Women participating in active labour market policies

Africa Melis

Available data suggest that across the EU women are slightly under-represented in active labour market measures (45%) compared to the main target group of the registered unemployed (50%). However, in 6 of the 10 countries for which a comparison is possible, a person who becomes registered unemployed is more likely to participate in an active measure if they are female than if they are male.

Introduction

The Eurostat LMP (labour market policy) database was funded by DG-Employment with the aim of collecting information to support monitoring of the Employment Guidelines. The database collects information on the stocks and flows of participants in labour market measures in 9 categories by type of action. These data are disaggregated by sex and by age, providing a comprehensive picture of the beneficiaries of these public interventions, which cost 2% of EU GDP in 2000.

The classification of LMP measures by type of action includes both active and passive interventions. Measures in categories 2-7 are considered to be "active" measures aimed at integration of the unemployed and consistent with "training and similar measures" for the unemployed as referred to in the Employment Guidelines. Categories 8-9 are so-called "passive" measures covering payments of unemployment and similar benefits. In addition, categories 0 and 1 cover general jobseeker services of the public employment services (PES) and intensive job-search assistance programmes and are currently the subject of further research to improve comparability. Only the active measures in categories 2-7 are considered here.

Representation of women in LMP measures by category

Figure 1, shows the share of women in each type of labour market policy for the EU (an aggregate of available data in each category), together with the highest and lowest shares observed in individual countries.

Figure 1. Share of women in LMP measures by category, 2000

Source: New Cronos and LI^P database

1 European Social Statistics, Theme 3, Labour market policy - expenditure and participants, 2000
Overall in the EU, women account for 45% of participants in active measures (categories 2-7) but there are considerable variations between countries with shares ranging from as high as 71% in Portugal down to 25% in the United Kingdom (though this figure cannot be calculated for 5 countries, see Table 1). There are also large differences between categories. Women account for the majority of participants (84%) in job rotation and job sharing measures (category 3) and also feature highly in direct job creation measures (category 6), where they account for 56% of participants. On the other hand, women account for a significantly lower share (34%) of participants in measures promoting self-employment or new business creation (category 7, start-up incentives).

Table 1 shows the share of women in each type of active labour market policy for each country and for an EU aggregate of all available data.

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Is there a gender bias in the participation of the unemployed in active measures?

The definition of labour market policies adopted by the LMP methodology demands that the interventions are targeted at particular disadvantaged groups rather than being generally available. Although the precise targeting varies both between measures and between countries, it is generally accepted that the primary target group for LMP measures is the population of persons considered as registered unemployed\(^2\). It is interesting, therefore, to compare the share of women participating in active measures with the share of women in the target group (registered unemployed). At first sight, the difference in the rate of female participation in active measures (categories 2-7) observed between Portugal and the UK is striking. However, a comparison of these figures in isolation is misleading since the structure of the population targeted for participation in active measures in each country may be very different.

Figure 2 shows the share of women in active measures and in the registered unemployed at the same time. It is interesting to note that in 6 of the 10 EU countries where a comparison is possible, women are better represented amongst participants of active measures than amongst the registered unemployed and in Germany there is a virtually no difference. Women are slightly under-represented in active measures in Ireland, more so in Greece (52% compared to 61%) and most notably in Spain where there is a difference of 24 percentage points (37% compared to 61%). However, the Spanish data is heavily weighted towards category 4 (employment incentives), which includes two major programmes of recruitment subsidies for the unemployed and another measure that is attempting to alter a long-term structural characteristic of the Spanish labour market by converting fixed-term contracts into open-ended ones. The latter programme covered in excess of 1 million participants in 2000, all of whom were effectively already employed, and the gender distribution of participants in that measure (37% women) therefore reflects the gender structure of employed persons (37% women) rather than that of the registered unemployed (61% women). On the other hand, when combined, the two large programmes offering Spanish employers incentives for taking on unemployed persons covered a similar size population (1.1 million) and yet even less of these were women (36%), despite the fact that just over 60% of the registered unemployed in 2000 were female.

