and high-quality services for care of dependents (children, elderly, etc.)
- Introduce non-transferable paternity leave and incentives for men
- Promote organisational cultures that embrace work—life balance needs, by providing incentives for flexible working arrangements and promotion of part-time work to be shared equally between women and men

# Support and improve conditions for women in self-employment and entrepreneurship

- Define and analyse self-employment appropriately
- Develop specific measures supporting working conditions and access to social protection
- Strengthen women's presence in entrepreneurship through new role models
- Account for the impact of norms, attitudes and stereotypes of women's aspirations and intentions when developing training and funding programmes
- Provide childcare services to self-employed workers

### Invest in data gathering and research

- Improve the quality and quantity of sex-disaggregated data
- Support the implementation of surveys and studies to further explore the cultural factors influencing women and men in the labour market
- Support the application of gender impact assessment of policy reforms to prevent disincentives

#### **European Institute for Gender Equality**

The European Institute for Gender Equality (EIGE) is the EU knowledge centre on gender equality. EIGE supports policymakers and all relevant institutions in their efforts to make equality between women and men a reality for all Europeans by providing them with specific expertise and comparable and reliable data on gender equality in Europe.

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