







### Educating women to increase gender equality in the labour market KA2 - KA210-ADU - Small-scale partnerships in adult education









## Learn2Be!

### Module 4 - Eliminating gender-based differences in the labour market

- I. Self-employment
- 2. Eliminating labour market differences









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#### Self-employment

Equal economic independence is vital for gender equality, as well as economic growth and prosperity. It can generally be achieved through equal access to, and control over, critical economic resources and opportunities and through equal access to employment.

Studies (Duflo 2012, Bolieka & Loko 2009) show a strong positive correlation between economic growth and gender equality. Consistently, EIGE's Gender Equality Index shows a clear positive relationship between gender equality and GDP in the EU Member States. Furthermore, women's ability to develop their full labour market potential has been associated with significant macroeconomic gains. Conversely, the loss in GDP per capita due to the gender pay gap has been estimated to amount to as much as 27% in parts of the EU.Increasing women's labour market participation could thus lead to increases in GDP. Additionally, increases in labour market participation <u>can reduce poverty among women and will widen</u> the tax base, specifically if the wage gap is effectively addressed.

Women are instead less likely than men to be self-employed, due to traditional perceptions of gender roles, but also to the greater difficulties women have in accessing financial funds, training, networking and in reconciling business and family.









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While women are under-represented in self-employment, they are more likely to be involved in 'bogus' (i.e. not genuine) self-employment, which is linked with higher risks of poverty and defined 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 business decisions.

Overall, women are substantially under-represented among self-employed workers, while simultaneously being more likely to be self-employed on their own account. Moreover, self-employment leads to much lower earnings and income for women and can lead to a greater risk of poverty over the life course, as women are more likely to work in more labour-intensive and less profitable sectors than men. The gender pay gap between women and men in self-employment vividly illustrates the disparities, standing at 45% at EU level.

A clearer differentiation between entrepreneurship and self-employment can aid the implementation and monitoring of policies promoting women's entrepreneurship.

Women <u>face a number of difficulties and obstacles in setting up and maintaining businesses</u>. Although most of these difficulties are common to both sexes, in many cases they tend to be more significant for women entrepreneurs. These include access to finance, unfavourable business regulations, cultural barriers, choice of business types and sectors, information and training gaps, lack of contacts and access to social support and networking, differences in the way women and men approach entrepreneurship, educational and occupational segregation and competing demands on time (double burden of home and work responsibilities).









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Overall, women are less likely than men to be entrepreneurs, due to traditional perceptions of gender roles, but also to the greater difficulties women have in accessing financial funds, training, networking and in reconciling business and family. As <u>highlighted by the European Commission</u> the proportion of female entrepreneurs, at 33% (30% in start-ups), is some way short of optimal and most women still do not consider entrepreneurship as a relevant career option.

Realising both women's and men's full labour market potential can lead to significant macroeconomic gains. However, despite the progress made in women's economic empowerment through increases in educational attainment and the share of paid work, the unequal distribution of unpaid work and the gender segregation in employment and education hinder equal access to economic resources for women and men. Employed women are over-represented in the service sectors and in occupations that are characterised by lower status, career opportunities and pay, as well as in part-time work.

As the Commission's Strategy for Equality between Women and Men 2010 – 2015 points out, economic independence is a prerequisite for enabling both women and men to exercise control over their lives.

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"There has been progress in most areas, but achieved at an uneven pace. At this rate of change, it will take almost 30 years to reach the EU's target of 75% of women in employment, over 70 years to make equal pay a reality, over 20 years to achieve parity in national parliaments (at least 40% of each gender), over 20 years to achieve gender balance on the boards of Europe's biggest companies and almost 40 years to ensure that housework is equally shared." <u>European</u> Comission - Report on Progress on Equality between women and men, 2013









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Gender differences are also highlighted by Eurostat in self-employment. In the third quarter of 2022 and looking at the 15-64 age group, the share of professionals was much higher than that of female professionals: 16.1% against 9.4%. However, Eurostat shows that the gap increases as the level of education decreases. The gender gap is in fact more pronounced among the less educated (8.4%). At medium levels of education it drops to 7.2% and at high levels to 5.8%. Age also affects the gender gap. The difference in numbers between male and female self-employed workers aged between 25 and 49 is 5.7%, while between 50 and 64 it rises to 9.9%.













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#### **Eliminating labour market differences**

There has been a lot of talk about gender diversity in recent years, and the debate on the differences between men and women in the workplace is still open. But first of all let's clarify one thing: what is the meaning of "gender diversity"? How and where did this term come from?

