



► Spotlight on Work Statistics n°12

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New data shine light on gender gaps in the labour market¹

The world remains far from achieving the goal of decent work and social justice for all. Nowhere is this shortfall more evident than in the challenges that women face to secure work and earn a living in less developed regions of the world. This topic might seem like an area where novel insights are hard to come by. Indeed, gender inequality has proven to be a stubborn and damaging reality of the global labour market and it has been a key focus of analysis.² Nonetheless, new data just published by the ILO show that gender imbalances in access to employment and working conditions are greater than previously thought, particularly in the developing world, and that the pace of progress is disappointingly slow.

Beyond unemployment: the jobs gap

Estimates of global unemployment are low by historical standards. The global unemployment rate stood at 5.8 per cent in 2022, below the average rates in the two decades before the pandemic, and it is projected to remain at that level in 2023. Moreover, the picture does not change much when disaggregating unemployment rates by gender or country income group. Estimates range from 4.3 per cent for men in high-income countries to 6.2 per

cent for women in lower-middle income countries, a fairly modest gap.

Although the unemployment rate is a highly valuable labour market measure, it is also a very restrictive indicator. For this reason, we cannot conclude from unemployment estimates that women and men face the same difficulties in finding jobs. To be considered unemployed, it is not enough to be jobless and have an interest in working. An unemployed person must have been recently seeking work and available to take up a job at very short notice, typically a week.³ These criteria are less likely to be met by women, for instance due to their disproportionate involvement in unpaid care work.⁴ These activities can leave little time for job search and one week is often too short to arrange alternative care.

The ILO has developed a new indicator, the jobs gap, that captures all persons who would like to work but do not have a job. Relaxing the restrictions on search and availability inherent in unemployment statistics results in much higher estimates of labour underutilization. In 2022, the global jobs gap stood at around 473 million people, more than double the unemployment headcount of 205 million. This equates to a jobs gap rate of 12.3 per cent, which represents the share of those who would like to work that are jobless.⁵ This new indicator paints a picture

¹ This brief was prepared by Roger Gomis, Paloma Carrillo, Steven Kapsos and Avichal Mahajan of the ILO Department of Statistics' Data Production and Analysis Unit.

² See for instance, [ILO 2018](#), [ILO 2021](#).

³ See the first resolution of the [19th International Conference of Labour Statisticians](#).

⁴ See [ILO 2019](#).

⁵ This incidence rate is interchangeably referred to as the "jobs gap" or the "jobs gap rate". It is computed in an analogous manner to the unemployment rate: the numerator includes all those without a job and wanting one, and the denominator includes all those without a job and wanting one plus total employment.

