



Women looking for work

Female unemployment rates differ widely from county to country. Ghazala Azmat, Maia Güell and Alan Manning look for the reasons that might explain this particular gender gap.

Discussions of the disadvantage faced by women in the labour market tend to focus on the gender gap in pay. Yet in many countries there is another important gender gap that is virtually ignored, the gender gap in unemployment rates.

This is not true in all countries. In the UK the female unemployment rate among prime-age workers (those aged 25-54) is 1.1 percentage points *below* the male, but in some countries the gap is very large. In Spain the female unemployment rate is 11.8 percentage points above the male. Table 1 presents data on the gender gap in unemployment rates in all the OECD countries. These figures are computed using the standard ILO definition of unemployment, so are designed to be comparable across countries.

From Table 1 (overleaf) one can identify several distinct groups of countries. The largest gender gaps in unemployment rates are to be found in the Mediterranean countries (Spain, Greece, Italy and France). Next come the Benelux countries (Belgium, the Netherlands and Luxembourg); then the “Germanic” countries (Germany, Austria and Switzerland); then the “Nordic” countries (Sweden, Finland and Norway) and, finally, the “Anglo-Saxons” (US, UK, Ireland, Australia, Canada and New Zealand). In a number of the Mediterranean countries, the high unemployment rates that are the subject of much discussion in the media are largely a “female” problem, since unemployment rates among middle-aged male heads of households are not much higher than in the UK and the US. We will refer to those countries with a large gender gap in unemployment

The largest gender gaps are in the Mediterranean countries

Table 1. Gender gaps in unemployment rates among prime-age workers in the OECD countries

Country	Male	Female	Difference	Ratio
Spain	9.2	21	11.8	2.28
Greece	6.2	15.2	9	2.45
Italy	6.6	12.7	6.1	1.92
France	9	12.6	3.6	1.4
Belgium	6.1	9	2.9	1.48
Netherlands	2.1	3.8	1.7	1.81
Luxembourg	1.4	2.9	1.5	2.07
Germany	7.2	8.5	1.3	1.18
Denmark	3.7	4.9	1.2	1.32
Portugal	3.4	4.6	1.2	1.35
Finland	7.9	9	1.1	1.14
Switzerland	2.2	3.2	1	1.45
Japan	3.7	4.4	0.7	1.19
Sweden	5.2	5.9	0.7	1.13
USA	3	3.4	0.4	1.13
Austria	3.4	3.6	0.2	1.06
Australia	5.5	5.3	-0.2	0.96
Canada	6.5	6.3	-0.2	0.97
NZ	5.5	5.3	-0.2	0.96
Norway	2.6	2.2	-0.4	0.85
Ireland	5.7	4.8	-0.9	0.84
UK	5.4	4.3	-1.1	0.8
New OECD countries				
Hungary	6.7	5.6	-1.1	0.84
Turkey	5.9	5.5	-0.4	0.93
Mexico	1.6	2.1	0.5	1.31
Czech Rep	5.9	9.5	3.6	1.61

Source: OECD Labour Market Statistics (OECD Statistical Compendium), 1999.

rates as the “high gap” countries and those with a low gap as the “low gap” countries.

It should be emphasised that the ILO definition of unemployment is designed to measure those workers who want a job but do not have one. To be classified as unemployed on the ILO definition one must have been looking for work in the recent past and available to start work in the near future. So gender differences in unemployment rates do not reflect gender differences in how many people want a job but differences in the proportions of people who, wanting a job, are unable to find one.

The aggregate figures in Table 1 hide the fact that the gender gap in unemployment rates might be larger for some categories of women than others. There does seem to be some evidence for this. The gender gap in unemployment rates is largest among the young, the married and those with young children. But in the countries where there is a big overall gender gap, all categories of women are at a disadvantage. There is something here that needs to be explained.

