

The current situation of gender equality in Portugal – Country Profile

2013



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Foreword

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 horizontal¹ as well as vertical segregation². Consequently, the initiative contributes to a reduction of the gender pay gap in Europe.

3 The initiative covers all EU-28³ 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 Portuguese 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 Portugal 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>.

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

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

- The **employment rate** of women in the Portuguese labour market equals 58.7% and is thus almost equivalent to the EU-27 average (58.6%) – however, on a national level the female employment rate is still 6.2 percentage points (pp) below the male employment rate in Portugal (64.9%).⁵
- The rate of Portuguese women **working part-time** (14.1%) is significantly below EU-27 average (32.1%) – In addition, the female average part-time weekly working hours in Portugal (16.4 hours) are significantly below the EU-27 average (20.2 hours).⁶
- **Secondary education** is attained far less frequently by Portuguese women (42.5%) than on EU-27 average (70.9%), but more often than by Portuguese men (34.9%). The same applies to **tertiary education** attainment: The attainment rate of Portuguese women equals 19.7%, which is clearly below EU-27 average (25.8%) but above the male attainment rate in Portugal (13.9%).⁷
- The under-/overrepresentation of women and men (**horizontal segregation**)¹ is higher regarding occupations and lower regarding economic sectors in Portugal compared with the EU average – thus, it is still a challenge to motivate graduates to consider gender atypical occupations especially.⁸
- The under-/overrepresentation of women and men on hierarchical levels (**vertical segregation**)² is significant – the proportion of women on supervisory boards (7.0%) is clearly lower than the EU-27 average (16.0%). Women in management positions are represented to a slightly lower extent (30.0%) compared to the EU-27 average (33.0%).⁹

The gender pay gap – the overall difference in income between women and men lies at 12.5% in Portugal in 2011 and is thereby below the EU-27 average (16.2%). Between 2010 and 2011 alone, the gender pay gap in Portugal decreased by 0.3 pp.¹⁰

⁵ Source: Eurostat Labour Force Survey (LFS) (2013)

⁶ Source: Eurostat Labour Force Survey (LFS) (2013)

⁷ Source: Eurostat Education and Training (2013)

⁸ Source: Eurostat Labour Force Survey (LFS) (2013)

⁹ Source for statistical data (unless stated otherwise): EC DG Justice; Horizontal and vertical segregation - Meta-analysis of gender and science research, 2010, 2012

¹⁰ Source: Eurostat LFS 2013 (data from 2011)

1. How Portuguese companies access the talent pool

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

1.1 General participation of women in the labour market¹¹

The employment rate of women (58.7%) in Portugal was almost identical with 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 (64.9%) and the female employment rate was 6.2 pp. In comparison to the year 2002 – when the difference was about 15.1 pp – this value represents significant progress. As in many other European countries, the employment rate gap between women and men in Portugal increases significantly by age group. It was almost 30% higher in the group of the 55 to 64 year olds (9.5 pp in 2011) than in the general working age population (6.2 pp in 2011).¹²

In parallel to the developments in the EU-27, women in Portugal have been slightly less affected by unemployment than men since 2002. Whereas 16.6% of men were unemployed in 2012 (as opposed to only 4.1% in 2002), 16.2% of women were out of work in 2012 (as opposed to 5.6% in 2002). The unemployment rate has increased by factor four for men and by factor three for women since 2002. The economic and financial crisis certainly contributed to this development.

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The general participation rate¹³ of women in the Portuguese labour market was 74.9% in 2012. It increased by 7.9 pp between 2002 and 2012 (67% in 2002). Although the gender gap between women and men in labour market participation decreased by 7.0 pp between 2002 and 2012, the female participation rate was still 6.6 pp below the male participation rate (81.5%) in 2012.

