

WOMEN AS A POTENTIAL OF THE EUROPEAN LABOUR FORCE

IBS Policy Paper 01/2013

We investigate the problems and the potential solutions to the challenge of increasing women's participation on the European labour market. We focus on three major issues, linked to different moments in women's life course. Firstly, we look at the youngest women's difficulties related to school-to-work transitions and the beginning of the working careers as well as the challenges related to childbearing. In the next step we analyze the patterns of lifelong learning among women and its potential to improve their human capital, skills and thus productivity, labour incomes and employment potential. We emphasize the necessity to adapt a gender perspective of lifelong learning, as different forces are affecting the career and educational choices and mobility of women and men, and these also vary over time. Finally, we investigate the labour market attachment of older cohorts and discuss the most prospective options of extending females working lives.

Agnieszka Chłoń-Domińczak
Agnieszka Kamińska
Iga Magda

December **2013**

This paper was prepared within a research project entitled NEUJOBS, which has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no. 266833

This paper has been published also as a NEUJOBS Working Paper No. 16.2 C.

Table of Contents

1. INTRODUCTION.....	4
2. Young women, school-to-work transition and employment.....	4
3. Maternity and labour market participation.....	9
Parental leave.....	9
Childcare.....	9
Flexible workplace practices.....	10
4. Women and retirement.....	11
5. Lifelong learning and female labour market potential.....	14
6. CONCLUSIONS.....	18
7. REFERENCES.....	20

1. INTRODUCTION

Demographic change is undoubtedly the most important development that will affect the European labour market in the next decades. In 2012, in the European Union there are 167,9 million men and 167,7 million women aged 15-64, 69,8% and 58,6% of them are working, respectively. These numbers will fall to 164,7 mln (men) and 162,5 (women) in 2025. (Eurostat projection). The shrinking working age population calls for adequate actions in several areas (increasing labour force participation rates, extending working lives, managing ageing workforce) and among various actors (policymakers, social partners, employees and employers).

Increasing labour force participation rates among women is one of the most important challenges which, if managed well, might alleviate the problems related to decreasing working age population. Out of 167,7 mln women aged 15-64 in the European Union, only 65,6% are active and only 58,6% work. There are various reasons for the low employment rates, as these come both from lower activity and higher unemployment rates. Yet, institutional factors (such as retirement policies, tax and benefit policies or work-life balance support) appear to be the most important factor behind the gender employment gap (Cipollone, Patacchini, & Vallanti, 2012; Lewandowski, Magda, & Baran, 2013) .

The aim of this paper is to investigate the problems and the best solutions to the challenge of increasing women's participation on the European labour market, to alleviate the consequences of the demographic changes and maintain the European welfare state. We intentionally focus on women's presence on the labour market, whereas the important aspects of their employment, such as gender equality issues, social cohesion or quality of jobs for women - are beyond the scope of this paper.

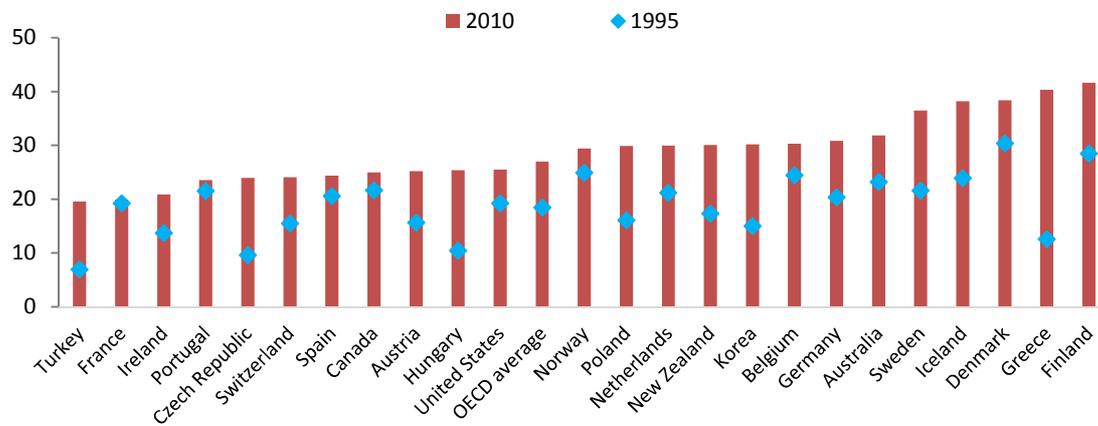
We look at three major areas, linked to different moments in women' s life course which define different obstacles to labour market participation. We start with the youngest women, looking both at the difficulties related to school-to-work transitions and the beginning of the working careers as well as the challenges related to childbearing. In the next step we look at the patterns of lifelong learning among women and its potential to improve their human capital, skills and thus productivity, labour incomes and employment potential. It is crucial to adapt a gender perspective of lifelong learning, as different forces are affecting the career and educational choices and mobility of women and men, and these also vary over time. Finally, we investigate the labour market attachment of older cohorts and discuss the most prospective options of extending females working lives.

2. Young women, school-to-work transition and employment

Between 1995 and 2010, the likelihood that both young men and women will enter university increased dramatically. In 1995 about 18% of persons aged 20-29 were students. In the course of the next 15 years this share increased to 27% (OECD, 2013). There are countries (e.g. Greece, Czech Republic, Hungary) for which this percent more than doubled. Interestingly, observed changes are primarily due to the rise of enrolment in tertiary education among women. For instance, the proportion of women who are expected to enter a university

programme increased from 51% in 2000 to 66% in 2009, while among men these shares were 42% and 52%, respectively (OECD, 2012a).

Figure 1. Students as a percentage of the population of 20-29 year olds.



Source: OECD (OECD, 2012a)

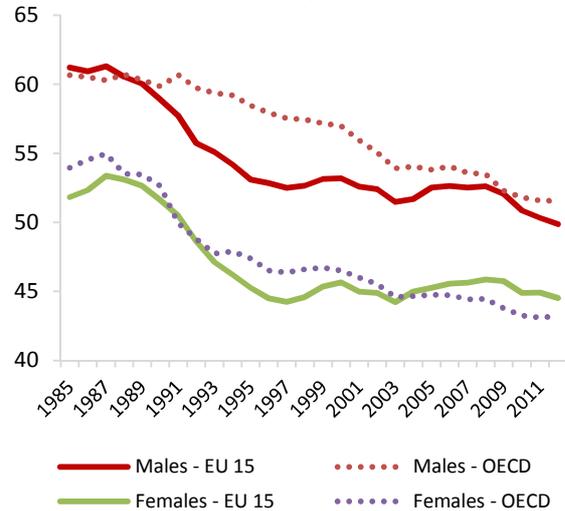
These changes have direct consequences for the age of entry to the labour market. It is increasing due to longer period of initial education. As a result, young people work less frequently than twenty years ago. In most OECD countries, labour market participation of both men and women aged 15-24 strongly decreased in recent decades, despite the increase in activity rate among women at prime-age (Figure 2). In late 80's in OECD and countries of the present EU15, over 50% of women and 60% of men aged 15-24 were economically active. In 2012 these shares were about 10 p.p. lower.