\(^2\) National definitions of registered unemployed vary so that the populations are not necessarily directly comparable between countries but, nevertheless, they represent the best available proxy for the target group for LMP measures.
In the United Kingdom, although the share of women in active measures is low compared to other countries, it is actually slightly higher (26%) than the share of women amongst the registered unemployed (24%). A relevant question in relation to the UK, therefore, is why should women account for just 24% of the registered unemployed (JSA recipients) when in all other EU countries they account for over 40, 50 or even 60% of the total.

In Austria, Portugal, Finland and Sweden the share of women in active measures is between 10 and 11 percentage points higher than in the target population. This apparent bias towards women could be a reflection of some characteristics of the female unemployed, which it is not possible to ascertain from the data, but which could mean that they are more in need of help from, or are more suited to, participate in active measures. Alternatively, it could reflect a conscious effort to promote women in order to break down gender gaps in employment. In all four of these countries the employment rate of women is already above the Stockholm target of 57% but in Portugal and Austria the discrepancy between male and female employment rates still exceeds 15%.

It is interesting to extend the above analysis to consider in more detail each of the different types of action covered by the LMP database. Category 5 (Integration of the disabled) will be excluded from this analysis because it covers a target group that is much wider than the registered unemployed. This is because many disabled people wanting to work do not qualify as registered unemployed under national definitions because they are not immediately available or ready for work. It is not realistic, therefore, to look at female participation in this category in comparison to the registered unemployed.

**Category 2 — Training (fig 3a)**

Compared to the target population of registered unemployed, women are over-represented in training measures for 9 of the 14 countries for which a comparison is possible, Denmark, Germany, Ireland, Austria, Portugal, Finland, Sweden, United Kingdom and Norway. The difference is most extreme in Sweden (over 20 percentage points) but it also exceeds 10% in Denmark, Ireland and Austria. The detailed data by measure available in the LMP database show that the Swedish data for training is particularly influenced by two measures where the share of women exceeds 70%. Both of these measures refer to forms of training allowances/grants payable to unemployed persons wanting to return to studying and which can be applied for under the initiative of the individual (i.e. not only on recommendation of the PES). Both measures are targeted largely at adults rather than youth and the implication of the data is that unemployed women are much more likely to take up this opportunity than men.

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1. In the UK and in Ireland there is no concept of "registered unemployed" as used in other countries. The figures for registered unemployed refer to the recipients of unemployment benefits or their equivalents (e.g. Jobseekers Allowance - JSA - in the UK).

2. According to the LFS, which uses a common definition of unemployment, the UK still has the lowest share of women amongst the unemployed in the EU, but here the figure is 40% compared to the average of 51%. In most countries the difference between the shares of women in the registered unemployed compared to the LFS unemployed is small (<5%) but in the UK it is 16%. One reason for the low share of women amongst Jobseekers Allowance (JSA) recipients (= registered unemployed) could be that some women with employed partners may be ineligible to receive income based JSA payments.

3. A report (INTERen 2002:1) from the Swedish National Labour Market Board (AMS) specifically addresses the issue of gender segregation in the labour market and the role of the Employment Offices in promoting equality. It notes that labour market programmes may be used as an instrument to encourage men and women to break from traditional gender based choices in education and subsequent occupation. It is possible that the over-representation of women in active programmes in Sweden is a direct reflection of this policy, but there are no data to confirm this hypothesis in Sweden or elsewhere.

4. The Stockholm European Council (March 2001) added two intermediate and one additional target: the employment rate should be raised to 67% overall by 2005, 57% for women by 2005 and 50% for older workers by 2010.