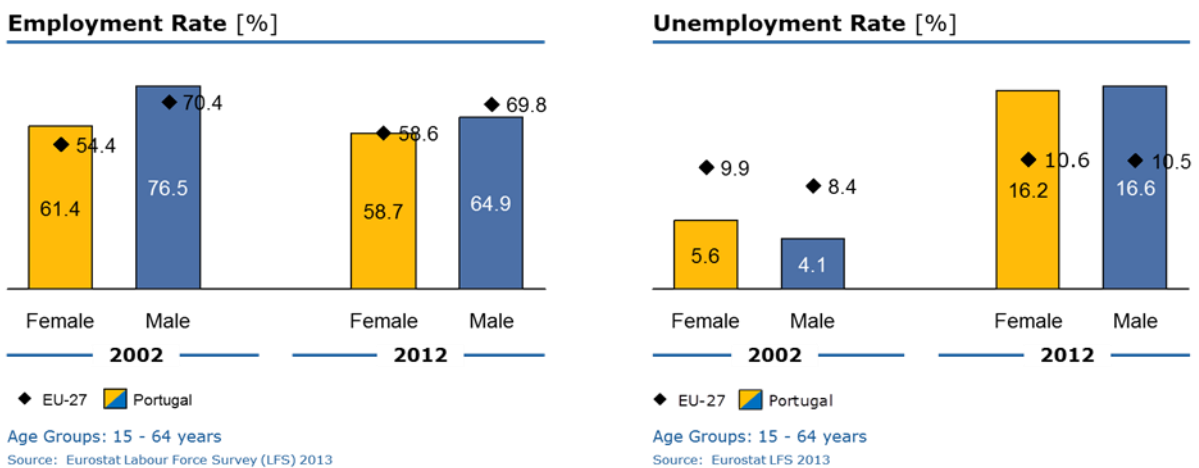


Figure 1: Labour market participation of women and men in Portugal in comparison to the EU-27

¹¹ Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (LFS) (2002, 2011)

¹² Source: Martin TEICHGRABER (2013): European Union Labour Force Survey – Annual results 2012

¹³ Employment + Unemployment rate = Participation rate

1.2 Part-time segregation¹⁴

Part-time rates in Portugal are lower for men (8.2%) and women (14.1%) compared to the EU-27 averages (8.4% for men, 32.1 % for women). Especially the male part-time rate though has increased significantly over the past decade, as it increased by 4 pp and thus practically doubled. The female part-time rate in Portugal only increased by 0.6 pp between 2002 and 2012.

The numbers for part-time working hours as share of full-time working hours are lower in Portugal than on EU-27 average for both women and men. The difference in part-time working hours as a share of full-time working hours between Portuguese women and the female EU-27 average is significantly different when comparing the 2002 (1.9 pp difference; 48% vs. 49.9%) and 2011 (10.8 pp difference; 39.7% versus 50.5%) figures. For Portuguese men, the previous proximity to the EU-27 average was reduced by a sharp drop (8.4 pp; from 48.1% to 37.5%) in the part-time working hours as share of full-time working hours. Now the difference between the Portuguese and EU numbers is 7.1 pp (39.7% vs. 50.5%).

