

The cost of the gender employment gap

Economic independence enables both women and men to exercise control over their lives and plan their families and careers. To be effective, such economic independence needs to be based on an equal footing between women and men by ensuring that the gender gap in employment participation is addressed through policy intervention. In fact, increasing female employment is crucial to reaching Europe 2020 goals that set a target of increasing the employment rate of the working age population to at least 75% by 2020.

Despite registering an increase, the employment rate for men among EU Member States was 70.1% in 2013 whilst for women it stood at 59.6%. A gender employment gap is recorded in all Member States with the magnitude of this gap varying from 1.5% in Finland to 25.6% in Malta according to a EUROFOUND report (2016) entitled *The Gender Employment Gap: Challenges and Solutions*.

This gender gap carries a heavy cost. In fact, in 2013 the cost of the gender employment gap in Malta stood at 8.2% of the Gross Domestic Product, a total cost of over €592 million. Furthermore, Malta pays the highest bill from among the EU28 resulting from having the highest gender gap in employment rates in the EU.

In terms of the EU28, the report shows that the total cost of the employment gender gap for the EU amounts to more than €370 billion or 2.8% of EU GDP. Considering only those women who are willing to work, the total cost for EU28 amounts to €169 billion.

It is important to note that 27% of inactive women report that they do not search for employment because of responsibilities with the caring of children or dependent adults whilst almost 18% of women in the EU declare other personal or family responsibilities.

According to the EUROFOUND report, participation in the labour market has also social effects. Employment improves a person's perceptions of their overall quality of life with

women evaluating their lives more positively than those outside the labour market whilst enjoying higher levels of economic security, social inclusion and empowerment.

The report is proposing various policies that include labour market measures to encourage greater female labour supply and employer demand; childcare measures offering support with costs and provision; leave for maternity and parenthood-related reasons and adult care; and flexible working time and work-family reconciliation to improve work-life balance.

The Maltese Government has been fostering an increase in the participation of women in the labour market in the context of EU policies. In fact, various recent initiatives are having a positive effect. Among these are the free childcare services for parents in work or in education, the breakfast club, *Klabb 3-16* as well as the setting up of a maternity leave fund to eliminate discrimination against women at recruitment stage. Moreover, male public officers are now eligible to five days paid paternity leave with the birth of each child.

Developments in strengthening flexibility at the workplace can also be seen in the private sector. In fact, the National Commission for the Promotion of Equality (NCPE) awards the Equality Mark certification to encourage organisations to offer more family-friendly measures to both men and women. Presently there are 78 companies/organisations, employing a total of 20,800 employees, that have been awarded the Equality Mark. Moreover, NCPE is currently working on an EU co-funded project that aims to raise awareness on the importance of men's role in gender equality as well as on the benefits of the uptake by men of various family-friendly measures. NCPE is also seeking to break down stereotypes tied to traditional gender roles among employers, employees and society at large, and to highlight the benefits of sharing family and domestic responsibilities.

As highlighted in the Eurofund report, increasing the labour-force participation and raising the employment rate of women is of paramount importance for the economy, for addressing the cost of the employment gap and for achieving a more equal society. Strengthening policies and campaigns, that promote and incentivise flexible working



conditions, shared family responsibilities and a better work-life balance, is essential for the narrowing of the cost of the gender employment gap and increasing the economic and social wealth of Maltese society.

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