Women are under-represented in training measures in 5 countries but most notably in Belgium, Greece, and Italy where there is a difference of between 14 and 18 percentage points. In Italy, data are incomplete and refer only to the "Contratti di Formazione e lavoro" (training and work contracts). In Greece the data are mostly complete and the low share for women is partly explained by a significant measure for retraining of unemployed seamen, which is a male dominated profession. The detailed data for Belgium includes 10 training measures where the breakdown by sex is known. Low rates of female participation (between 21% and 32%) occur in 5 of these programmes, one of which is very small. The other four are all forms of alternance training or industrial traineeships which, presumably, tend to place persons in occupations where there remains a significant gender gap.

Category 3 - Job rotation and job sharing (fig. 3b)

Job rotation and job sharing measures are not used at all in 8 of the EU countries and are small in most others (see Table 2). It is only in Belgium and Finland that they account for a significant proportion of participants in categories 2-7 (22% and 20% respectively). In terms of female participation, however, this category is clearly biased towards women, with 84% of participants in the EU aggregate being female. Measures in this category offer unemployed persons the chance to enter work either on a temporary or part-time basis by taking up positions freed when existing employees go on leave or reduce working hours. According to the Labour Force Survey, women accounted for 80% of part-time workers in the EU in 2000 and it is reasonable to assume that the predominance of women amongst participants in category 3 measures reflects this traditional gender distribution rather than any deliberate selection of women ahead of men.

*In job rotation and job sharing measures a subsistence allowance or compensatory payment is typically paid to persons taking a temporary career break or reducing their working hours respectively. An unemployed person is then taken on to fill the hours freed and is paid a regular wage by the employer. Since the public expenditure relates to the persons going on leave, there is a risk that the administrative data on participants will refer to those persons and not to the unemployed replacements of interest in an LMP context. Although it is considered valid to count the gross number of participants together with those in other active measures on the basis that replacement is usually 1 to 1, the gender distribution of leavers may not be reflect that of the replacements. There are only 3 countries with significant stocks in this category and, of these, it is known that data for Spain and Finland correctly refer to the unemployed replacements but those for Belgium refer to persons going on leave.*
Category 4 - Employment incentives (fig. 3c)

In the EU as a whole, employment incentives accounted for 19% of expenditure on active measures (categories 2-7) in 2000, the third most important category after training and direct job creation. In 6 of the 11 EU countries for which a comparison is possible, the share of women in this category is within 5 percentage points of the share in the registered unemployed, and in Austria it is only marginally outside this range. There are, however, striking differences between Spain and Ireland, where women are particularly poorly represented and in Portugal and Finland, where they are over represented.

The Spanish situation has already been discussed above. In Ireland, the category is dominated by the Back to Work Allowance, which allows unemployed persons to keep a progressively decreasing part of their previous benefits when taking up a job.

Of the 34.5 thousand beneficiaries in 2000, only 16% were women.

In Portugal, the data are very incomplete for this category so the figure may not be so reliable. However, in Finland the data are complete and show that women account for 61% of participants in the category compared to 50% in the registered unemployed. This may be a reflection of the types of jobs for which subsidies are available.

Category 6 - Direct job creation (fig. 3d)

The category of direct job creation is important, representing 27% of EU expenditure in 2000. It covers additional jobs outside the regular labour market created largely by public money and usually in areas of community benefit. Although the measures are all similar in this respect, they may be used in quite different ways - sometimes as a measure of last resort to effectively avoid social exclusion for the long term unemployed (LTU) or other disadvantaged groups, and other times as a first chance of employment for young people. However, they are always targeted to LTU or persons otherwise difficult to place and here they are considered as one group.

For the EU as a whole, direct job creation is the only major category (i.e. ignoring category 3, which is small) where women are better represented than in the registered unemployed (56% compared to 50%). Women are particularly well represented in Austria, Portugal and Finland with a difference of over 15% in each case.
Category 7 - Start-up incentives (fig. 3e)

Start-up incentives offer unemployed persons assistance to start their own business or to take up a non-salaried profession. Compared to the categories discussed so far, it is immediately striking that in all cases where data are available women are under-represented compared to the target group.

