Box: Multi-dimensional challenges constrain women’s labour market attainment

The World Employment and Social Outlook: Trends for Women 2017 (ILO 2017) shows that women around the globe fare worse than men in labour markets along many dimensions. Their participation rate at just over 49 per cent is nearly 27 percentage points lower than the rate of men. When participating in the labour market, they face higher unemployment rates, and they face significantly different employment conditions. For instance, 14.9 per cent of women are contributing family workers, as opposed to 5.5 per cent of men, while women are also much more likely to be in part time employment, both voluntary and involuntary. The combination of differences in employment conditions, sectoral and occupational segregation, educational attainment and outright discrimination results in a significant gender pay gap.

Labour market outcomes of women, such as the decision to participate or not, depend on the interplay of three groups of fundamental drivers, which in turn are embedded in and shaped by social norms and the life-cycle circumstances of the individual. First, personal preferences represent the individual’s desire to participate, and hence are a very important determinant. Second, women can be pressured to conform to gender roles prescribed by the family, community, class, religion or society to avoid the risk of social exclusion. Third, socio-economic constraints involve trading off legal, physical or financial obstacles, such as the need to provide care for dependents or the need for transportation, with the potential returns from the labour market as well as the income requirement of the household.

ILO (2017) shows that having a personal preference to engage in paid activity raises the average probability for a women to actually do so by between 12 and 24 percentage points, depending on the country group. Among gender roles, the acceptability by household members for women to have a paid job somewhat raises their probability to work. Moreover, gender roles embodied in some religions can have a fairly strong negative influence on a woman’s probability to participate in the labour market. Among socio-economic constraints, the lack of transportation, affordable child care, and work-family balance are all factors that tend to lower participation to varying degrees. For instance, lack of transportation turns out to be a severe hindrance in developing countries. The presence of children, in turn, has an only a very small negative impact on the participation probability, while women in a relationship have a lower probability to participate by 2 to 6 percentage points. Poverty, in contrast, is a very strong driver of participation – the economic need to earn a basic income raises the probability to work a paid job by between 6 and 13 percentage points in non-developed countries.

While women who have the personal preference for working a paid job, on average, have a significantly higher participation rate, ILO (2017) also demonstrates that the strong positive effect of preferences is conditional on supportive socio-economic factors and gender roles for women. For instance, preferences alone in a non-supportive environment raise the probability to participate by only between 3 and 10 percentage points. In contrast, relaxing socio-economic constraints, can strongly raise the probability to participate for affected women.

These conclusions from the analysis, although conducted specifically for female labour market participation, can be extended more generally to the labour market challenges women face and the resulting gender gaps. Consequently, ILO (2017) proposes a comprehensive policy framework that rests on three pillars: reshaping gender role conformity and personal preferences, addressing socio-economic constraints, and raising equality in labour market conditions.