The current situation of gender equality in Luxembourg – Country Profile

2013

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Dear Reader,

We are happy that we have raised your interest in the EU-Initiative "EQUALITY PAYS OFF". The initiative supports large companies in successfully adapting to upcoming labour market challenges: Due to demographic change as well as a stronger focus on service and knowledge intensive industries, Europe will face a significant shortage of (qualified) skills in the next decades.

To secure qualified labour, it will be of vital importance for large companies to diversify the pool of (potential) employees by gaining better access to the female labour force. The initiative supports companies in Europe to increase female participation, to support employees that involuntarily work part-time due to family obligations, to motivate students to enter atypical fields of education and to reduce horizontal\(^1\) as well as vertical segregation\(^2\). Consequently, the initiative contributes to a reduction of the gender pay gap in Europe.

The initiative covers all EU-28\(^3\) countries plus Turkey, Former Yugoslav Republic of Macedonia (FYROM), Serbia, Norway, Iceland and Liechtenstein – in total 34 countries. This country report serves as background material for workshops taking place in each country in the context of "EQUALITY PAYS OFF".\(^4\) These workshops shall enhance knowledge exchange between business leaders and key decision-makers of participating companies. The quick and country-specific overview of the status quo will serve as a basis to explore starting points for each company to tap the female talent pool in a better way.

The country report is structured into four parts: After the management summary, Part 1 describes the status quo of gender equality in the British labour market. Part 2 describes our recommended strategic approach to gain better access to female talent in the labour market and within a company. Part 3 lists initiatives of the public and private sector in Luxembourg that support companies in their ambition to enhance gender equality.

Further information on the EU-Initiative and its respective activities as well as on involved stakeholders can be found at http://ec.europa.eu/justice/equality-pays-off.

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\(^1\) Horizontal segregation refers to the under-/overrepresentation of women and men in occupations or sectors

\(^2\) Vertical segregation refers to the under-/overrepresentation of women and men in hierarchical levels

\(^3\) For statistical comparability and completeness, EU-27 data is used for all statistical indicators as EU-28 data is not available yet for all indicators.

\(^4\) The information on the website has been summarised in this country report. Detailed information can be found on the website: http://ec.europa.eu/justice/equality-pays-off
Management Summary

Demographic change as well as a stronger focus on service and knowledge intensive industries will lead to a significant shortage of (qualified) skills in Europe. While trying to fill the upcoming gap between labour demand and labour supply, companies can benefit from improving their access to the full talent pool by ensuring equality.

Currently, Luxembourgish companies do not make full use of the existing female labour force potential. Five groups of indicators show the status quo in Luxembourg:

- **The employment rate** of women in the Luxembourgish labour market equals 59.0% and thus is around EU-27 average (58.6%) – however, the female employment rate is still 13.5 percentage points (pp) below the male employment rate in Luxembourg (72.5%).

- The rate of Luxembourgish women **working part-time** (36.1%) is above EU-27 average (32.1%) – additionally, the female average part-time weekly working hours in Luxembourg (21.8 hours) are above EU-27 average (20.2 hours).

- **Secondary education** is almost as available for Luxembourgish women (70.5%) as on EU-27 average (70.9%), but still below the rate of Luxembourgish men (72.7%). The same applies to college/university (tertiary education) attainment: The attainment rate of Luxembourgish women equals 31.3%, which is clearly above EU-27 average (25.8%) but beneath the male attainment rate in Luxembourg (35.4%).

- The under-/overrepresentation of women and men (horizontal segregation) is less pronounced regarding sectors and occupations in Luxembourg than in the EU-27 – however, it is still necessary to motivate graduates to also consider gender atypical sectors and occupations.

- The under-/overrepresentation of women and men on hierarchical levels (vertical segregation) is distinct – the proportion of women on supervisory boards (6.0%) is lower than the EU-27 average (14.0%). Also, women in management positions are represented to a lower extent (22.0%) compared to the EU-27 average (33.0%).

**The gender pay gap** – the overall difference in income between women and men lies at 8.7% in Luxembourg in 2011 and is thereby below the EU-27 average (16.2%). Between 2010 and 2011, the gender pay gap in Luxembourg decreased by 3.3 pp.