Gender diversity: what is it? To explain the meaning of gender diversity, or gender difference, it is first necessary to make a clarification, namely we must distinguish: sex differences, which are biological differences in sexual identity (gender identity), which are due to psychological, social, cultural aspects. The concept of gender was born in the 1970s, when women became aware of the persistence of a situation of serious asymmetry and imbalance between sexual roles. From this profound awareness, studies, associations, movements and policies aimed at rebalancing equality between the two sexes were born. Where gender equality means equal rights and accessibility: men and women are not and can never be the same thing, but they must have the same rights.









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Although inequalities still exist, the EU has made significant progress in gender equality over the last decades.

This is the result of

•equal treatment legislation

•gender mainstreaming, integration of the gender perspective into all other policies

•specific measures for the advancement of women

Encouraging trends are the higher number of women in the labour market and their progress in securing better education and training.

However, gender gaps remain and in the labour market women are still over-represented in lower paid sectors and under-represented in decision-making positions.









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The EU Gender Equality Strategy delivers on the von der Leyen Commission's commitment to achieving a Union of Equality. The Strategy presents policy objectives and actions to make significant progress by 2025 **towards a gender-equal Europe**. The goal is a Union where women and men, girls and boys, in all their diversity, are **free** to pursue their chosen path in life, have equal opportunities to **thrive**, and can equally participate in and **lead** our European society.

The **key objectives** are ending gender-based violence; challenging gender stereotypes; closing gender gaps in the labour market; achieving equal participation across different sectors of the economy; addressing the gender pay and pension gaps; closing the gender care gap and achieving gender balance in decision-making and in politics. The Strategy pursues a dual approach of gender **mainstreaming** combined with targeted actions, and **intersectionality** is a horizontal principle for its implementation. While the Strategy focuses on actions within the EU, it is coherent with the EU's external policy on gender equality and women's empowerment.

As one of the first deliverables of the Strategy, the Commission proposed <u>binding pay transparency</u> <u>measures</u> on 4 March 2021.

A milestone achievement is the <u>Directive on gender balance in corporate boards</u>, which seeks to improve the gender balance in corporate decision-making positions in the EU largest listed companies. After 10 years of negotiations, the Directive has been finally adopted on 22 November 2022.









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The European Commission launched a <u>campaign to challenge gender</u> <u>stereotypes</u>, on 8 March 2023. This EU-wide campaign tackles gender stereotypes affecting both men and women in different spheres of life, including career choices, sharing care responsibilities and decision-making. It is a concrete deliverable of the Gender Equality Strategy 2020-2025.









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For female employment to grow, the collaboration of companies and in particular of the Human Resources offices is also needed, called upon to overcome all those biases that damage female workers in the company and to introduce measures that support them in the work/family life relationship.

Below, we analyze some initiatives that could have a direct or indirect impact on the growth of female employment.

### I) Pay transparency One of the most concrete effects of the gender gap is the gap in wages, or the gender pay gap.

The most natural solution to this problem would seem to be a regulatory intervention that obliges companies not to operate any wage discrimination. This is what happened recently (2018) in Iceland, where companies and public bodies with more than 25 employees were required to demonstrate that women are paid as much as their colleagues, under penalty of a fine.









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#### 2) Gender quotas

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The instrument that most divides public opinion, in Italy and abroad, is that of gender quotas or women's quotas. So much so that they are used only in some countries and in different ways.

On the one hand, in fact, there are those who appreciate the speed with which results are obtained, on the other, those who consider it a non-meritocratic tool.

So, did the women's shares work or didn't they work? They certainly had a positive effect, given that without their introduction, the presence of women on boards covered by the law would have remained at lower levels.









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#### 3) Paternity leave

One of the most obvious causes of employment discrimination between men and women in Italy is the huge disparity between maternity and paternity leave. A determining factor not only in the search and selection phase, but also in internal career paths.

#### 4) Female entrepreneurship

Encouraging the growth of female employment also means making sure that women have the same entrepreneurial opportunities as men.









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#### 5) Leadership

Promoting more women to leadership positions is a key ingredient to business success and should become a priority for all. He supports it with numerous data to support a research by IBM that we recommend reading.

A greater number of female leaders, especially in influential companies such as technology giants, would also be a strong inspiration for the new generations, accelerating the process of reducing the gender gap.

These are just some of the actions needed to overcome the gender gap in the world of work. Europe is moving in this direction, but it will be essential to obtain and know the tools useful for women to overcome this gap and move better in the world of work











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