The increase in the level of education among women has economic consequences for women and the economy. On the one hand, the rising level of human capital is beneficial to women's future employment prospects. The significant progress of women in education is translating into positive outcomes in the labour market (OECD, 2012a), although significant differences to the detriment of women remain, despite women 'catching up' or surpassing men's educational attainment. The employment gap between men and women is closing. What is more, in contemporary economies human capital is crucial for economic growth (Mincer, 1984). But on the other hand, delaying entry to the labour market affects the financial situation of young women and prevents them from gaining valuable work experience and leads to postponement of childbearing decisions. Moreover, as mentioned before, decreasing economic activity of young people combined with declining share of youth in the working-age population leads to increases in dependency rates, which raises questions about the future sustainability of pension systems.

Work (or other job-related activities e.g. apprenticeships) during studies is a solution that make possible combining benefits of a high level of education and the early start of economic activity. In OECD countries 1/3 of students combine study and work (including apprenticeships and other work-study programmes). However, there are significant differences among OECD countries in school-to-work transition patterns, and in particular in the prevalence of combining work and education (Figure 3). Based on the share of students working and age of leaving education, OECD classifies its member countries into groups

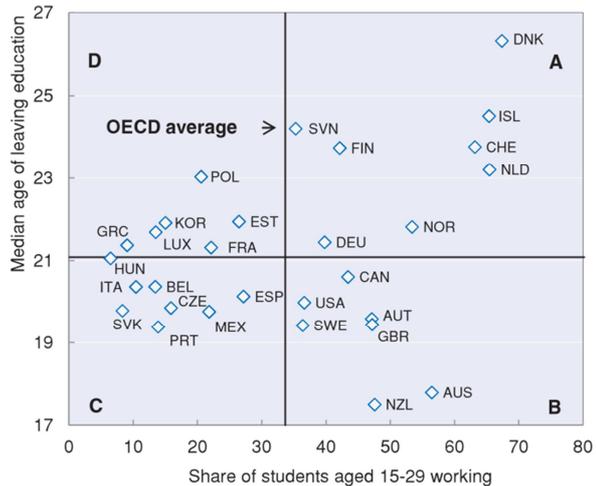
representing four different models of school-to-work transition (Figure 3): (1) model of study late while working (Quadrant A), (2) model of study while working (Quadrant B), (3) model of study first, then work (Quadrants C and D) and (4) apprenticeship model (Quadrants A and B).

Figure 2. Economic activity rate among 15-24 year olds in OECD and UE 15, by sex (1985-2011; in %).



Source: OECD Stat

Figure 3. Leaving education and combining school and work in OECD countries (2008).



Source: OECD (2010)

Despite the fact that working while studying reduces the problem of school-to-work transition, groups 1 and 2 entail potential risks. Group 1 (study late while working) faces the problem of a delayed full-time, full year labour market entry (OECD, 2010), while group 2 (study while working) faces a problem of underinvestment in skills in initial education. On the other hand, in the model of study first then work the labour market entry may be too abrupt to provide smooth school-to-work transition. According to OECD (OECD, 2010), this model primarily refers to countries with an elitist education system (e.g. France, Japan, Korea) where selective diplomas are valued highly by employers. In the elitist education system students have little incentive to combine study and work, as this can delay finishing school. If their education path deviate from a standard one they have more difficulty obtaining a qualification that protects them from the risk of unemployment. The school-to-work transition is different in Australia, Canada and the Nordic countries, where young people flow between work an education many times, before finally settling into their careers. What is more, late completion of education is very common in the Nordic countries. The median age at which young people start tertiary education is 23 in Denmark. In order to lower the age of graduation of Danish students, a special scholarship that rewards early start of tertiary education, have been introduced.

There is some evidence (Neumark, 2008), that school-to-work programmes (i.e. summer jobs, internships and apprenticeships) have a strong positive impact on labour market activity, skill development, wages, and earnings of their participants. What is more, many studies indicate, that work experience acquired while studying has a clear positive effect on future labour market outcomes only if the job is related to the student's field of study. Student jobs

and internships can help to break the cycle of “no job no experience, no experience no job” commonly perceived by both youth and employers (OECD, 2010). However, it is important not to neglect the educational duties while combining study and work. And on the other hand, achieving the right balance between work and education prevents postponing labour market integration by older students. According to OECD (OECD, 2010) some exposure to the labour market via summer jobs, internships, or in jobs of no more than 15 hours a week should not compromise school achievement in case of high school students. What is more, it makes school-to-work transition easier. The school-to-work transition is more difficult in countries where the dominant transition model is “study first, then work” and is easier in countries where combining study and work is frequent (OECD, 2010).

Full-time job could impede students’ effective learning. Therefore, the possibility of taking part-time work and flexible working time may allow students to combine work with education. The incidence of part-time work has increased in recent decades, particularly during the 1980s and the early 1990s, while the past decade has seen it grow further still (OECD, 2012b). Interestingly, the growth of the prevalence of part-time employment is predominantly due to the increasing share of women working part-time.

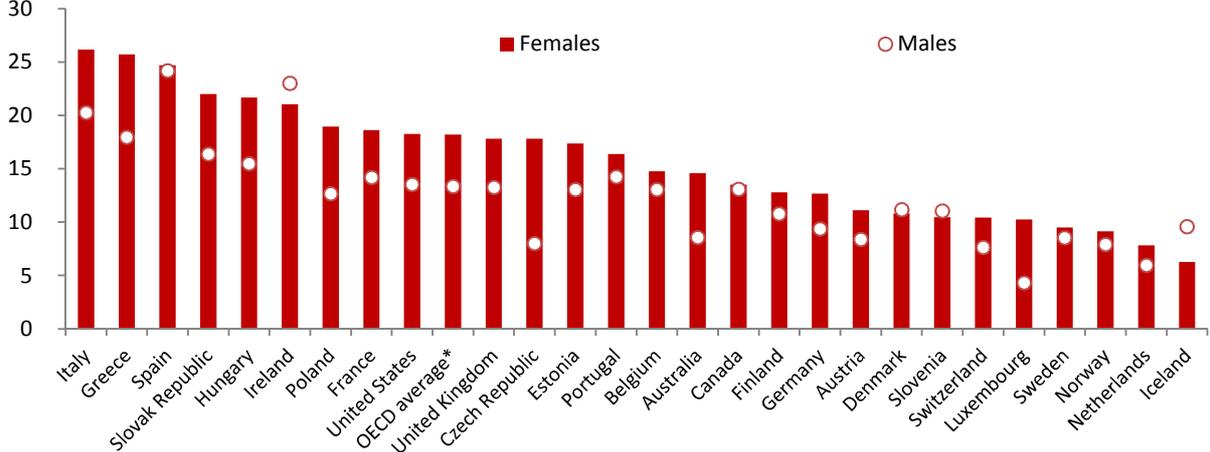
As previously mentioned, one of the ways to facilitate school-to-work transition is to gain professional experience before entering the job market. Therefore, initiatives for combining work with education or offering apprenticeships and workshops may shorten the period of transition from school to work. According to OECD (OECD, 2010), successful programmes aimed at smoothing school-to-work transition appear to share the following characteristics:

- **Early intervention and cooperation of all responsible stakeholders.** Bodies of the educational system should closely cooperate with public employment services to reach youth as soon as possible when they are at risk of dropping out of school. The sooner a student is directed to the PES, the greater the likelihood of success.
- **Good programme targeting.** Youth outreach programmes should be provided to all unemployed young people, including both the NEET youth, and the jobless graduates. However there is a need to distinguish between teenagers and young adults and between graduates and early school-leavers. All of these groups face different problems. For instance, usually the best way to solve the employment problems of teenagers is to help them remain in school and gain qualifications, while young adults need some help to obtain work experience.
- **Strict conditions of granting all benefits.** Tight job-search requirements and mandatory participation in ALMPs under the threat of unemployment benefit sanctions prevent long-term exclusion. During economic downturns unemployment benefits could be provided to young persons without sufficient work experience, who usually are not entitled to this kind of support. However, this should be coupled with moderate benefit sanctions, if the person does not show a willingness to cooperate and to activation.

What is more, according to OECD (OECD, 2010), programmes that combine various services and offer integrated set of tools seem to be more successful.

A second challenge relating to youth labour market position concerns those, who are neither in employment, nor education (the so called NEETs), as they require a different policy approach. Moreover, this phenomenon is also strongly gender-biased. Between 2008 and 2011 the proportion of 15-24 year-olds neither in employment nor in education in the EU increased from 11% to 13% (Eurofound, 2012). There was a huge variation between Member States, with rates ranging from below 7% (the Netherlands, Luxembourg) to above 20% (Italy, Greece, Spain). What is important, there are some groups at greater risk of being NEET than other. For example persons with low levels of education are three times more likely to be NEET compared to those with tertiary education. Being an immigrant or disabled also carries an important risk factor. As mentioned, in many countries women are more likely to be NEETs than men (OECD, 2012b). The proportion of NEETs in OECD countries is averagely 5 percentage points higher among 15-24 year-old women than among men (OECD, 2013). This gap is relatively high in Czech Republic, Poland, Greece, Luxembourg, or Hungary, while in Ireland, Iceland, Denmark and Slovenia the proportion of persons not in education and inactive is higher for young men than for young women.

Figure 4. Percentage of 15-24 year-olds neither in employment nor in education (NEET), by gender (2011)



Source: OECD (2013).

At EU level, NEETs are considered to be one of the most problematic groups in the context of youth unemployment, because of the group's heterogeneity. They include (Eurofound, 2012):

- the conventionally unemployed,
- the unavailable (young carers, people with family responsibilities, sick or disabled young people),
- the disengaged (young people who are not seeking jobs or education and are not constrained from doing so by other obligations),
- the opportunity-seekers (young people who are actively seeking work or training, but are holding out for opportunities that they see as befitting their skills and status),
- the voluntary NEETs (young people who are travelling and those constructively engaged in other activities such as art, music and self-directed learning).

The NEETs group includes both people who are extremely disadvantaged and those who have voluntarily decided to exit both the labour market and education. It is important to take into account the heterogeneity of the NEET population, when designing policies to re-engage NEETs with the labour market or with education (Eurofound, 2012). Furthermore, these need to incorporate a gender perspective, as men and women tend to be driven by different factors keeping them away from education and the labour market.

3. Maternity and labour market participation

Young mothers often withdraw from the labour market because they are not able to combine it with childcare (Matysiak, 2012). However, there are countries, where the employment rate among mothers almost equals the total employment rate. In Slovenia, Iceland, Sweden and Denmark the share of employed among mothers (of children under 15 years of age) exceeds 80% and is almost the same as the employment rate among all women aged 25-54 (OECD, 2012c). On the other hand, there are countries in Europe, where the difference between women's employment rate and those among mothers is greater than 10 p.p. (Czech Republic, Slovakia, Hungary). Since in some countries this difference does not exist, and in others it is significant, additional labour reserves are likely to be found among young mothers. There are many factors behind international differences in the participation of mothers in the labour market (Gauthier, 2012; Matysiak & Vignoli, 2011). However, labour market policies are crucial.

Parental leave¹

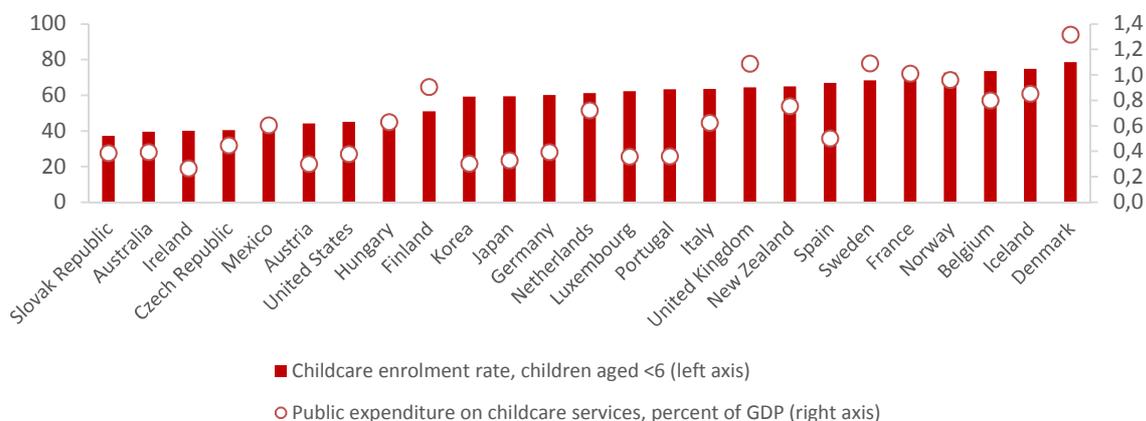
According to OECD (OECD, 2011a), the duration of parental leave may strongly influence the future activity of women. If paid parental leave is too short, mothers may not be ready to return to work and instead become inactive. On the other hand, if paid leave is too long, skills may deteriorate and a return to work may be difficult. The duration of parental leave varies considerably across OECD countries, and so is the employment rate among mothers of children under 3 years of age. Naturally, there is a negative relation between these two. What is more, if a leave (maternal or parental) is unpaid its effect on mothers activity is negative, but less than in case of paid leave. Finally, the degree of participation of men in caring obligations, including the take-up of parental leaves is of equally crucial importance for female return to the labour market and their career prospects.