The number of people who are unemployed can be thought of as being determined by the rate at which people become unemployed (what economists call the inflow rate) and the rate at which they leave unemployment (what economists call the outflow rate). The overall unemployment rate is increasing in the inflow rate and decreasing in the outflow rate. So a gender difference in the unemployment rate could be the result of a gender difference in the outflow rate and/or the inflow rate. Which of these is the most important can be expected to offer clues about the source of the gender gap in unemployment rates.

Table 2 presents some estimates of the gender differences in the flows between employment and unemployment and between unemployment and employment (controlling for a variety of other relevant characteristics). The countries are ordered with those with the largest overall gender gaps in unemployment rates at the top. One should interpret the numbers in the following way – for Spain the average employed woman is 27.5% more likely to enter unemployment than the average employed man and the average unemployed woman is 34.5% less likely than the average unemployed man to get a job. This pattern of employed women being more likely to leave jobs and unemployed women being less likely to get jobs is repeated in all the countries with a large gender gap in unemployment rates. So in these countries women are at a disadvantage both in keeping and in getting jobs. To understand the gender gap in unemployment rates we need to understand the gender gaps in both inflow and outflow rates.

Why are women in work more likely than men to leave their jobs in some countries? One hypothesis is that women are



Unemployment rates are highest for the young, the married and those with young children

Table 2. Gender gaps in flows between employment and unemployment

Country	E_U	U_E
Spain	0.275 **	-0.354 **
Greece	0.538 **	-0.47 **
Italy	0.394 **	-0.138 *
France	0.266 **	-0.341 **
Belgium	0.466 **	-0.49 **
Luxembourg	-0.189	-0.195
Germany	0.012	-0.425 **
Denmark	0.371 **	-0.432 **
Portugal	0.446 **	-0.3 **
Finland	0.344 **	-0.068
USA	-0.114 **	-0.012
Austria	-0.05	-0.511 **
Ireland	0.062	0.401 **
UK	-0.473 **	0.292 **

Notes: 1. Data for European countries are from retrospective monthly work history data in ECHPS. Retrospective monthly data from Sweden and the Netherlands are missing. US data are from successive monthly CPS. Sample restricted to those between 25 and 54. 2. For Hazard Rates methodology see DP 607. Controls are for age, education, marital status and number of children. 3. ** denotes 1% significance level and * denotes 5% significance level.

more likely than men to leave jobs to have children and/or to care for children and elderly relatives. It is true that women are more likely than men to leave jobs for this reason but this has little to do with gender gaps in unemployment rates as women leaving employment for these reasons end up out of the labour force and not in unemployment. In the four countries with the highest gender gaps in unemployment rates (Spain, Greece, Italy and France) fewer than 5% of women who are currently unemployed report “caring/childbirth” as the reason for why they left their previous job.

In all countries, most of the unemployed have ended up in that state because they have lost their previous jobs when they wanted to keep them rather than because they no longer wanted the job and quit. In many countries, men are more likely than women to be laid off. In countries like the UK this difference is extreme – 45% of male jobs end because the worker is laid off, compared with 23% of female. But in many of the countries with a big gender gap in unemployment rates the most striking feature is that there does not seem to be a large gender gap in the reasons why workers leave employment for unemployment. In addition, many of the southern European countries have high numbers of workers on temporary and short-

Table 3. Gender gaps in unemployment durations

Country	% of unemployed with duration >12mths		
	Men	Women	Gender gap
Spain	45.4	55.5	10.1
Greece	48.6	59.5	10.9
Italy	62.1	60.7	-1.4
France	39	41.7	2.7
Belgium	60.1	60.9	0.8
Netherlands	47.7	40.4	-7.3
Luxembourg	38.6	27.2	-11.4
Germany	49.9	54	4.1
Denmark	20.9	20.1	-0.8
Portugal	39.5	42.9	3.4
Finland	33.1	26.2	-6.9
Switzerland	40.6	38.7	-1.9
Japan	27.4	14.8	-12.6
Sweden	33.3	26.1	-7.2
USA	7.4	6.2	-1.2
Austria	32.7	24.1	-8.6
Australia	31.8	25.8	-6
Canada	12.8	10.2	-2.6
NZ	23	17.9	-5.1
Norway	7.3	6.3	-1
Ireland	59.5	47.5	-12
UK	34.5	21.5	-13

Source: OECD Employment Outlook 1999.

term contracts, which are very likely to end with a move into unemployment. One possible explanation for this is employment protection legislation, which makes it difficult to lay off workers that have been with the firm for a long time on permanent contracts. While such institutions protect the workers most covered by them, they also tend to place the burden of labour market adjustment on more marginal groups. Women are less likely than men to be in the heavily protected group and more likely to be in the marginal group.