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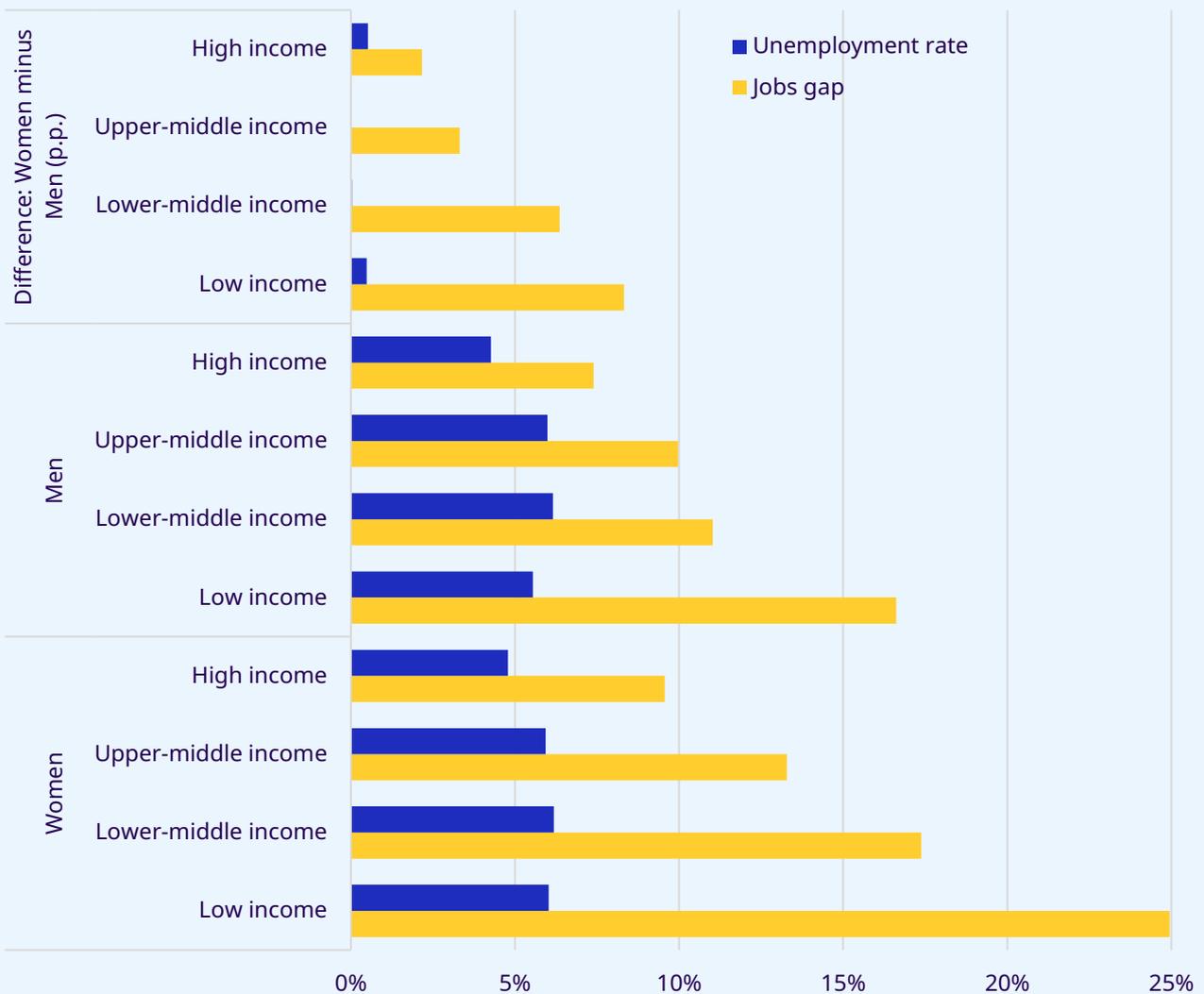
of a pervasive lack of employment opportunities around the world, much larger than what the global unemployment rate of 5.8 per cent suggests.

However, it is when analysing the disaggregated estimates that the results become truly staggering. Figure 1 presents a comparison of unemployment rates and the jobs gap indicator by gender and country income group. The uniformity in unemployment rates, with noticeable but minor variations across groups, stands in stark contrast to the wide variation in the jobs gap. Moreover, this variability presents a clear trend in terms of gender and level of economic development. The smallest jobs gaps are found in high-income countries, with men

registering a rate of 7.4 per cent and women 9.6 per cent. However, as national income decreases, the jobs gap increases, as does the gap between women and men.

These patterns result in strikingly high jobs gaps for women in the developing world, reaching 24.9 and 17.4 per cent in low-income and lower-middle-income groups, respectively. For comparison, the corresponding rates for men are 16.6 and 11.0 per cent, already a worryingly high level, but significantly lower than the rates for women. Overall, the estimates point to severe difficulties faced by women in finding a job, particularly in the least developed countries.

► Figure 1 - Unemployment rate and jobs gap, 2022, by gender and country income group