Childcare

Childcare services are another key factor in the determination of maternal employment behaviour. Public spending on childcare and pre-school services (as % of GDP) is highest in the Nordic countries, France and the United Kingdom (OECD, 2011a). These countries are among the countries with the highest participation of children in formal childcare services.

¹ Parental leave refers usually to the 2-nd stage caring arrangements offered after maternity leave expires; it usually is targeted at men and women, though women are much more likely to participate.

Figure 5. Proportion of children aged less than six enrolled in formal childcare services (2008) and public spending on childcare services (as % of GDP).



Source: OECD (OECD, 2011a)

Flexible workplace practices

Flexible workplace practices (e.g. part-time work, flexible working time, teleworking) can also improve the work-life balance, especially when they are accessible to men, as well as women, and across economic sectors and occupations. According to OECD (OECD, 2011a), flexible workplace practices are particularly important when other policies for work-life balance (e.g. childcare services) are underdeveloped, although (Greve, 2012) indicates that the ability and approach to combining work and family life to a large degree depends on the role of the state, with a less important role of firms.

Pregnant employees are a first group benefiting from specific work arrangements aimed at protecting children’s and women’s health (OECD, 2011a). Through flexible solutions woman does not have to resign from activity during pregnancy. When duties at work pose health risks for mother or unborn child, the scope of duties may be modified. During a few months after giving birth, mothers are frequently entitled to breaks during the working day in order to care after new-born child (e.g. to feed a child). Often such breaks can be up to 30 minutes without loss of earnings (OECD, 2011a). The statutory right to such facilities are available in most EU countries.

To help working parents achieve a better work-life balance, in many OECD countries the right to adjust working hours have been granted. Flexible working hours allow young parents to adjust their activities to the time of day at which the child is under the care of childcare services. More than half of firms² in the EU offer employees flexitime arrangements which allow for an accumulation of additional working hours that can result in taking additional days leave (OECD, 2011a). The share of firms allowing employees to freely choose the time of start and end of the working day is much lower. The exception is the United Kingdom and Ireland, where about half of employers offer this type of flexibility. The statutory right to request flexible working hours for family reasons is rare in the OECD

² with 10 or more employees

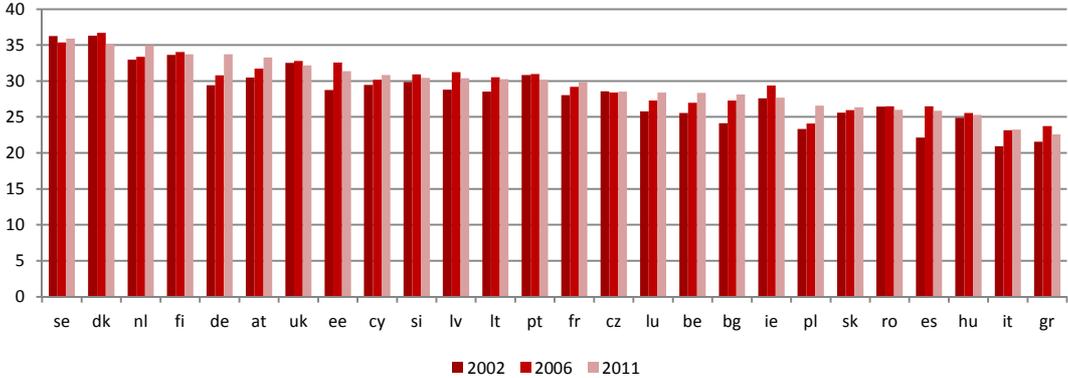
countries. Only in Australia, Iceland, Italy, Japan, Portugal, Slovakia and Spain such right is provided.

Part-time work also can help to reconcile work and family life as it well matches care commitments and school-hours. Men and women choose part-time employment for different reasons: motives of the latter are predominantly family-related, whereas men’s motives are mainly linked to further vocational training or difficulties in finding a full-time job (Brenke, 2011). As mentioned, flexible work arrangements are particularly important, when other work-life balance policies are underdeveloped. In fact, there is a positive relation between the part-time share in female employment and child care cost (OECD, 2011a). Many OECD countries have set statutory rights for parents (or persons taking care of dependent adults) to request part-time work. In most OECD countries the employer has to agree to such a request, or may refuse only on serious business grounds.

4. Women and retirement

There are considerable cross country differences in the average length of female working careers (cf. Figure 6). In Sweden and Denmark women are active on the labour market for more than 35 years, whereas in southern European countries like Italy and Greece the number of expected years in employment for women is lower than 25, which is mainly due to their much earlier withdrawal from the labour force, but also various approaches to linking work & studying or childbearing with economic activity, discussed in the previous sections. Taking the Scandinavian female labour market participation rates as a benchmark reveals the potential increases in the size of the labour force European countries could attain.

Figure 6. Average expected years in employment for women, 2002, 2006 and 2011



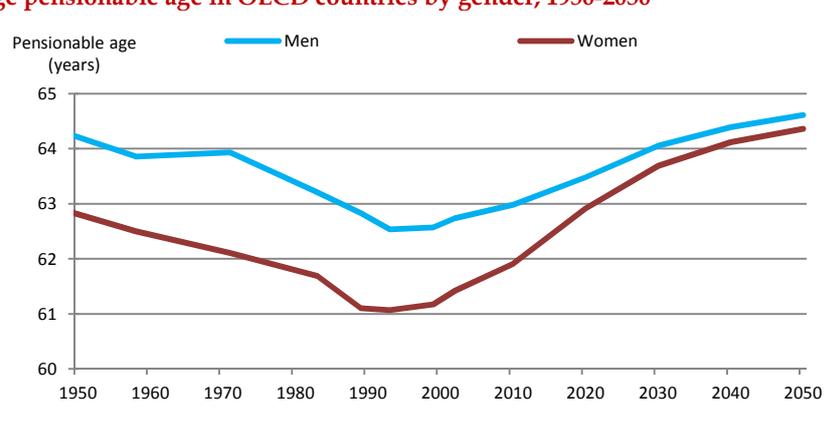
Source: own calculations based on LFS data, Eurostat

The untapped labour market potential lying in women approaching the retirement age could be potentially explored in the future assuming there are changes in the institutional setting driving female retirement decisions. There is a whole spectrum of policies relevant in this field, which impact women's decisions to stay or withdraw from the labour market (together with labour market conditions and individual circumstances, such as health or caring obligations), driving their labour market participation rates. These policies refer mainly to the retirement age and pensions generosity (Riedel & Hofer, 2013), although the interactions

with female wages and the propensity to retire as well as other measures do matter, too (Chłoń Domińczak, 2013a). We discuss them briefly below.