We have pointed out that in the “high gap” countries unemployed women are less likely than unemployed men to get jobs. One consequence of this is that women in “high gap” countries are more vulnerable than men to long-term unemployment and all the adverse consequences that this brings. Table 3 presents information on the fraction of unemployed men and women who have been out of work for more than 12 months.

But why it is that unemployed women in the “high gap” countries are less likely than unemployed men to get a job? The actions of both individuals and employers could well affect the rate at which the unemployed find jobs. From the perspective of the individual unemployed person, greater



In Spain the average unemployed woman is 34.5% less likely to get a job

effort to find work is likely to be rewarded with a shorter duration of unemployment. But the attitudes of employers and the general availability of jobs will also affect how easy it is for the unemployed to get work.

If unemployed women in some countries are less likely to find a job than unemployed men, that might be because they are less "serious" about wanting a job and make fewer efforts to find work. We could find no evidence that this was the case. For the US, the UK and Spain we compared the number of methods of job search used by unemployed men and women. In all countries, men report using slightly more search methods than women, but this difference is similar in Spain (a "high gap" country) and in the US and the UK (both "low gap" countries). The limited evidence available provides no support for the view that unemployed women in "high gap" countries are less serious in their desire for work than men.

Another factor that is often argued to affect the seriousness with which the unemployed seek work is the availability of welfare benefits. But it is important to realise that many of the unemployed (and especially unemployed women) do not receive any welfare benefits at all. Table 4 presents some data on the fraction of unemployed men and women that report receiving any form of welfare

benefit. In most countries, women are less likely to receive welfare benefits than men, because their weaker employment history makes them less likely to have established entitlement and because unemployed women may be living with employed men and thus not eligible for means-tested benefits. From this table it is hard to see how it could possibly form the basis of an explanation as to why, in some countries, there is such a large gender gap in unemployment rates. For example, virtually no one unemployed in Italy (male or female) receives any benefits and the proportions of unemployed men and women receiving benefits in Spain and the UK are very similar, even though the two countries have a very different gender gap in unemployment rates.

It might also be true that there is a mismatch between the desires of the female unemployed in terms of jobs they like and the jobs that employers are offering. In particular, it is sometimes argued that many women want part-time work and that there is not much part-time work in the Mediterranean countries. But there is little evidence for this view. Table 5 shows that very few of the unemployed women in the "high gap" countries want part-time work. For example, in Spain the desire for part-time employment among the unemployed was lower than the incidence of part-time working in the employed population.

Table 4. Benefit receipt among the unemployed (%)

Country	Male	Female
Spain	34.5	15.9
Greece	13.6	9.4
Italy	4.3	3.3
France	51.0	40.6
Belgium	79.9	74.0
Luxembourg	22.2	17.9
Germany	68.7	69.4
Denmark	85.8	83.7
Portugal	26.9	23.4
Finland	79.7	75.4
Austria	59.5	43.5
Ireland	87.8	44.9
UK	33.3	17.2

Source: ECHPS. The question asked is "Do you receive unemployment benefit or assistance?".