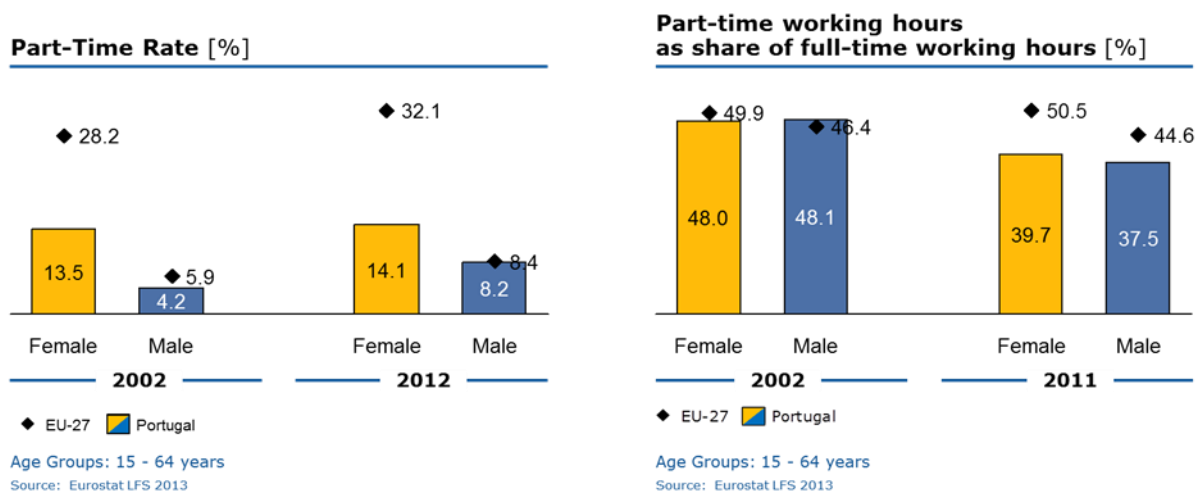


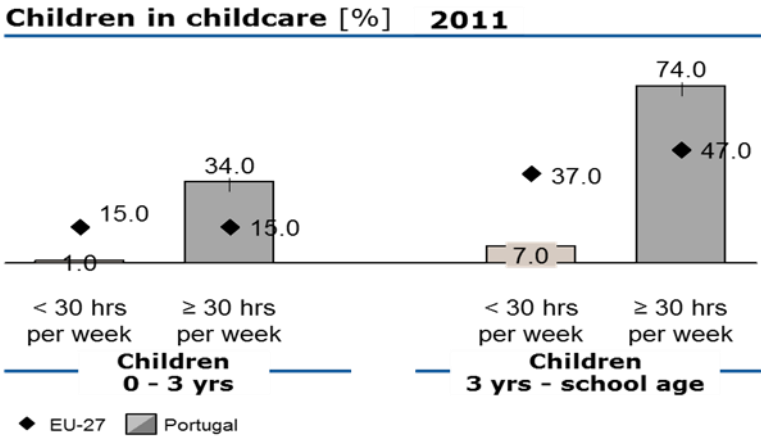
Figure 2: Part-time segregation in Portugal in comparison to the overall EU-27

¹⁴ Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (LFS) (2002, 2010, 2011)

Portugal's utilisation of formal childcare is partly above and partly beneath the EU-27 average: 35% of children between zero and three years and 81% 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 comparatively high. The situation is even more pronounced regarding children between three years and school age: Here, 74.0% spend 30 hours or more per week in childcare, which is 27 pp more than the EU-27 average. The high rate of enrolment in child care covering 30 hours or more per week is an important factor in enabling more women to participate more fully in the labour force.

On the other hand, the rate of enrolment in childcare covering less than 30 hours per week is comparatively lower for children in both age groups. The situation in Portugal is therefore very different to the EU-27.



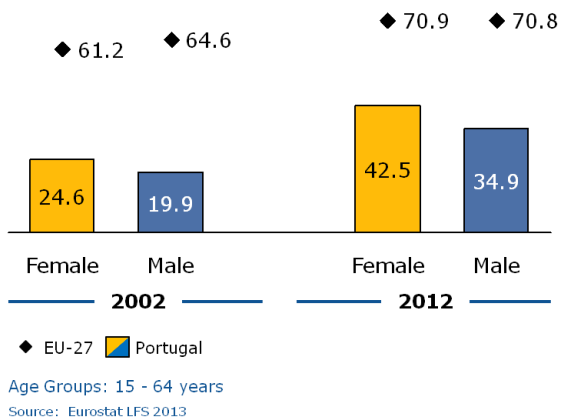
Source: Eurostat 2013

Figure 3: Childcare arrangements in Portugal in comparison to the EU-27

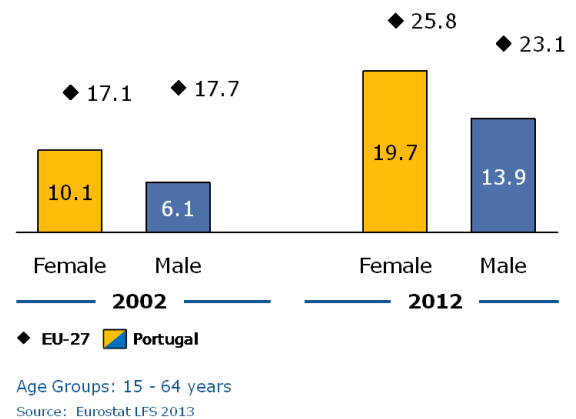
1.3 Qualification level and choice of education¹⁵

Over the course of the past 10 years, the share of the population that attained secondary education increased significantly in both Portugal and in the EU-27. This increase was especially remarkable for women, where Portugal saw an increase of 17.8 pp (from 24.6% to 42.4%) and the EU-27 of 9.7 pp (from 61.2 % to 70.9%). As a result, the gender gap in secondary education further widened with Portuguese women clearly in the lead: The difference between the male and the female rate was -7.6 pp in Portugal (42.5% female vs. 34.9% male). The gender gap in secondary education attainment in the EU on the other hand was almost zero in 2012 (70.9% female vs. 70.8% male).