Retirement age. Evidence from countries that already introduced changes to the legal pensionable age suggests, that it is a crucial factor impacting on retirement decisions (Chłoń-Domińczak, 2013a) analyzes legal changes and their impact on labour market participation rates in Poland and Hungary). Raising the retirement age for women and equalizing it with men's has a strong impact on female decisions to remain longer on the labour market, raising their overall participation rates and extending their working lives. Interestingly, (Riedel & Hofer, 2013) point that standard retirement age seems to have a larger effect on the planned retirement than in poorer EU15 states or in new EU member states. Many European countries are now closing the pensions gap between men and women by equalising their retirement ages. Legacy of inequality in pension outcomes between men and women exists in many pension systems. Over the past decades, this gap has narrowed due to changes in labour market participation patterns and previous pension reforms, yet inequalities remain in terms of pensioner incomes or entitlement to mandatory pensions (cf. Figure 7).

Figure 7. Average pensionable age in OECD countries by gender, 1950-2050



Source: (Chomik & Whitehouse, 2010)

Between 2011 and 2040 the number of countries that has different pensionable ages of men and women is expected to decrease from 12 countries (with largest difference in Romania, Austria, Greece, Poland and the UK amounting to 5 years) to three (Bulgaria, Slovenia and Romania). Average gender difference in pensionable ages in 2040 will be smaller than observed in 2011, on the average equal to 2 years. Between 2011 and 2040 women legal retirement age will increase in 19 member states – in Poland and the UK the change will be the largest and equal to 7 years.

Increases in the statutory retirement age are a necessary policy, given the demographic trends, where one of the most important developments is the increase in life expectancy. (Oeppen & Vaupel, 2002) show that record female life expectancy rates for eight different developed countries have increased linearly by about three months per year for the past 160 years, exceeding 85 years at the end of 20th century. They argue that this trend shows no sign of levelling off and very long lives are the probable destiny of current and future generations

Generosity of the pension system. The replacement rates offered by the pension system (that is the relation of the old-age pension to the last wage received while still working) is an important driver of retirement decisions, thus impacting the size of the labour force. Pension incentive to retire is strongest where levels of pension wealth are high at early age (around 60 or even before), and the change in pension wealth from continuing in work to age 65 is low or negative (the findings of (OECD, 2011b) and. (Riedel & Hofer, 2013). This relates particularly to women, who are more likely to be incentivised by the design of the pension systems (and their internal redistribution from men towards women) to exit labour market early. Current reforms tend to affect pension entitlements – in many countries there is a tendency to introduce closer links between lifetime contributions and pension benefits, for instance through implementation of (nonfinancial) defined contribution schemes (Holzmann & Palmer 2006; Holzmann et al. 2012; Fultz et al. 2003), which affects women more due to their usually shorter working careers and lower wage levels. These changes, together with supporting policies, are likely to increase female labour market participation, mainly by extending their working lives.

Wages and the propensity to retire. Not only employment, but also wage level matters from the perspective of the future pension level and propensity to retire (see for example D'Addio, 2012; Department for Work and Pensions, 2005; DG Employment & Social Protection Committee, 2012; Fornero & Monticone, 2010; Fultz et al., 2003; Ginn, 2003; James, 2012; Renga, Simonetta, Molnar-Hidassy, Dora Tisheva, 2010)). Lower wages of women (related to men) reduce the potential level of future pension, but also encourage faster transition to retirement, particularly in those pension systems that have substantial income redistribution in their pension formulae. Indeed, in several countries women are now likely to be willing to work longer because of the changes in pension systems that reduce relative level of pensions in the future, in particular the replacement rates among low earners. The drop in the progressivity of pension systems and the projected increased risk of poverty a decade after transition to retirement among women is likely (if known to them) to drive their decisions about postponing the retirement to put more savings aside. Also the potential postponement of human capital depreciation at older ages due to life long learning will likely increase female's propensity to remain longer on the labour market (Ruzik-Sierdzińska, Lis, Potoczna, Belloni, & Villosio, 2013).

Other measures. There are several other policies that affect female labour market participation. In the light of expected labour force shortages, employers are in favour of many of them, such as encouraging part-time workers to work full time, cutting back early retirement programmes or raising legal retirement ages. Such reform directions would affect to a large extent women, who are more frequently working part time, which is used as one of measures of reconciliation work and family lives. At the same time as (Styczynska, Riekhoff, Lis, & Kamińska, 2013) show, changes in the traditional patterns of employment might affect the labour market activity of the elderly differently among countries, depending on the flexibility of their labour markets. Other set of policies in this respect relates to old-age pension entitlements for periods outside labour market related to childcare, which compensate for loss of pension rights due to break in employment careers. Most of the EU countries have some kind of arrangements in their pension systems which reward periods of

inactivity due to childcare. These mechanisms have the objectives to guarantee a decent income for mothers; boost fertility rates; ease early retirement of working mothers and/ or offset some of the cost for dependent children. The compensation for childcare within pension system usually take the form of an explicit maternal credit, which differ considerably with respect to replacement rates for interrupted careers are in comparison to the full career. The extent to which they are stable over time, progressive or regressive impacts the decisions of women on how to shape their working careers and thus determines female participation rates in the prime aged group. Pension systems granting higher compensation for childcare, from the perspective of this paper, are likely to thus decrease female activity rates.