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5 Eurostat Labour Force Survey (LFS) (2013)
7 Eurostat Education and Training (2013)
1. How Luxembourgish companies access the talent pool

In the following, we give a brief overview of the current situation of employment of women and men in Luxembourg in comparison to the overall EU-27 average.

1.1 General participation of women in the labour market

The employment rate of women (59.0%) in Luxembourg was around the EU-27 average of 58.6% in 2012. However, women still did not participate in the labour market to the same degree as men. The difference between the male (72.5%) and the female employment rate was 13.5 pp. In comparison to the year 2002 – when the difference was about 23.5 pp – this value represents a significant progress. In contrast to many other European countries, the employment rate gap between women and men in Luxembourg does not increase significantly by age group. It was almost the same in the group of the 55 to 64 years olds (15.7 pp in 2010) as in the general working age population (15.2 in 2010). In parallel to the developments in the EU-27, women in Luxembourg have been more affected by unemployment than men since 2002. Whereas 4.6% of men were unemployed in 2012, almost 6% of women were out of work. Although the unemployment rate has increased since 2002 similarly for men and women, it remains at half of the EU-27 average.

The general participation rate of women in the Luxembourgish labour market was about 64.9% in 2012. It increased by 9.7 pp between 2002 and 2012. Although the gender gap in labour market participation decreased by 2.6 pp between 2002 and 2012, the female participation rate was still 12.2 pp below the male participation rate (77.1%) in 2012.

![Employment and Unemployment Rates](image)

Figure 1: Labour market participation of women and men in Luxembourg in comparison to the EU-27

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12 Employment + Unemployment rate = Participation rate
1.2 Part-time segregation

Part-time rates in Luxembourg are higher for women but lower for men compared to the EU-27 average. Both rates increased significantly over the past decade: The female part-time rate in Luxembourg went up by 9.7 pp between 2002 and 2012, the male part-time rate by 3 pp. Still, the male part-time rate stayed constantly below the EU-27 average.

The amount of hours worked per part-time worker compared to their full-time colleagues is higher in Luxembourg than on EU-27 average for both women and men. Different from 2002, women in Luxembourg worked longer hours in part-time than their male colleagues 2011 – the same applies to the overall EU-27. The difference in part-time working hours as a share of full-time working hours between Luxembourgish women and the female EU-27 average remained almost the same between 2002 (4.1 pp) and 2011 (5 pp). For Luxembourgish men, the previously remarkable difference to the EU-27 average was reduced due to a sharp drop (8.3 pp) in the part-time working hours as share of full-time working hours for Luxembourgish men. Now the difference is only about 5.3 pp.

Figure 2: Part-time segregation in Luxembourg in comparison to the overall EU-27

Luxembourg’s childcare performance is partly above and partly beneath the EU-27 average: 44.0% of children between zero and three years and 73% of children between three years and school age were enrolled in formal childcare, compared to 30.0% and 84.0% in the EU-27. In particular, the number of children from zero to three years who are in childcare for more than 30 hours per week is extremely high. The situation totally changes when one is looking at children between three years and school age: Here, only 27.0% spend more than 30 hours per week in childcare, which is 20 pp less than the EU-27 average. The situation in Luxembourg is therefore inverse to the EU-27. In the latter, children spend less time in childcare when they are younger and more time when they are older. To conclude, one can observe that Luxembourg is on a good way towards enabling parents to reconcile professional and family life. This positive trend could be even boosted if Luxembourgish companies achieved to also increase childcare opportunities for children between 3 years and school age.

1.3 Qualification level and choice of education

Over the last 10 years, the share of the working population who attended secondary education increased significantly in both Luxembourg and in the EU-27. This augmentation was especially remarkable for women, where Luxembourg saw an increase of 15.8 pp and the EU-27 of 9.7 pp. As a result, the gender gap in secondary education almost closed: The difference between the male and the female rate was slightly above 2 pp in Luxembourg and almost zero in the EU-27 average in 2012.

In tertiary education similar effects can be observed; college/university attainment increased in the overall EU-27. Particularly in Luxembourg the numbers are outstanding: The female attainment rate gained 17.6 pp, the male attainment rate 16.8 pp. However – contrary to the EU-27 – there are still significantly less women (31.3%) than men (35.4%) attending tertiary education in Luxembourg.