Table 5. Part-time employment (%)

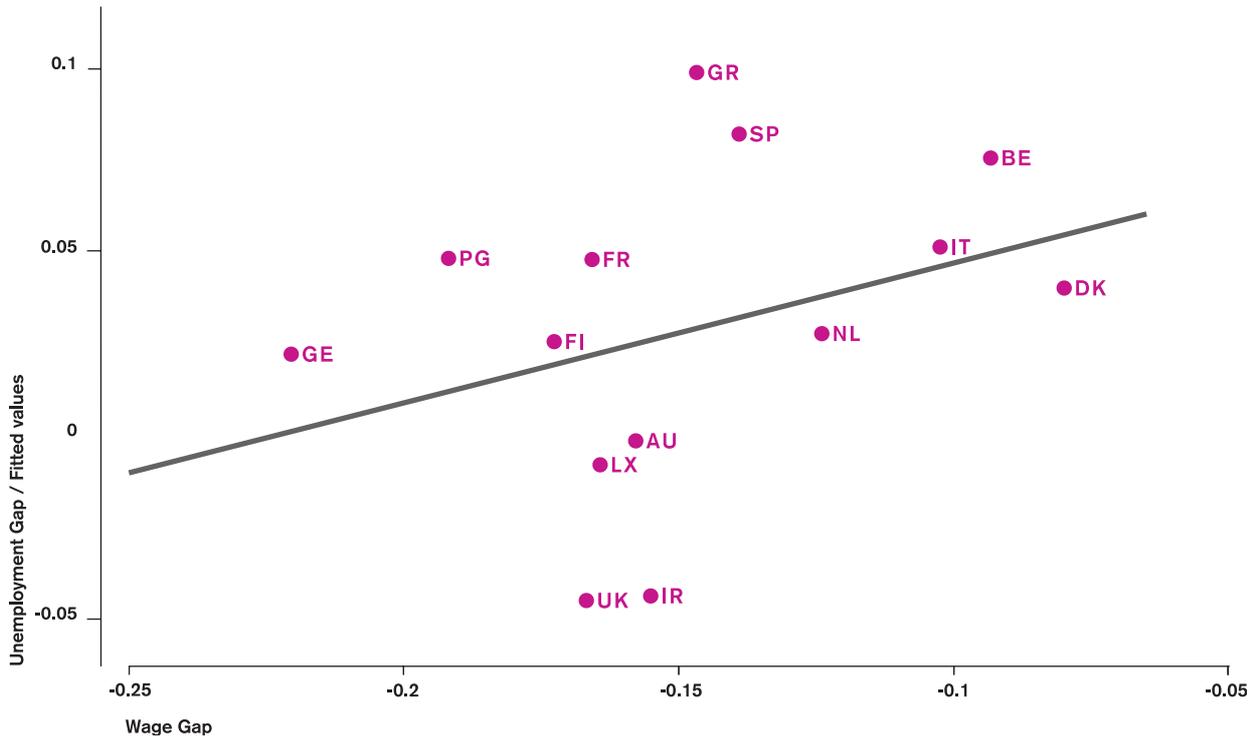
	Female		Male	
	Unemployed wanting part-time work	Employed working part-time	Unemployed wanting part-time work	Employed Working part-time
Spain	7.8	16.5	1.3	2.6
Greece	6.8	5.7	0	2.6
Italy	34.4	12.4	3.7	2.8
France	23.2	30	2.7	5.3
Belgium	20.1	34	2.1	3.2
Netherlands	72.4	68.7	15.3	16.7
Luxembourg	36.1	18.1	0	1.3
Germany	23.7	33.6	3.2	3.3
Denmark	16.3	35.1	0	11.4
Portugal	0	8.3	0	1.6
Finland	7.1	15.2	0	6.5
Sweden	19.4	42.6	2.9	8.3
Austria	44.8	28.7	3.8	3
Ireland	47.2	22.2	0	5.7
UK	55.1	44.2	5.2	7.5

Source: Eurostat Labour Force Survey, 1996.



In many countries men are more likely to be laid off than women

Figure 1. Gender gaps in unemployment rates and wages



If there are not big differences in the attitudes of unemployed men and women, perhaps the differences in the outflow rates can be accounted for by the behaviour of employers. Employers might be more favourably disposed towards employing men than women.