Secondary Education [%]



Tertiary Education [%]



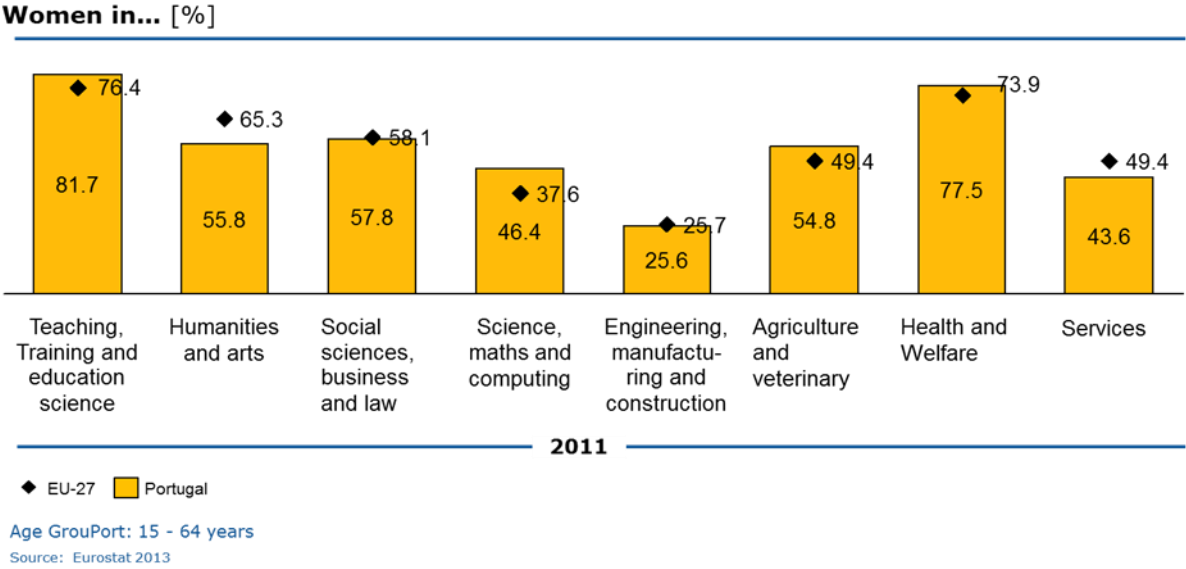
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Figure 4: Education attainment in Portugal in comparison to the EU-27

¹⁵ Source for statistical data (unless stated otherwise): Eurostat Education and Training (2002, 2010, 2011)

In tertiary education attainment, similar effects can be observed, as rates increased in the EU-27 (but are still below the EU-average). Particularly in Portugal the numbers are striking: The female attainment rate gained 9.6 pp between 2002 and 2012, the male attainment rate 7.8 pp in the same time interval. However – as in the EU-27 – there are still significantly more women (19.7%) than men (13.9%) attaining tertiary education in Portugal. And both rates are below the EU-average.

Furthermore, the existence of "typical" female fields of study as well as "typical" male fields of study is predominant in Portugal, showing the usual EU-27 pattern of distribution. "Teaching, Training and education science" and "Health and Welfare" remain popular fields of study for women, both with a female student share of above 75%. On the other hand, men in Portugal as well as in the EU-27 are most dominant in "Engineering, manufacturing and construction" with more than 60% male students. However, women in Portugal study "Science, maths and computing" more often in comparison to EU-Average.



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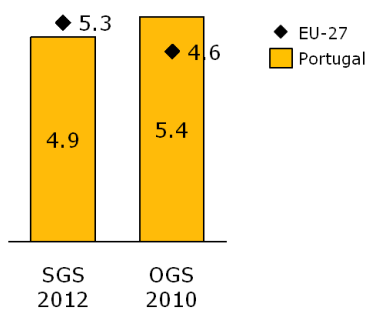
Figure 5: Share of women in different fields of education in Portugal in comparison to the EU-27

1.4 Under-/overrepresentation of women and men in occupations or sectors – "Horizontal segregation"¹⁶

The extent of horizontal segregation is less pronounced in Portugal than in the EU-27. In order to compare systematically the extent of horizontal segregation in Portugal with the overall EU-27 average, two horizontal segregation indicators are calculated: (1) The Sectoral Gender Segregation Indicator (SGS)¹⁷ and (2) the Occupational Gender Segregation Indicator (OGS):

- The extent of sectoral gender segregation (SGS) in Portugal (4.9 pp) is below the EU-27 level (5.3 pp). This is related to the strong service focus of the Portuguese economy (please see below).
- The extent of occupational gender segregation (OGS) in Portugal (5.4 pp) is noticeably higher than the overall OGS of the EU-27 (4.6 pp). The Portuguese economy would thus benefit from a gender atypical diversification of its workforce's skill set.