Summing up, the challenges ahead of pension systems will undoubtedly lead to reforms affecting female labour market participation and increasing the age at which women exit labour markets. At the same time pension systems need to be fair from gender perspective - they should not only encourage labour market participation of women, but also need to take into account necessary redistribution supporting the reconciliation of different life courses, including also family life and periods of childcare. The results of (Chłoń-Domińczak, 2013a) show that countries that have little gender differences in labour markets also tend to have pension system policies that are gender-friendly, while in countries with high gender differences, pension systems often do not compensate them at retirement. Thus, there is a need for more life course perspective in female retirement policies, taking into account the complimentary role of labour market and pension systems

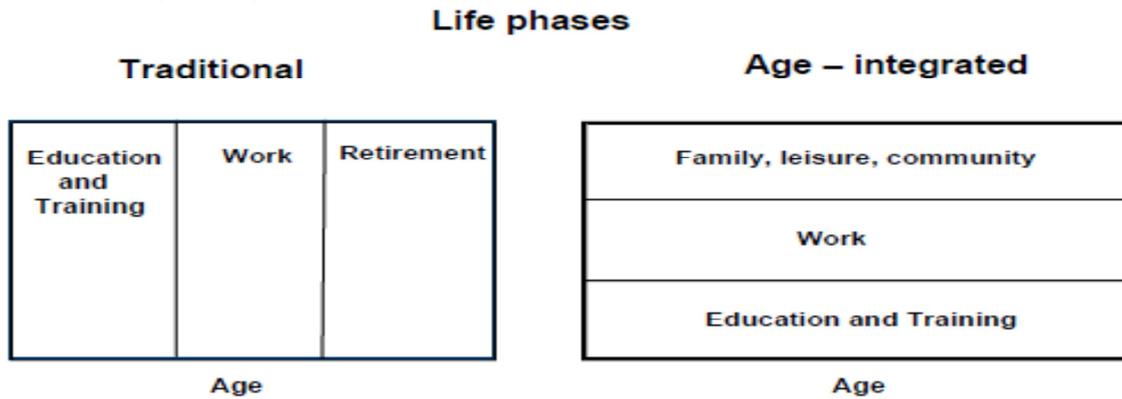
5. Lifelong learning and female labour market potential

The last but not least set of policies that can increase the female labour market potential relates to their human capital and lifelong learning, as a means of improving it.

The need for life-long and life-wide learning for skills development is acknowledged both in the literature (Cross, 1981; Evers, Rush, & Berdrow, 1998; Field, 2006) and in international policy discussions. While in the 1990s it was treated as a “policy fashion”, currently it is a necessity. OECD Skills Strategy published in 2012 “Better skills, better jobs, better lives” (OECD, 2012d) underlines that skills become the currency of the 21st century. Individuals develop their skills in different ways: in education or at work. Initial results of the PIAAC Survey trial indicate, that people in their mid-twenties develop skills while in education and in work, but those who are neither in employment, education or training are at risk of skill loses (OECD, 2012: 28) Thus, it is important to take into account the life-course context

Given demographic change, investment in the quality of human capital through LLL is crucial. There is a need to shift towards an age-integrated perspective with continuous activities on education and training in the life course, as illustrated in Figure 8. In an integrated life course perspective, different forces are affecting career choices and mobility of women compared to men, and these are also changing over time.

Figure 8. Active age – integrated life course



Source: (Reday-Mulvay, 2005)

Prolonging working lives (as described in the previous section), which affects women to a larger extent, puts a new challenge ahead of them, to update their skills while at the time they are faced with the demand for care from their elderly parents or grandchildren.

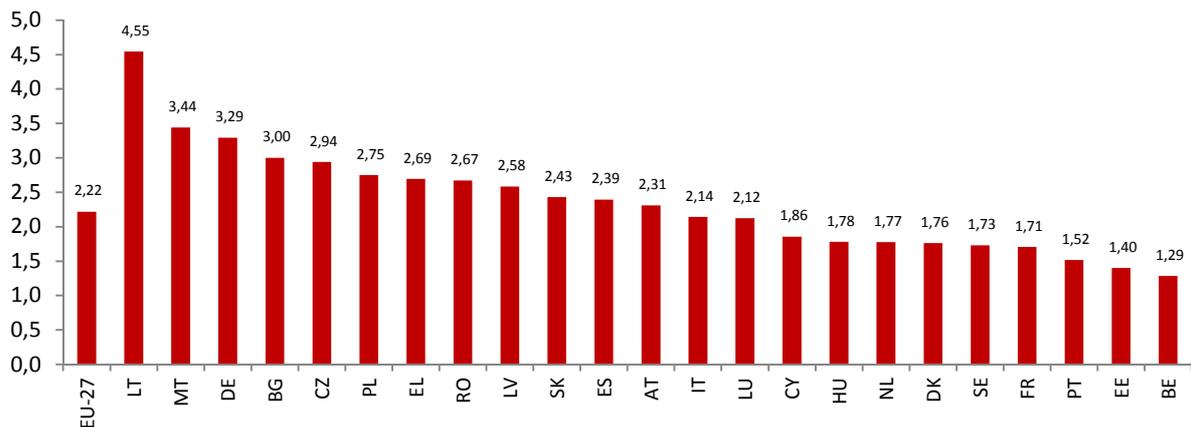
There is much evidence on the gender differences in lifelong learning approaches and outcomes, that men and women appear to participate in job-related training at fairly equal rates, although men receive more financial support from their employers. But, due to the less continuous employment and career breaks (i.e. related to childcare periods) in the life course women have on average shorter time spent in education (OECD 1999). On the other hand, (Arulampalam, Booth, & Bryan, 2004) find that women are no less likely than men to undertake educational activities. On the contrary, in four countries (Spain, Italy, Denmark and Finland) they are considerably more likely to participate in training. (Chłoń-Domińczak, 2013b) finds that for most of the countries women are less likely to participate in formal education, but more likely to take part in non-formal education (courses).

Biagetti & Scicchitano, 2009 state that past training has a stronger impact on the probability of lifelong learning among women, while personal and job-level characteristics are a stronger determinant of adult education among men. Several studies confirm significant job-place differences (mainly from a sectoral perspective) in the intensity of LLL (Huber & Huemer, 2009), (Chłoń-Domińczak, Trawińska, & Sienkiewicz, 2013; Sienkiewicz, 2013). Training participation is higher (at statistically significant level) in sectors with higher share of female workers (Bassanini & Brunello, 2010). Finally, (OECD, 2011c) and (Quintini, 2011) find that women’s skills are better fit to the labour market needs, compared to those of men, while at the same time female qualifications are more mismatched.

There are differences not only in participation of men and women in various types of formal and non-formal education, but also differences in reported reasons for lack of participation in educational activity as well as obstacles to such activity (Chłoń-Domińczak, 2013b). Personal and family reasons more often conflict with educational activity of women. Men more frequently indicate that they don’t want to participate in education or they encounter conflicts between work and learning.

The gender difference in declaring difficulties to participate in LLL activity due to personal reasons varies across countries, which is shown in Figure 9. Women indicate such difficulties three or more times more frequently than men in 4 countries (Lithuania, Malta, Germany and Bulgaria) while the female-to-male ratio of this indicator is below 1,5 in 2 countries (Estonia and Belgium). This indicates the potential increases in LLL participation once the personal obstacles were lifted or at least alleviated by well targeted and effective policies.