Furthermore, the existence of "typical" female fields of study as well as "typical" male fields of study is predominant in Luxembourg, showing the usual EU-27 pattern of

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distribution (except for the missing data). "Health and Welfare", "Teaching, Training and education science" as well as "Humanities and arts" remain popular fields of study for women, all with a female student share of above 60%. On the other hand, men in Luxembourg as well as in the EU-27 are most dominant in "Engineering, manufacturing and construction" as well as in "sciences, maths and computing", both with more than 60% male students.

<table>
<thead>
<tr>
<th>Women in... [%]</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching, Training and education science</td>
<td>70.9</td>
</tr>
<tr>
<td>Humanities and arts</td>
<td>60.9</td>
</tr>
<tr>
<td>Social sciences, business and law</td>
<td>52.1</td>
</tr>
<tr>
<td>Science, maths and computing</td>
<td>32.8</td>
</tr>
<tr>
<td>Engineering, manufacturing and construction</td>
<td>17.8</td>
</tr>
<tr>
<td>Agriculture and veterinary</td>
<td>48.1</td>
</tr>
<tr>
<td>Health and Welfare</td>
<td>76.5</td>
</tr>
</tbody>
</table>

**Figure 5: Share of women in different fields of education in Luxembourg in comparison to the EU-27**

1.4 Under-/overrepresentation of women and men in occupations or sectors – "Horizontal segregation"\(^{15}\)

The extent of horizontal segregation is less pronounced in Luxembourg than in the EU-27. In order to compare systematically the extent of horizontal segregation in Luxembourg with the overall EU-27 average, two horizontal segregation indicators are calculated: (1) The Sectoral Gender Segregation Indicator (SGS)\(^{16}\) and (2) the Occupational Gender Segregation Indicator (OGS):

- The extent of sectoral gender segregation (SGS) in Luxembourg (3.5 pp) is significantly below the EU-27 level (5.4 pp). This is related to the strong service focus of the Luxembourgish economy (please see below).
- The extent of occupational gender segregation (OGS) in Luxembourg (4.0 pp) is also lower than the overall OGS of the EU-27 (4.6 pp). Despite this good starting point, the Luxembourgish economy would further benefit from a gender atypical diversification of its workforce's skill set.

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\(^{15}\) Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (2010)

\(^{16}\) Comparing the share of female employees that work in one economic sector to the share of male employees that work in the respective economic sector shows the extent of gender segregation in that specific economic sector. The Sectorial Gender Segregation Indicator (SGS) reflects the weighted average difference in absolute percentage points (share of all male employees in an economic sector [%] minus share of all female employees in resp. economic sector [%]) across all economic sectors.
Figure 8: Horizontal Gender Segregation Indicators

The distribution of women and men across economic sectors in Luxembourg shows – thanks to the service driven economy - a moderate gender bias. Among the Top 5 preferred sectors of work for women and men, there are three common sectors ("Financial and insurance activities", "Public administration" and "Wholesale & Retail"), accounting for 30.8% of the female and 33.7% of the male workforce. The moderate but visible SGS in Luxembourg is therefore due to the remaining sectors: The main sector of employment for women both in Luxembourg and the EU-27 is in the field of Health care and Social work. On the other hand, there is a male dominance in the sectors of Construction and Manufacturing.

Figure 6: Distribution of Employment in the main NACE-2 digit sectors (2010)

When looking at the top 5 occupations of the Luxembourgish workforce, there are moderate differences between women and men. Due to the economic background in Luxembourg, positions as "legal, social and cultural professionals", "business and administration professionals" or "clerks" appeal strongly to women (43.8%) and men (35.1%). However, women rather work as "cleaners and helpers" (13.1%) or "teaching professionals" (8.9%), which are broadly considered "typically female jobs". Men on the other hand focus more on technical and engineering occupations (e.g. "Science and engineering" 8.8%, "Building and related trades workers" 6.5%).
Under-/overrepresentation of women and men in hierarchical levels – "Vertical segregation" 17

Vertical segregation, i.e. the underrepresentation of women in economic decision-making positions, is more pronounced in Luxembourg than in the EU-27. This is especially due to a very positive development on a European level, and a stagnation/decrease of female leaders in Luxembourg.