Horizontal Gender Segregation Indicators [pp]



Source: Eurostat LFS 2013, RB Calculations

Figure 6: Horizontal Gender Segregation Indicators

¹⁶ Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (2010)

¹⁷ 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.

The distribution of women and men across economic sectors in Portugal shows a gender bias. Among the Top 5 sectors of work for women and men, there are two common sectors ("Manufacturing" and "Wholesale & Retail"), accounting for 29.5% of the female and 35.1% of the male workforce. The SGS in Portugal is therefore primarily due to the remaining sectors.

% of women employed in	Portugal	EU-27	% of men employed in	Portugal	EU-27
Wholesale & Retail	15.1	15.1	Manufacturing	20.3	20.4
Health & Social Work	14.4	18.2	Wholesale & Retail	14.8	13.1
Manufacturing	14.4	10.2	Construction	14.7	12.1
Education	13.6	11.7	Public Administration	8.1	7.0
Accommodation and food service activities	7.7	5.4	Agriculture, forestry & fishing	7.7	5.4
Accumulated concentration	65.2	60.6	Accumulated concentration	75.7	58.0

Source: Eurostat LFS 2013, RB Calculations

Figure 7: Distribution of Employment in the main NACE-2 digit sectors (2012)

When looking at the top 5 occupations of the Portuguese workforce, there are strong differences between women and men. Positions such as "personal service workers" or "cleaners and helpers" or "clerks" are strongly dominated by women (42.8%). Men rather work as "building and related trades workers" (13.8%) or "metal, machinery or related trades workers" (9.8%), which are broadly considered "typically male jobs".

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% of women employed in	Portugal	EU-27	% of men employed in	Portugal	EU-27
Personal service workers	16.5	13.4	Building and related trades workers	13.8	9.9
Cleaners and helpers	16.4	9.0	Metal, machinery and related trades workers	9.8	8.6
General and keyboard clerks	9.9	12.7	Drivers and mobile plant operators	7.9	7.4
Sales workers	7.2	8.0	Personal service workers	6.3	5.4
Electrical and electronic trade workers	6.6	1.7	General and keyboard clerks	5.4	5.2
Accumulated concentration	56.6	44.7	Accumulated concentration	43.2	36.5

Source: Eurostat LFS 2011, RB Calculations

Figure 8: Distribution of Employment in the main ISCO 3-digit occupations (2010)

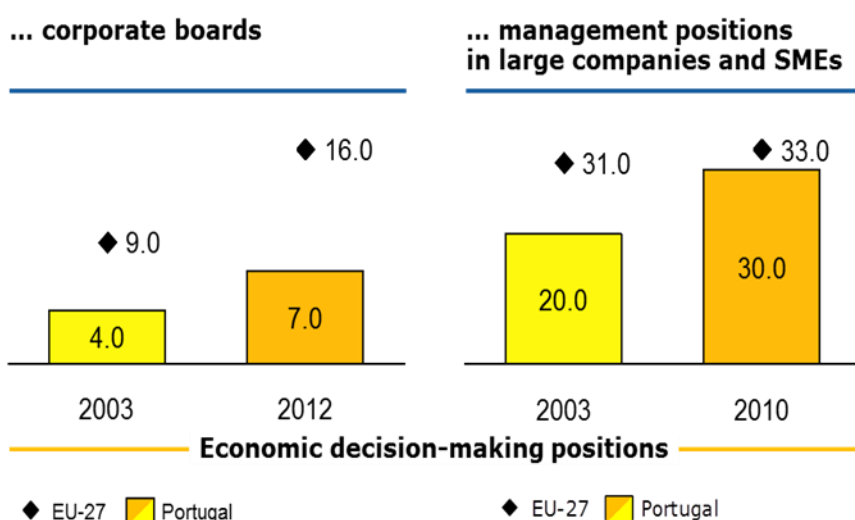
1.5 Under-/overrepresentation of women and men in hierarchical levels – "Vertical segregation"¹⁸

Vertical segregation, i.e. the underrepresentation of women in economic decision-making positions, is more pronounced in Portugal than in the EU-27. This is in part due to a noticeably positive development on a European level, and a very low starting point in Portugal.