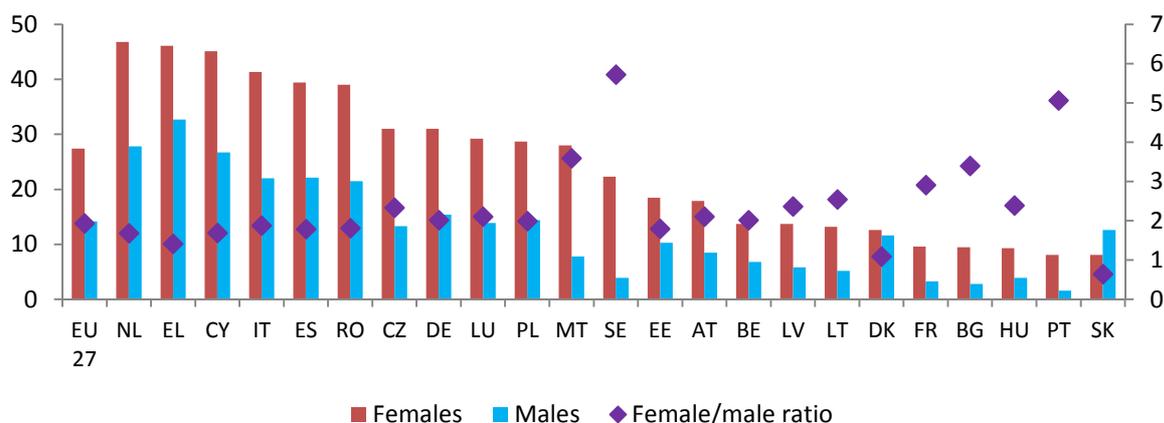
Figure 9. Female-to-male ratio in encountering difficulties to participate in LLL activity due to personal reasons.



Source: Chłoń Domińczak, 2013a

If we take a closer look on the impact of family responsibilities on lifelong learning at a country level, we can see that it was more frequently reported in the Netherlands, Greece, Cyprus, Italy and Spain. While interpreting this result we should remember that answers are subjective and can be country biased. In the Netherlands the high share of respondents may stem from high value placed on the family, including family responsibilities and child-care. The largest relative gender differences are observed in Sweden and Portugal (cf. Figure 10).

Figure 10. Obstacles related to family responsibilities by country



Source: Authors' calculations based Adult Education Survey, Eurostat (extracted on 13.05.2013)

The above findings are of great importance for the design of policy solutions that aim at increasing female participation in lifelong learning. Firstly, it is evident these should focus mainly on access to non-formal and informal education and obstacles that exist, mainly those relating to education- family time conflict. All policies that help women to better manage work-life balance, described already in previous sections (access to affordable childcare, flexible working time), will increase their chances to improve skills and competencies via further education and training. Secondly, it is of crucial importance to pay a particular attention to low - skilled women, with low labour market attachment, as they are much less likely to invest in further training, whereas lifelong learning activities should not contribute (as they do now) to increasing skills inequalities in the population. Thirdly, policy solutions should involve counselling services, helping women to plan their educational activities, so that they potentially reduce the mismatch resulting from formal education process. Moreover, these should also take into account a differentiated sectoral approach, to account for the large variations in lifelong learning rates by sectors.

Finally, a broader view is needed to acknowledge various learning paths, including non-formal and informal learning. Women learn skills related to care when they care for their children or elderly parents. Their competences can be assessed as a part of recognition of prior learning (RPL) and they can further gain qualifications that can be utilised in the labour market. This is especially important in the case of the market of care services (including long-term care) which is expected to develop due to the population ageing.

6. CONCLUSIONS

The great majority of developed countries experience population ageing with a declining share of working-age population. Moreover, the average age when entering the labour market increases, as a result of growth in popularity of tertiary education. An increasing demographic burden combined with declining activity rate of young people forces policymakers to seek additional untapped - or rather not fully used - labour market resources. These rely heavily on women, whose labour market potential is greater than currently in use. The aim of this paper was to summarize the research results on the potential ways of increasing female labour market participation and present synthesised policy conclusions and recommendations.

We identified several pathways to higher female labour market activity rates. Firstly, one way of obtaining additional labour force resources is to facilitate school-to-work transition, mainly by enabling youth - particularly young women, who are more likely to pursue tertiary education - to combine education and work. This includes several measures, focusing on greater working time flexibility, easier access to job seeking and employment support measures, including those enabling young people to obtain job experience, crucial for their labour market chances. Another important source of unused potential is a group of young mothers, who often withdraw from the labour market because of inability to achieve work-life balance. Although the problem is different, the set of measures is similar, though it should also encompass childcare provision, affordable and good quality one. Focusing on older cohorts, policymakers should aim at raising the retirement for women and equalizing it with men's. Secondly, the pension systems need redesigning so as to change the potential incentives for early withdrawal from the labour market, which usually affect women. However, the design of the pension system needs to take into account the career breaks women face due to childbearing. Next, there is a growing need for the development and support to childcare offered to older people -parents of the workers approaching the retirement age, so as to help them with the burden they face, offering care support to grandchildren and parents at the same time. Again, many of the above described policies will also contribute to increasing life long participation rates among women, together with a support to the planning of educational paths. Finally, though it was not discussed in this paper, putting more emphasis on improving job quality might act as an important incentives for women to enter the labour market, and for those approaching the retirement age - remain active longer.

The discussion in this paper focused on women, though men's role in increasing female labour market participation is crucial. There is a great need of their higher engagement in childcare (including take up of maternity and paternity leaves), sharing domestic duties and other caring obligations and this need has to be taken into account in any public policies targeted at women.

To sum up, there is a strong interrelation of all policies that are necessary to foster female labour market participation, easing their labour market entry and re-entry, helping them to remain in employment and prevent them from too early labour market withdrawal. These need proper design and quick, synchronized and complex actions, as demographic

challenges start to impact the labour market and societal well beings. These will also need to tackle the issue of filling up the gap in the market left by women who enter employment, supporting the development of services, in particular in the childcare and elderly care.

