Differences in the labour market experiences of men and women have fallen over the last 20 years, but there are still sizeable ‘gender gaps’ in employment and wages. A new report from the Centre for Economic Performance (CEP) – the latest in a series of background briefings on key policy issues in the May 2015 UK general election – explores the evidence on the key drivers of gender gaps and the effectiveness of ‘family-friendly’ policies to address them.

Among the findings:

- There have been a number of recent reforms in the UK that aim to encourage women to participate in the labour market and to ‘make work pay’. Yet gender differences persist – in participation, working hours and pay.

- The proportion of prime age (25-65) women in the UK who work has increased from 62% in 1994 to 69% in 2014. Among men in the age group, 82% work, so even today there remains a large gender employment gap of 13 percentage points.

- The difference between women’s and men’s pay – the gender wage gap – for full-time workers is 19%. This is down from 27% in 1994, which is a big improvement.

- Compared with other rich countries, gender differences in workforce participation in the UK are better than the average, but gender gaps in wages are among the worst.

- Male employment rates fell relatively more than female employment during the UK’s Great Recession.

- Certain factors help to explain a good part of gender gaps, including caring for young children, occupational choice and part-time work (which suffers a pay penalty). Recent and proposed policy changes have focused on supporting family-friendly employment for both men and women.

- The main political parties have promised improvements in childcare provision. Labour and the Liberal Democrats would extend free childcare for pre-school aged children. The Conservatives pledge to introduce a new scheme for tax-free childcare. This will help but it will not radically change gender disparities.

- A recent reform of the 2010 Equality Act enables the government to make regulations requiring companies employing 250 or more people to publish information about differences in the pay of male and female employees.
Dr Ghazala Azmat, the report’s author, comments:

‘We could do with more debate during the election campaign on the effectiveness of recent and proposed family-friendly policies.’

‘Policies that improve childcare provision will help give women with young children the option to participate in the labour market and/or to work longer hours. It would be valuable for voters to know what different parties plan to do and how the policies will help them.’

‘The parties need to think more carefully about how to make paternity leave more attractive. While recent legislation offers generous rights to fathers, there has been very little take-up of leave.’

‘Greater transparency on wage gaps within firms is important, as long as the required information is a genuine picture of the gender gaps at a firm level. Overly simple transparency requirements could have perverse incentives, such as, reducing the hiring of women in flexible, low-skill jobs.’

ENDS

Notes for editors:

‘Gender Gaps in the UK Labour Market: jobs, pay and family-friendly policies’ by Ghazala Azmat is the latest in CEP’s #ElectionEconomics series.

Objective, brief and non-technical, CEP Election Analysis is a series of background briefings on the policy issues in the May 2015 UK General Election.

This series discusses the research evidence on some of the UK’s key policy battlegrounds, including immigration, austerity, living standards, productivity, business, Europe, health, education, crime, inequality, gender, urban and regional policy, housing and planning, climate change and energy.

These analyses are provided by some of our expert researchers and draw on some of our past and current research.

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