In 2012, 7% of Portuguese corporate board members in large companies were female compared to 16% in the EU-27. Whereas the EU-average increased by 7 pp between 2003 and 2012, the share of women on corporate boards in Portugal only increased by 5 pp in the same period.

With regard to management positions in companies and SMEs, the share of women in management positions was 30% in 2010 and therefore below the EU-27 average (33%). The positive trend in Portugal between 2003 and 2010 was far stronger than the EU-27 average, however: Over the course of seven years, the female share of managers increased in the EU-27 by 2 pp, whereas it increased by 10 pp in Portugal.

Women in... [%]



Source: EC DG Justice, Gender and Science 2012

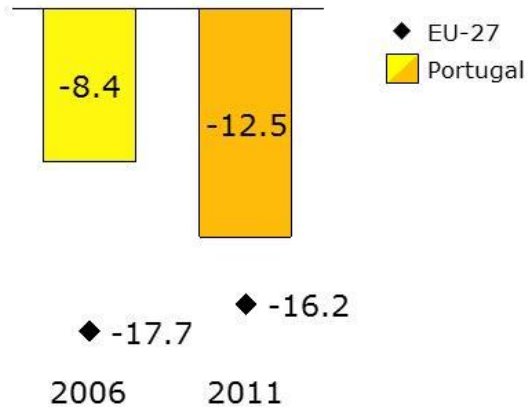
Figure 9: Women in economic decision-making positions

¹⁸ Source for statistical data (unless stated otherwise): EC DG Justice; Horizontal and vertical segregation - Meta-analysis of gender and science research, 2010, 2012

1.6 Gender pay gap¹⁹

In Portugal, the average female employee earns 12.5% less than the average male employee. This is comparably low, considering that the gap for the overall EU-27 is 16.2%. In addition, it is important to note that the trend in Portugal just reversed in 2010: Whereas between 2006 and 2010, the gender pay gap in Portugal increased by 4.4 pp, it then dropped by 0.3 pp in 2011.

Unadjusted Gender Pay Gap [%]



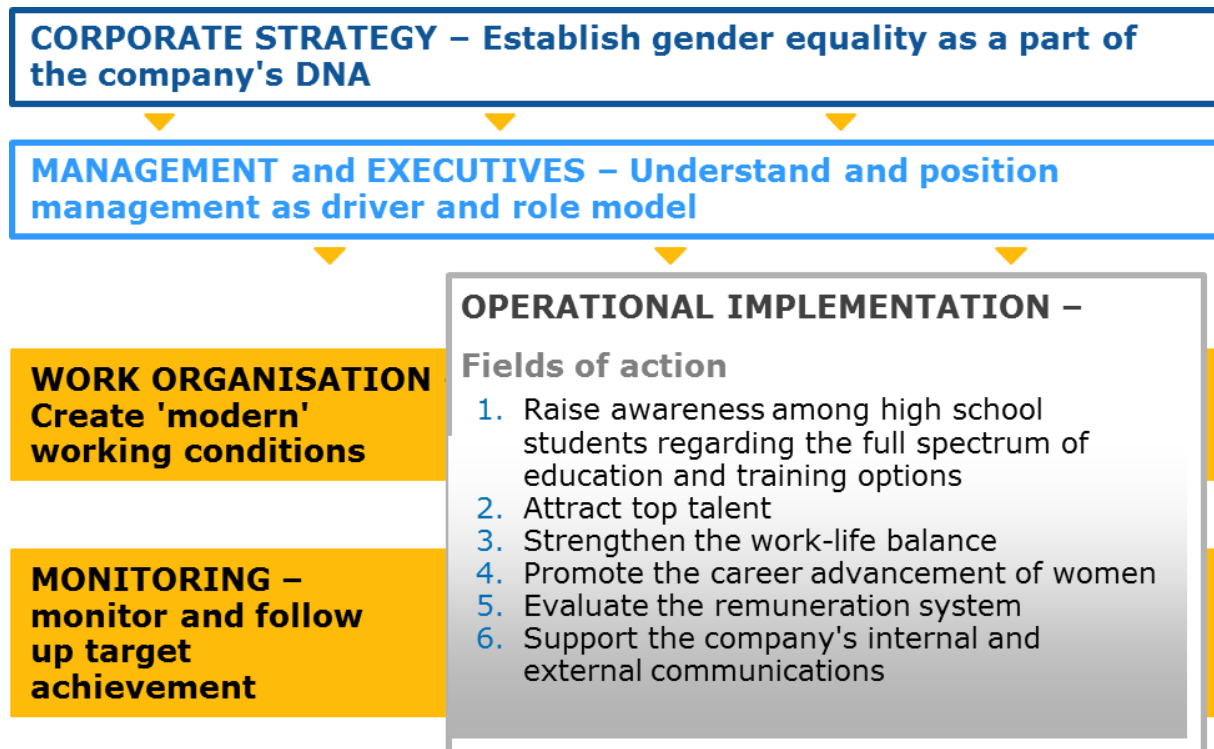
Source: Eurostat LFS 2013 (data from 2011)