Work by Blau and Kahn has suggested that cross-country differences in the gender pay gap can be better explained by gender-unspecific labour market institutions, like the minimum wage and collective bargaining, and that countries with a small gender pay gap tend to be the countries with lower wage inequality in general. But it is sometimes argued that this reduced wage inequality is artificial and that one consequence of it is to raise the unemployment rates for those workers who would, in a free market, earn relatively low wages. This might be thought to include women. To investigate this hypothesis Figure 1 shows the relationship between the gender gap in unemployment rates and the gender gap in wages. There is a weak positive relationship between the two, indicating that countries in which women's pay is a lot below men's pay have lower gender gaps in unemployment rates, but the relationship is not statistically significant (the t-statistic is 1.2). For example, the gender pay gap in Spain and Greece is only marginally smaller than that in the UK but the gender gap in unemployment rates is enormous.

There are other reasons why employers might prefer to

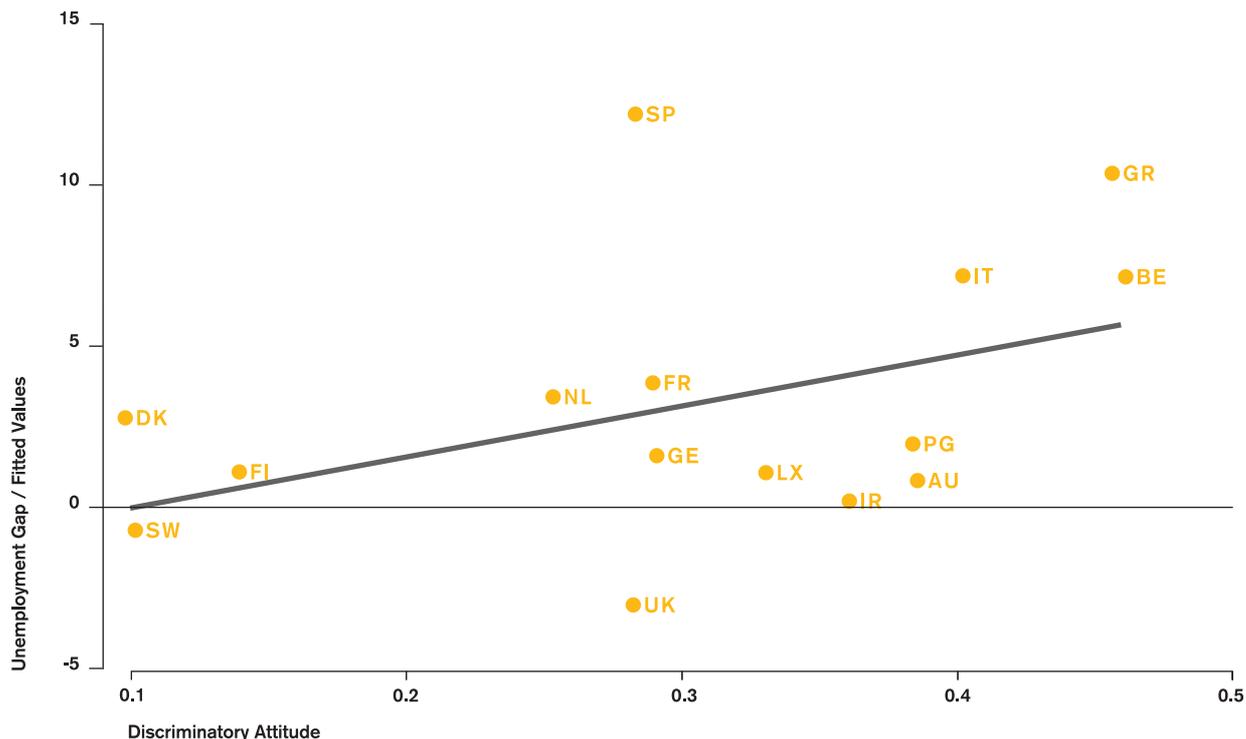
appoint men rather than women. For example, one sometimes hears the argument that employers prefer to appoint men because hiring is costly and men are more likely to stick in their jobs, or because women are more likely to take time off work because their children are sick. Even if this were true, it cannot really explain why there is a gender gap in unemployment rates in some countries but not others. An alternative hypothesis is that differences in maternity leave legislation make employers more favourably inclined towards men in some countries than in others. But in fact the differences in maternity leave regulations across EU countries are relatively small and the Nordic countries, which have generous maternity provisions, also have small gender gaps in unemployment rates.