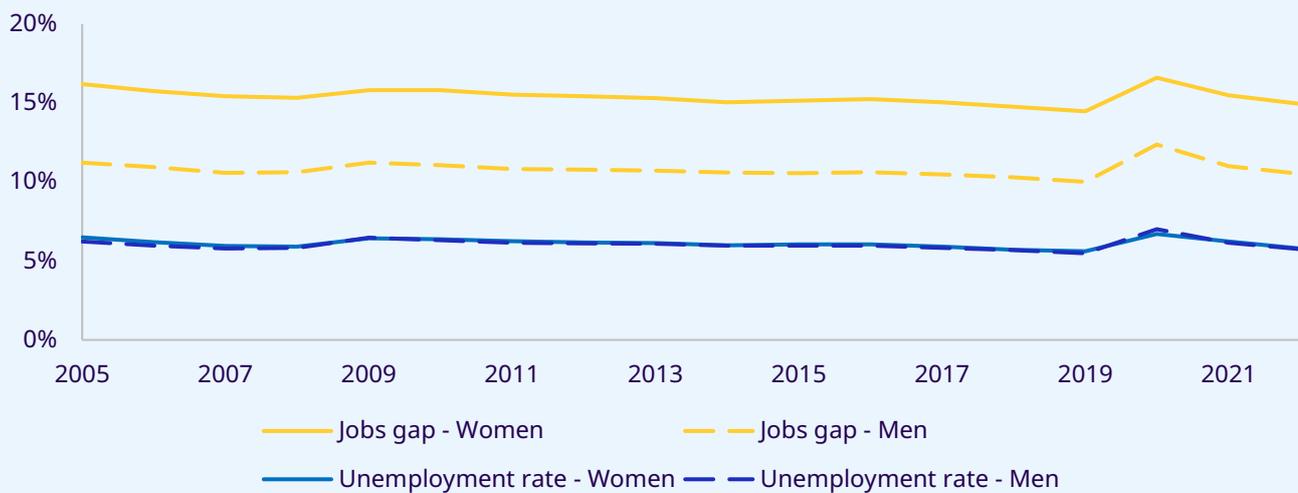


Source: ILO modelled estimates database, ILOSTAT

Globally, the gender disparity in the jobs gap has remained roughly unchanged in the last two decades (Figure 2).⁶ Over the same period, unemployment rates for women and men are virtually indistinguishable. The cyclical variations caused by the global financial crisis and

the COVID-19 pandemic are clear drivers of the labour underutilisation measures for both women and men. Nonetheless, the long-run behaviour of the gender imbalance in the jobs gap points to a persistent problem.

► Figure 2 - Unemployment rate and jobs gap rate by gender, 2005-2022



Source: ILO modelled estimates database, ILOSTAT

To better understand the factors behind the persistence in the jobs gap, it is useful to analyse the subcomponents included in the indicator. These include the unemployed and those who do not meet the availability and search criteria required to be classified as unemployed. Only slightly more than a third of the women included in the jobs gap indicator are unemployed (Figure 3). A further third

are either available to work or are searching for a job, but as they are not doing both at the same time, they do not figure in the unemployment headcount. The remaining third are also not considered unemployed because they satisfy neither the availability criteria nor the search criteria. In contrast, more than half of men included in the jobs gap indicator are unemployed.

⁶ Interestingly, over the same period in high-income countries, the gender differential in the jobs gap decreased sizeably, from a difference of 3.5 to 2.2 percentage points. In the rest of the income groups, no substantial decline has occurred.

► Box 1 - The motherhood penalty, a driver of lower participation

The new data on the jobs gap shows that women who want to work have a far harder time finding a job than men. Women's overall participation in the labour market remains much lower than that of men. Among people aged 25 to 54, the gender gap in labour force participation stood at 29.2 percentage points in 2022, with female participation at 61.4 per cent and male participation at 90.6 per cent. This large difference cannot be explained solely by women's greater difficulty in finding jobs. Recently updated ILOSTAT data suggests that a major factor lowering women's labour force participation globally is child-rearing. For those in the same 25 to 54 age group with at least one child under six, the labour force participation gap widens from 29.2 to 42.6 percentage points, with female participation at 53.1 per cent and male participation at 95.7 per cent.