In 2012, 6% of Luxembourghish corporate board members were female compared to 14% in the EU-27. Whereas the EU-average increased by 6 pp between 2003 and 2012, the share of women on corporate boards in Luxembourg could pick up only by 2 pp in the same period.

One can observe similar developments in regard to management positions in large companies and SMEs. The share of women in management positions was about 22% in 2010, which is clearly below the EU-27 average (33%). The trend in Luxembourg between 2003 and 2010 was contrary to the EU-27 average: Over 7 years, the female share of managers increased in the EU-27 by 2 pp, whereas it decreased by 3 pp in Luxembourg.

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1.6 Gender pay gap

In Luxembourg, the average female employee earns 8.7% less than the average male employee. This is comparably low, considering that the the gap for the overall EU-27 is about 16.2%. Additionally, the trend in Luxembourg is highly positive: Between 2006 and 2011, the gender pay gap dropped by 2 pp and thus outperformed the EU-27 developments (-1.5 pp).

Unadjusted Gender Pay Gap [%]

Source: Eurostat SES (2013)
2. How to gain better access to the talent pool?

More gender equality within the business sector and a reduction of the gender pay gap can only be sustainably realised if companies follow a comprehensive approach including corporate strategy, management, operational implementation by business units and HR work organisation and monitoring (“strategic pillars”):

**CORPORATE STRATEGY – Establish gender equality as a part of the company’s DNA**

**MANAGEMENT and EXECUTIVES – Understand and position management as driver and role model**

**OPERATIONAL IMPLEMENTATION – Fields of action**

1. Raise awareness among high school students regarding the full spectrum of education and training options
2. Attract top talent
3. Strengthen the work-life balance
4. Promote the career advancement of women
5. Evaluate the remuneration system
6. Support the company’s internal and external communications

**WORK ORGANISATION Create 'modern' working conditions**

**MONITORING – monitor and follow up target achievement**

Focusing on one pillar will lead to partial improvements only.

**Corporate Strategy – Establish gender equality as part of the company's DNA**

The corporate strategy sets the framework for doing business and determines the internal work culture. Experience shows that gender equality – in order to be sustainably established – has to be(come) a company rationale: The concept of gender equality has to be an integral part of the overall corporate strategy. This is the foundation for successfully addressing the gender pay gap within a company.

**Management and executives – Understand and position management as driver and role model**

A management which is convinced of and fully endorses the company's strategy towards gender equality is vital to sustainably establish and live the principles of equality between women and men throughout the company and contribute to a sustainable reduction of the gender pay gap. The management is responsible for the implementation of the corporate strategy. Also, managers act as role models and multipliers within and outside the company.
Operational implementation – Business units and HR striving for more gender equality in daily work

- Business units are responsible for operationalising strategic targets regarding gender equality by actually implementing measures which have been agreed upon in their daily work, e.g. by offering internships. They contribute to a sustainable attraction, retention and development of employees.

- HR – as central point of contact for human resource issues of business units – offers strategic advice on how to address gender equality sustainably and provides instruments and processes to attract, retain and develop top talent, e.g. by designing regular evaluation processes.

There are six main fields of action for operational implementation:

- **Raise awareness among high school students regarding the full spectrum of education and training options** - To enlarge the potential talent pool, companies need to sensitishe high school graduates regarding the full spectrum of fields of education and hereby motivate them to also consider gender "atypical" fields of specialisation.

- **Attract top talent** – To attract top talent, companies need to build up a relationship with talented graduate students early on and show them how it is to work in their company. Additionally, they need to tap the dormant work force by mobilising women to start working.

- **Strengthen the work-life balance** – To retain the talent pool, companies need to motivate talents to continue working, to return early from leave and to facilitate the career advancement of employees with family care obligations.

- **Promote the career advancement of women** - To promote the most qualified female employees, companies need to establish a culture and promotion process that equally honours male and female talent and institutionalise a systematic succession planning.

- **Evaluate the remuneration system** - To attract and retain female employees, companies need to evaluate and – if necessary – adapt their remuneration system to eliminate discriminatory practices.