7. REFERENCES

- Arulampalam, W., Booth, A. L., & Bryan, M. L. (2004). Training in Europe. *Journal of the European Economic Association*, 2(2-3), 346:60.
- Bassanini, A., & Brunello, G. (2010). Barriers to Entry , Deregulation and Workplace Training: A Theoretical Model with Evidence from Europe. *CESifo Working Paper*, (2945).
- Biagetti, M., & Scicchitano, S. (2009). Inequality in workers' lifelong learning across European countries: Evidence from EU-SILC data-set. *MPRA Paper*, (17356).
- Brenke, K. (2011). Ongoing Change in the Structure of Part-Time Employment. *DIW Economic Bulletin*, 6, 13–23.
- Chłoń-Domińczak, A. (2013a). Female transition to retirement.
- Chłoń-Domińczak, A. (2013b). Does gender matter for lifelong learning activity?
- Chłoń-Domińczak, A., Trawińska, K., & Sienkiewicz, Ł. (2013). Intellectual Capital and Knowledge Management in KIS in Poland.
- Chomik, R., & Whitehouse, E. (2010). Trends in Pension Eligibility Ages and Life Expectancy, 1950-2050. *OECD Social, Employment and Migration Working Papers*, 105.
- Cipollone, A., Patacchini, E., & Vallanti, G. (2012). WOMEN LABOR MARKET PERFORMANCE IN EUROPE : TRENDS AND SHAPING FACTORS.
- Cross, P. (1981). *Adults as Learners. Increasing Participation and Facilitating Learning* (p. 300). Jossey-Bass, Inc., Publishers, San Francisco.
- D'Addio, A. C. (2012). Women and Pensions. In *Conference "Gender and Pensions" Università Bocconi, Milano 15 May 2012*.
- Department for Work and Pensions. (2005). *Women and Pensions. The evidence*. (Vol. 5, p. 297). doi:10.2307/3550285.
- DG Employment, & Social Protection Committee. (2012). *Pension Adequacy in the European Union 2010-2050*.
- Eurofound. (2012). *NEETs: young people not in employment, education or training: characteristics, costs and policy responses in Europe*. Luxembourg: Publications Office of the European Union.
- Evers, F. T., Rush, J. C., & Berdrow, I. (1998). *The Bases of Competence. Skills for Lifelong Learning and Employability*. Jossey-Bass, Inc., Publishers, San Francisco.
- Field, J. (2006). *Lifelong Learning And The New Educational Order* (p. 204). Trentham Books.

- Fornero, E., & Monticone, C. (2010). Effects of Pension Reforms on Women ' s Retirement Security. In B. Marin & E. Zolyomi (Eds.), (pp. 1-21). Ashgate.
- Fultz, E., Ruck, M., & Steinhilber, S. (2003). *The Gender Dimensions of Social Security Reform in Central and Eastern Europe : Case Studies of the Czech Republic , Hungary and Poland*. ILO Budapest Office.
- Gauthier, A. (2012). CROSS - NATIONAL DIFFERENCES IN THE LABOUR FORCE ATTACHMENT OF MOTHERS IN WESTERN AND EASTERN EUROPE.
- Ginn, J. (2003). *Gender, Pensions and the Lifecourse: How Pensions Need to Adapt to Changing Family Forms*. The Policy Press.
- Greve, B. (2012). RECONCILIATION OF WORK AND FAMILY LIFE IN FOUR DIFFERENT WELFARE STATES.
- Holzmann, R., & Palmer, E. (2006). *Pension Reform. Issues and Prospects for Non-Financial Defined Contribution (NDC) Schemes*. World Bank.
- Holzmann, R., Palmer, E., & Robalino, D. (2012). *Nonfinancial Defined Contribution Pension Schemes in a Changing Pension World, Volume 2: Gender, Politics and Financial Stability*.
- Huber, P., & Huemer, U. (2009). What Causes Gender Differences in the Participation and Intensity of Lifelong Learning. *WIFO Working Paper*, 353.
- James, E. (2012). Gender in the (Nonfinancial) Defined Contribution World: Issues and Options. In R.Holzmann, E.Palmer, D.Robalino (eds.), 2012, *Nonfinancial Defined Contribution Pension Schemes in a Changing Pension World. Volume 2: Gender, Politics and Financial Stability* (pp. 3-33).
- Lewandowski, P., Magda, I., & Baran, J. (2013). Gender dimension of the labour markets over the past two decades .
- Matysiak, A. (2012). Fertility developments in Central and Eastern Europe : the role of work-family tensions.
- Matysiak, A., & Vignoli, D. (2011). Working papers Different women ' s employment and fertility behaviours in similar institutional settings: Evidence from Italy and Poland Different women ' s employment and fertility behaviours in similar institutional settings : Evidence from Italy and P.
- Mincer, J. (1984). Human capital and economic growth. *Economics of Education Review*, (803). Retrieved from <http://www.sciencedirect.com/science/article/pii/0272775784900323>
- Neumark, D. (2008). Alternative Labor Market Policies to Increase Economic Self-Sufficiency: Mandating Higher Wages, Subsidizing Employment and Raising Productivity.
- OECD. (2010). *Off to a Good Start? Jobs for Youth*. OECD Publishing.
- OECD. (2011a). *Doing Better for Families*. OECD Publishing. doi:10.1787/9789264098732-en

- OECD. (2011b). *Pensions at a Glance 2011. Retirement-Income Systems in OECD and G20 Countries*. OECD Publishing.
- OECD. (2011c). Right for the Job: Over-Qualified or Under-Skilled? In *OECD Employment Outlook 2011* (pp. 191-233).
- OECD. (2012a). *Education Indicators in Focus* (Vol. 03, pp. 1-4).
- OECD. (2012b). Closing the gender gap. Paris.
- OECD. (2012c). *Maternal employment rates* (pp. 1-5).
- OECD. (2012d). *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies*. OECD Publishing. doi:<http://dx.doi.org/10.1787/9789264177338-en>
- OECD. (2013). *Education at a Glance 2013*. OECD Publishing. doi:10.1787/eag-2013-en
- Oeppen, J., & Vaupel, J. W. (2002). DEMOGRAPHY: Enhanced: Broken Limits to Life Expectancy. *Science*, 296(5570), 1029-1031.
- Quintini, G. (2011). Over-Qualified or Under-Skilled. A review of existing literature. *OECD Social, Employment and Migration Working Papers*, (121). doi:<http://dx.doi.org/10.1787/5kg58j9d7b6d-en>
- Reday-Mulvay, G. (2005). *Working beyond 60: Key Policies and Practices in Europe*. London: Palgrave.
- Renga, Simonetta, Molnar-Hidassy, Dora Tisheva, G. (2010). Direct and Indirect Gender Discrimination in Old-Age Pensions in 33 European Countries. *European Commission Directorate-General for Justice Unit JUST/D/2 Theme Equal Treatment Legislation*.
- Riedel, M., & Hofer, H. (2013). Determinants of the Transition from Work into Retirement. *NEUJOBS Working Paper*.
- Ruzik-Sierdzińska, A., Lis, M., Potoczna, M., Belloni, M., & Viloso, C. (2013). Age and productivity . Human capital accumulation and depreciation.
- Sienkiewicz, Ł. (ed. . (2013). *Zarządzanie zasobami ludzkimi w oparciu o kompetencje. Perspektywa uczenia się przez całe życie*. Warszawa: Educational Research Institute.
- Styczynska, I., Riekhoff, A., Lis, M., & Kamińska, A. (2013). THE IMPACT OF INSTITUTIONAL AND SOCIO-ECOLOGICAL DRIVERS ON ACTIVITY AT OLDER AGES.



WWW.IBS.ORG.PL