Of course, it may not be legislation that makes men more attractive to employers than women. It could be lower levels of accumulated labour market experience among unemployed women. This might particularly be true in some of the "Mediterranean" countries where, until recently, female labour market participation was low. But our work (on admittedly rather poor quality data) suggests that this hypothesis has little explanatory power.

Employers may also simply feel that women are less deserving of employment than men and make their hiring decisions accordingly. We can get some idea as to how

Women are less likely to receive welfare benefits than men

Figure 2. Gender gaps in unemployment rates and discriminatory attitudes



widespread such discriminatory attitudes are from the 1996 Eurobarometer survey, which asked respondents whether they agreed with the statement “when jobs are scarce, men should have more right to a job than women”. In all countries, men seem more likely than women to think that women are less deserving of employment, but there are also substantial differences across countries. Crudely, the Nordic countries are less “discriminatory” and the Mediterranean countries more so. Figure 2 plots the gender gap in unemployment rates against a measure of discriminatory attitudes towards women (a higher number corresponds with more prejudice). The extent of discriminatory attitudes is positively correlated with the gender gap in unemployment rates, as the fitted regression line in Figure 2 shows.

There are other factors that might be responsible for these cross-country differences. But the remarkable thing is that we find that similar relationships hold within countries. The inhabitants of the southern parts of Italy and Spain have more discriminatory attitudes than those living in the northern parts of those countries and the gender gap in unemployment rates is also higher in those regions.

But there is one problem with the hypothesis that discriminatory attitudes can explain why employers hire men in preference to women. It is that the attitudes have been



Nordic countries, with generous maternity provisions, also have small gender gaps

around for a long time, but large gender gaps in unemployment rates are a relatively recent phenomenon. It seems plausible, though, when overall unemployment rates are high and there are many applicants for most jobs, that employers may be faced with a large number of job applicants who are more or less equivalently qualified. In this situation, employers are more or less free to indulge any slight discriminatory preferences they may have without suffering any loss from doing so. In contrast, in tight labour markets, waiting for a male job applicant rather than hiring a female one may be a much more costly strategy. Hence, putting prejudices into practice is easier when unemployment is high and there are long queues for jobs, which was the situation in most of the “high gap” countries in the 1980s and 1990s.

In some OECD countries male and female unemployment rates are very similar but in others (notably the Mediterranean countries) the female unemployment rate is much larger than the male. Our research indicates this comes about in part because of labour market institutions that protect certain groups of workers at the expense of others and because of persistent discriminatory attitudes that jobs are more valuable than men. This is what Algan and Cahuc have called the “male breadwinner” culture.

This outcome is bad for the women who are on the receiving end of the discrimination and bad for the economy as a whole, since it means that is not necessarily the most productive workers who are in jobs and may contribute to higher levels of wages among the protected workers. But

there is one other consequence which is arguably not so bad. Because these countries protect and value the employment of the male head of household, they tend to have a lesser problem with the phenomenon of workless households than countries like the UK, where employment decisions are more commonly made on individual grounds without consideration of the social consequences. In other work at the CEP, Gregg, Scutella and Wadsworth show, for example, that although the individual unemployment rate is much higher in Spain than the UK, the proportion of Spanish households with no one in work is similar in the two countries .

As in many parts of the economy, dealing with one sort of problem often has the effect of causing another. The real challenge is in delivering good outcomes in every dimension.

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This article is based on their CEP Discussion Paper No. 607, which can be downloaded at <http://cep.lse.ac.uk/pubs>

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