- **Support the company's internal and external communications** - To maximise the positive impact of their efforts to champion gender equality, companies need to communicate their actions enhancing corporate gender equality internally and externally.

Work Organisation – Create 'modern' working conditions

Often, workflows within the company are organised in a way which does not easily allow for necessary changes towards more gender equality. This especially refers to the flexibility of the working environment. In the context of this project, flexibility comprises working hours, workplace options and work arrangements. It is therefore vital to evaluate the organisation of current business activities and requirements systematically and identify room for change in favour of employees but beneficial for both parties (employers and employees).
Monitoring – Monitor and follow up target achievements

To ensure that gender equality is taken seriously, companies need to monitor gender equality targets in the same way as financial targets. Monitoring should include indicators that measure company-wide progress regarding corporate efforts to enhance gender equality as well as the success of individual managers in promoting gender equality in their departments/teams. Additionally, it should be part of regular feedback talks with the top management.
3. Where companies find support to gain better access to the talent pool - Examples

In order to foster a sustainable change towards accessing the labour force potential of women in a better way, a series of public and private initiatives – with legislative and non-legislative focus - have been implemented in Luxembourg. In the following we give an overview over sample initiatives:

### 3.1 Legislative initiatives (examples)

<table>
<thead>
<tr>
<th>Year</th>
<th>Legislation</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>Loi relative à l’égalité de traitement entre hommes et femmes en ce qui concerne l’accès à l’emploi, à la formation et à la promotion professionnelle s, et les conditions de travail</td>
<td><a href="http://www.legilux.public.lu/leg/a/archives/1981/0091/a091.pdf">http://www.legilux.public.lu/leg/a/archives/1981/0091/a091.pdf</a></td>
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</table>
### 3.2 Public non-legislative initiatives (examples)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sponsor</th>
<th>Target Group</th>
<th>Target</th>
<th>Website Link</th>
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</thead>
</table>
### 3.3 Private initiatives (examples)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sponsor</th>
<th>Target Group</th>
<th>Target</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Girl's day – Boy's day</strong></td>
<td>Ministère de l'Éducation nationale et de la Formation professionnelle</td>
<td>Pupils</td>
<td>Interest pupils in gender atypical occupations or fields of study</td>
<td><a href="http://www.girls-day.lu/">http://www.girls-day.lu/</a></td>
</tr>
<tr>
<td></td>
<td>Ministère du Travail et de l'Emploi</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Ministère de l'Egalité des chances</td>
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<tr>
<td></td>
<td><strong>Conseil National des Femmes du Luxembourg</strong></td>
<td>Business community</td>
<td>Raise awareness for equality in the workplace</td>
<td><a href="http://www.cnfl.lu/site/">http://www.cnfl.lu/site/</a></td>
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<tr>
<td><strong>Equal Pay Day</strong></td>
<td><strong>Conseil National des Femmes du Luxembourg</strong></td>
<td>Business community</td>
<td>Promote and reward good practice examples</td>
<td><a href="http://www.greatplacetowork.lu/">http://www.greatplacetowork.lu/</a></td>
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<td></td>
<td>Great Place to Work® Institute</td>
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<td><strong>CID-Femmes</strong></td>
<td>Public donations</td>
<td>General public</td>
<td>Provide information for and about women</td>
<td><a href="http://www.cid-femmes.lu/">http://www.cid-femmes.lu/</a></td>
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<tr>
<td></td>
<td></td>
<td>Academic researchers</td>
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<td><strong>Fédération des femmes cheffes d’entreprise du Luxembourg</strong></td>
<td>Union des entreprises luxembourgeoises (UEL)</td>
<td>Business women</td>
<td>Combat stereotypes of female entrepreneurship and promote it</td>
<td><a href="http://www.ffcel.lu/accueil_fr_2_2.phtml">http://www.ffcel.lu/accueil_fr_2_2.phtml</a></td>
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<td>Federation of female entrepreneurs</td>
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<tr>
<td><strong>FEMMES EN DETRESSE</strong></td>
<td>Mouvement pour la libération de la femme</td>
<td>Female victims of violence</td>
<td>Provide secure environment for women in distress</td>
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<td>Women in need</td>
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<td>Ministère du Travail et de l'Emploi</td>
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