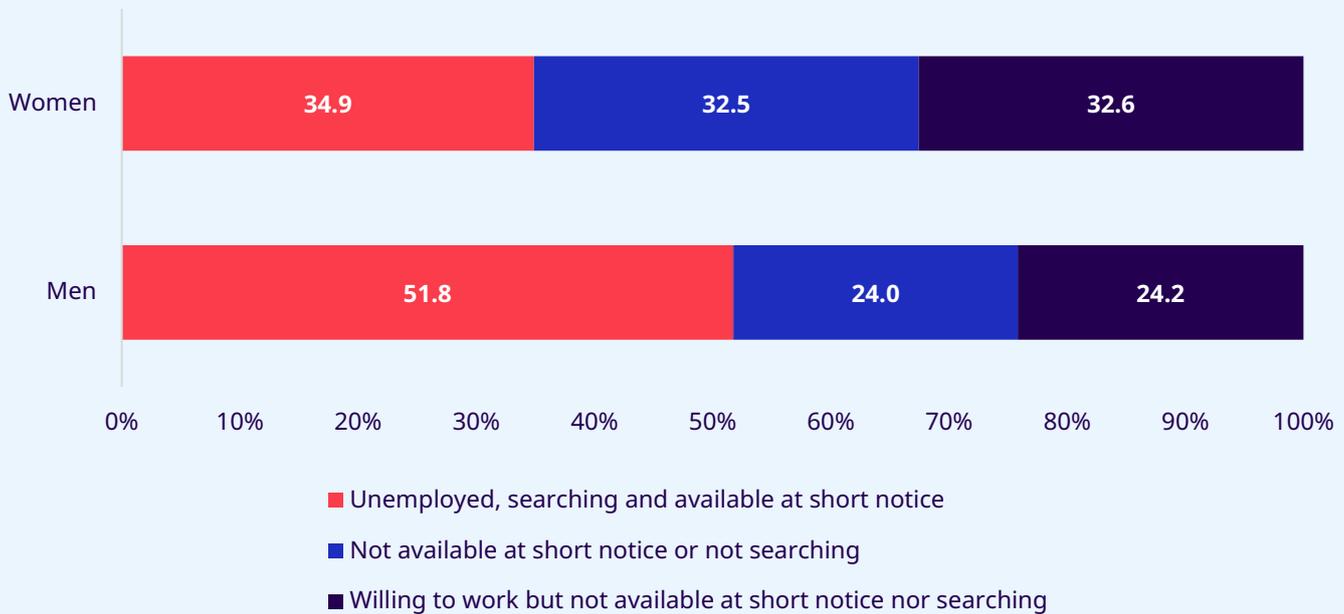
Mothers of young children are less likely to participate in the labour market than their peers (the "motherhood penalty") while fathers experience higher participation rates (a "paternity premium"). Although, women's participation is reduced by the presence of young children across all income levels, there are large variations in the motherhood penalty across income groups. The highest motherhood penalty ratio of 19.8 per cent is observed in upper-middle-income countries, meaning that mothers participate almost 20 per cent less than the average among 25-54 year-olds. The penalty in high-income countries is 13.2 per cent. The lowest ratios are observed in lower-middle-income countries at 4.3 per cent, followed by low-income countries at 5.4 per cent.



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There is considerable variation in female labour force participation of 25-54 year-olds in low- and lower-middle-income countries, ranging from 7 to 97 per cent. Some of these countries with high labour force participation, including many in Sub-Saharan Africa, may have lower motherhood penalties due to economic necessity, the complementarity of child-rearing with agricultural work, and the presence of extended family that can assist with child-rearing. Conversely, low- and lower-middle-income countries with low female labour force participation, as is common in South Asia, see only a small percentage of women in general joining the labour force, and child-rearing has less potential to further penalize women's participation. Women in upper-middle-income and high-income countries have higher average participation rates and may experience larger motherhood penalties due to the lack of complementarity between child-rearing and employment, combined with nuclear family structures. This highlights the importance of implementing country-specific policy interventions to support working mothers.

Figure 3 – The components of the jobs gap by gender, 2022



Source: ILO modelled estimates database, ILOSTAT

Why are there such large gender differences across the different subcomponents of the jobs gap indicator? First, personal and family responsibilities, including unpaid care work, disproportionately affect women, and these activities can prevent them from actively searching for employment or limit their availability to work at short notice. Second, search discouragement is higher for women than for men. Although global estimates are not available, national data shows that on average women are more affected than men by discouragement due to labour market reasons, such as a lack of suitable employment opportunities. Hence, the evidence points to both lack of opportunities and challenges to taking up opportunities as key drivers of the gender gaps. These findings imply that focusing on the unemployment rate by itself will understate the challenges that women face in finding a job.

The gender gap in earnings

The previous section presented gender gaps in access to employment. The focus of this section is on the gender gaps in earnings among those who have managed to secure employment, measured by differences in labour income. Labour income is the amount that employed persons earn by working. Economists use this concept to distinguish it from capital income. Owners of assets earn capital income due to their property. Assets include land, machines, buildings, patents, and others. Labour income includes the wages of employees and part of the income of the self-employed.

Estimates of the wage gap show⁷ a sizeable difference in earnings between men and women. Globally, slightly more than half of workers are employees, so wage differentials have a profound impact on gender inequality. Nevertheless, as almost half of the world’s workers are in self-