Figure 10: Unadjusted gender pay gap

¹⁹ Source for statistical data (unless stated otherwise): Eurostat LFS 2013 (data from 2011)

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"):



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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 sensitise 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.

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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 Portugal. In the following we give an overview over sample initiatives:

3.1 Legislative initiatives (examples)

Year	Legislation	Website Link
1976 (amended 1982, 1989, 1992, 1997, 2001, 2004, 2005)	Constituição da República Portuguesa (Constitution of the Portuguese Republic) <ul style="list-style-type: none"> The Constitution enshrines the principle of gender equality and the promotion of equality between men and women as a fundamental task of the State Art. 13: states the equality of all citizens in dignity and before the law, forbids all forms of discrimination with regard to sex 	http://www.parlamento.pt/Legislacao/Paginas/ConstituicaoRepublicaPortuguesa.aspx
1979	Lei de Igualdade de Oportunidades e de tratamento para homens e mulheres na formação Trabalho, Emprego e Formação Profissional (Law on Equal Opportunities and Equal Treatment for Men and Women in Work, Employment and Vocational Training) <ul style="list-style-type: none"> Ban on discrimination and promotion of equal opportunities and the equal treatment of women and men in the areas of work, employment and training 	Lei de Igualdade de Oportunidades e de tratamento para homens e mulheres na formação Trabalho, Emprego e Formação Profissional
2003	Código Do Trabalho (Labour Code) <ul style="list-style-type: none"> The Labour Code prohibits gender-based discrimination on the labour market Implementation of the EU Directive on Equal Treatment in Employment and Occupation 	http://www.cite.gov.pt/pt/legis/CodTrab_indice.html
2006	Quota for all party lists <ul style="list-style-type: none"> Each gender makes up at least a third of the candidates from any political party participating in European, national or local elections 	http://ec.europa.eu/justice/gender-equality/files/quota-working_paper_en.pdf
2008	Anti-discrimination law on goods and services <ul style="list-style-type: none"> Ban on and an imposition of sanctions for gender-based discrimination when accessing goods and services Implementation of an EU Directive 	http://ec.europa.eu/justice/discrimination/files/lawrev11_en.pdf

3.2 Public non-legislative initiatives (examples)

Name	Sponsor	Target Group	Target	Website Link
Comissão para a Igualdade no Trabalho e no Emprego Commission for Equality in Labour and Employment	Tripartite collaboration of government, labour union and employers' organisation	<ul style="list-style-type: none"> • General population 	Supervise equality in labour and employment Dispute settlement body	http://www.mega.public.lu/actions_projets/ecart_salair/index.html

3.3 Private initiatives (examples)

Name	Sponsor	Target Group	Target	Website Link
Equal Pay Day	CITE	<ul style="list-style-type: none"> • Business community • National press 	Raise awareness for equality in the workplace	http://www.cite.gov.pt/pt/destaques/noticia135a.html
Great Place to work	Great Place to Work® Institute	<ul style="list-style-type: none"> • Business community 	Promote and reward good practice examples	http://www.greatplacetowork.pt/
Associação Portuguesa de Mulheres Empresárias de Portugal (APME) Portuguese Association of Women Entrepreneurs		<ul style="list-style-type: none"> • Business women • Business community • Female entrepreneurs 	Combat stereotypes regarding female entrepreneurship and promote it instead	http://www.apme.pt/