The aggregate of all data available across the EU shows women to account for 34% of participants in category 7 measures compared to 50% of the registered unemployed. Around 40% of the total stock in this aggregate is accounted for by recipients of Überbrückungsgeld (Bridging allowance) in Germany where only 29% of beneficiaries are women, 18 percentage points less than in the target group. However, the largest difference is seen in Ireland where women account for just 18% of persons receiving the Back to Work Enterprise Allowance paid to unemployed persons taking up self-employment.

The under-representation of women in start-up measures is probably a direct reflection of traditional gender based occupational choices, which mean that far fewer women than men are self-employed. According to the LFS in 2000, just 27% of the self-employed (including employers) in the EU were women, which is slightly below the share observed in start-up measures. In Ireland, women account for just 16% of the self-employed - the lowest share in the EU and in line with the situation observed here.

The analysis above notes a number of cases where the available data appear to indicate that measures to activate the unemployed are tending to mimic traditional gender based disparities in the labour market. It remains to be seen if such discrepancies can be addressed through more active targeting of women in labour market policies.

Definition of categories

Category 2 - Training: Programmes which aim to improve the employability of the unemployed and other target groups through training, and which are financed by public bodies. Measures included here should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.

Category 3 - Job rotation and job sharing: Programmes that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee.

Category 4 - Employment incentives: Programmes which facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.

Category 5 - Integration of the disabled: Programmes that aim to promote integration of disabled persons into the labour market.

Category 6 - Direct job creation: Programmes that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place. The majority of the labour cost is normally covered by the public finance.

Category 7 - Start-up incentives: Programmes that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed.

Basis of data

The observation unit in the LMP database is the labour market policy measure. For each country, the data by category is an aggregate of one or more measures. When publishing absolute numbers of participants or expenditure, category totals are not calculated unless values are complete for all measures in that category or missing values are known to be small (<1%). This ensures that the relative importance of each category is not misinterpreted due to significant missing values not being taken into account. Table 2 shows the available data by category in 2000 following these rules.

For some LMP measures a total stock figure is reported but no breakdown by gender is available. As a result, if the strict approach adopted for the publication of totals is applied to data by sex, even fewer positions in the table can be completed. However, in this paper it is the representation of women amongst participants and not the absolute numbers of participants that is of interest. For that reason, a more pragmatic approach has been...
adopted to the treatment of missing values in order to increase the numbers of observations available for comment.

The data presented in this paper are obtained by aggregating (by country, category and year) observations for those measures where stock data are available. Measures without stock data are completely ignored. From the resulting data set, the share of women in a category is shown only when a gender breakdown is available for 80% or more of the total stock in that category (Table 3). Moreover, qualitative data available in the LMP database have been used to confirm that, where data has been shown for categories with incomplete breakdowns, none of the measures concerned demonstrate specific targeting that might bias the results.

The same approach is applied to aggregates across categories (e.g. Total categories 2-7) or across countries (i.e. to calculate EU totals) - the observations include the appropriate aggregate of all measures with stock data and are presented only when a gender breakdown is available for at least 80% of the total stock. In both cases it is possible, therefore, for values to be completed for an aggregate when values for some components are missing. For example, the share of women in one category may be missing for two or three countries because the gender breakdown is insufficiently complete. However, where these missing countries account for a small part of the total stock in the category it is possible for the proportion of missing data at the aggregate (EU) level to be within the threshold and therefore included in the table.

Table 2 Stocks of participants in LMP measures by type of action, 2000

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Table 3 Proportion of stocks with known breakdown by sex, 2000

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For more information: European Social Statistics : Labour market policy – Expenditure and participants

This publication aims to provide comprehensive statistical information on the Labour Market Policies of the EU Member States and Norway.

The publication of 2001 data will be available in autumn 2003
Further information:

Reference publications

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