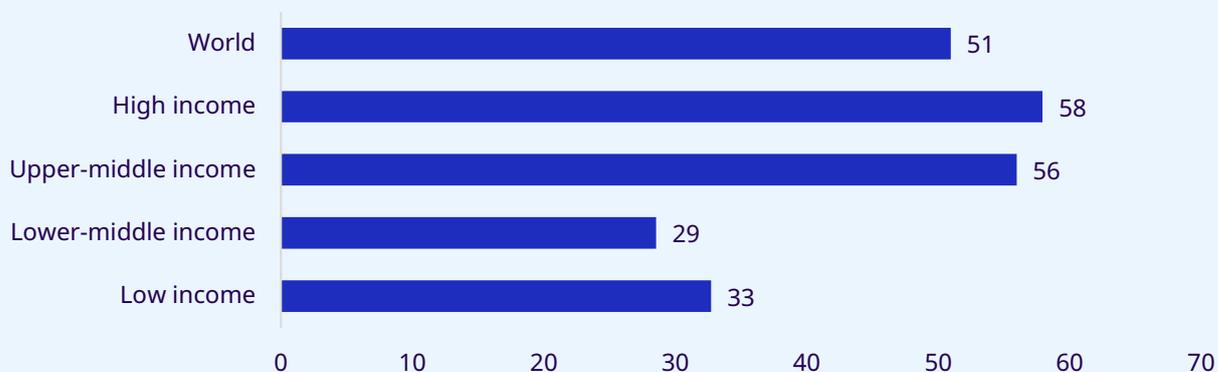
⁷ See [ILO 2018](#).

employment, labour income – encompassing earnings of all workers – provides a more comprehensive picture of gaps in earnings. Moreover, given that as national income declines both the rates of self-employment and gender imbalances tend to increase, studying labour income instead of wages results in more representative data in countries where imbalances tend to be worse, giving a more accurate picture of the gaps.

Newly published ILO estimates provide the first ever global and regional data on labour income disaggregated by gender.⁸ The shares of labour income by gender reflect the relative importance of earnings from work, taking into account differentials in employment, hours worked, occupational profiles,

and other factors. Hence, they can be interpreted as the cumulative impact of compounding imbalances and inequities in the labour market. Figure 4 presents the relative labour income of women (compared to men). The results are worrying. In 2019⁹, for each dollar men earned in labour income, women earned only 51 cents. In the case of labour income, analysing data separately by income group is particularly useful, as richer countries heavily influence the global estimates. In low- and lower-middle-income countries, the gender disparity in labour income is sizeably worse, with women earning 33 cents and 29 cents on the dollar, respectively. In high-income and upper-middle-income countries, women’s relative labour income reaches 58 and 56 cents respectively per dollar earned by men.

► **Figure 4 – Relative labour income of women compared to men by country income group, 2019 (100 = male level)**



Source: ILO modelled estimates database, ILOSTAT

The total gap in labour income is a consequence of the gender gap in average income per worker and the gender gap in employment. We can understand the relative importance of each mechanism by income group by analysing them separately. The results (figure 5) show the importance of gender equality in earnings, beyond the issue of unequal

participation in employment. In low-income countries, working women earn 43 cents for each dollar earned by men. This ratio is positively correlated with national income, reaching 73 cents in high income countries. The analogous figures for lower- and upper-middle-income countries are 61 and 71 cents respectively. One interpretation of

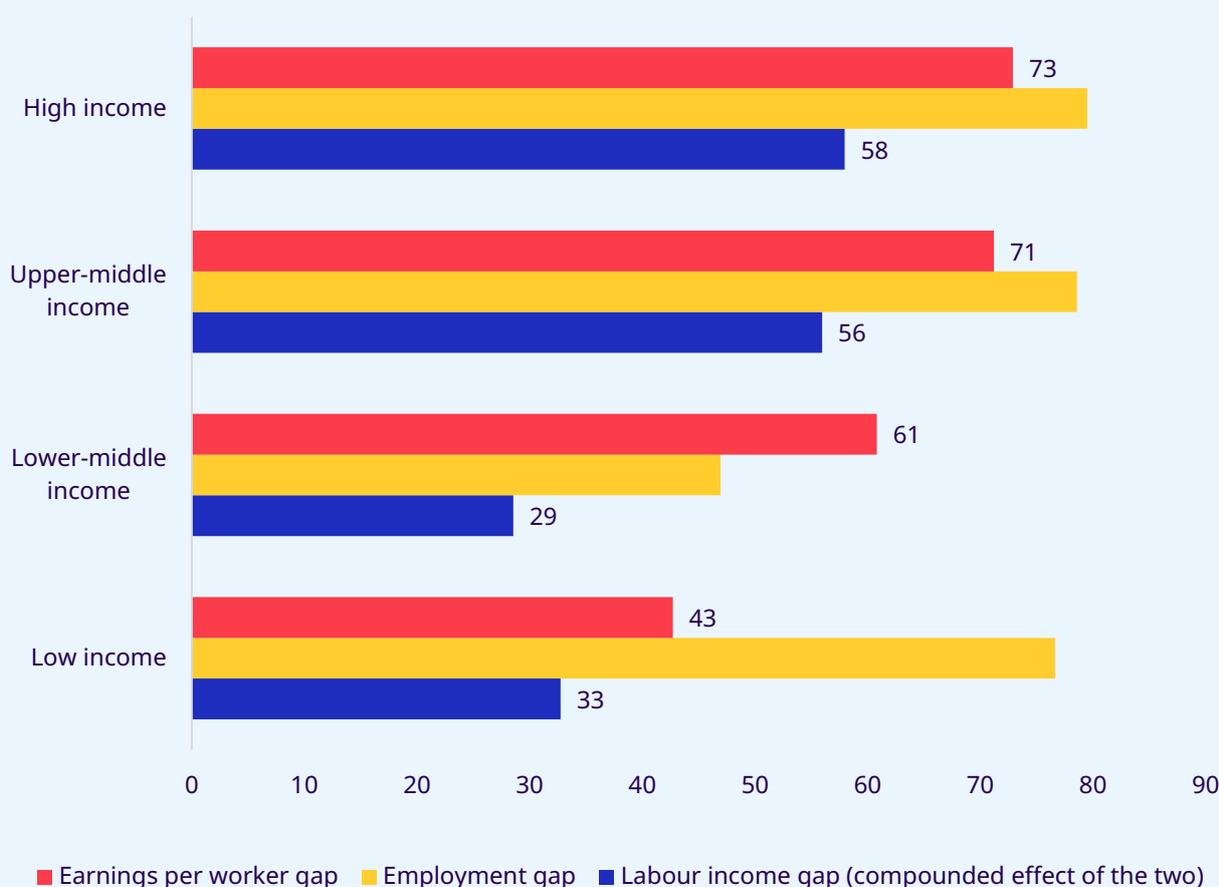
⁸ The model used closely follows the labour income share estimation strategy described in [ILO 2019](#).

⁹ The latest year with available estimates is 2020. However, due to the exceptional effects of the COVID-19 pandemic, the focus of this analysis is on 2019.

these estimates is that it represents the relative labour income of women if women were employed at the same rate as men. The very large gaps that would still be left, even after this hypothetical

massive shift in participation, underscores the importance of enhancing the quality of women’s employment for reducing overall gender inequality.

► **Figure 5 - Contribution to labour income gap, employment gap and earning per worker gap, 2019 (100 = male level)**



Source: ILOSTAT database, ILO modelled estimates.

Note: the labour income gap is equal to the employment gap times the income per worker gap.

Why does it matter?

The new ILO estimates provide important insights regarding gender-responsive labour market policy. First, rates of unemployment need to be complemented with broader measures of labour underutilisation – otherwise one risks significantly understating the lack of employment opportunities faced by women. Although this phenomenon was already well established, the magnitudes were not known. The global unemployment rates for women and men are practically identical,

whereas the new, broader measure of underutilisation introduced here shows a much larger gender gap in access to employment. The highest gaps are found in the developing world. Second, the jobs gap indicator quantifies the most urgent needs for employment creation. Globally, women of working age are employed at approximately two-thirds of the rate of working-age men. Even closing the gender imbalances in the jobs gap would not suffice to achieve equal employment rates – as women express less interest than men in employment. Nonetheless, addressing the problem that 15 per cent of

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working age women would like to work but do not have a job constitutes both an urgent policy need, and a major opportunity to increase the contribution of workers to the common wellbeing.

Yet, as the new labour income estimates by gender forcefully show, tackling the gender gap in employment opportunities alone is not sufficient. Gender imbalances in quality of employment skew the distribution of earnings in favour of men. Even if women and men worked at the exact same rate – a massive and unfortunately unrealistic shift – women would still earn between 43 and 73 cents on the dollar, depending on the income group. Rates of participation in employment are unequal to begin with,

and the pay gaps compound these employment gaps. Globally, for each dollar men receive in labour income, women receive only 51 cents. In the developing world, the differences are exacerbated, with women earning only 29 and 33 cents on the dollar in lower-middle-income and low-income countries, respectively. These estimates shine light on the magnitude of gender disparities in labour markets, underscoring how important it is to enhance women's overall participation in employment, to expand their access to employment across occupations, and to address the glaring gaps in job quality that women face.

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