

Statistics in focus

POPULATION AND SOCIAL CONDITIONS

THEME 3 – 5/2001

Contents

Earnings in industry and services2

Changes in relative earnings and the share of women in employment5

The earnings differential in the candidate countries6

Earnings of men and women in the EU: the gap narrowing but only slowly

Steve Clarke

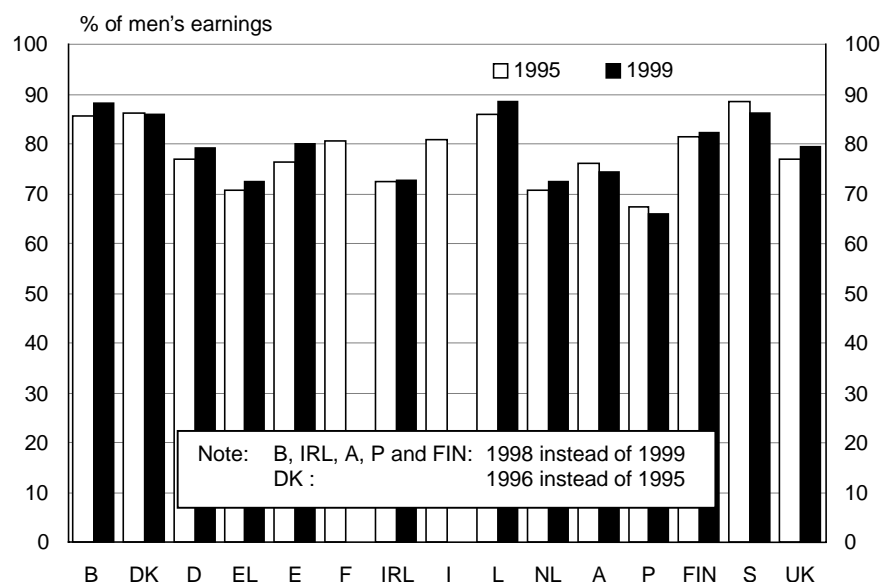
Since 1995, average earnings of women have risen relative to those of men in most Member States of the Union, but the rise has been small and women's earnings remain on average well below those of men in all EU countries.

According to the Statistics on the Structure of Earnings (SSE), the average earnings of women employed full-time in industry and services in the EU were only around 75% of those of men in 1995. Although there was much variation between countries, in only four cases – Belgium, Denmark, Luxembourg and Sweden – were average women's earnings more than 85% of men's and in no Member State over 90% (in Sweden, where it was highest, it was 88%). At the other extreme, in Greece and the Netherlands, they were only some 70% of men's and in Portugal, as low as 67%.

These findings are confirmed by the European Community Household Panel, which shows a similar pay gap in 1995 for the activities covered by the SSE, though a narrower one for those employed in the public sector (women's earnings in the EU being around 86% of those of men).

Until the next SSE for 2002 becomes available, some indication can be gained of developments since 1995 from the harmonised statistics on earnings. While these are not on precisely the same basis as the SSE and differ in coverage in some degree between countries, they, nevertheless, provide a reasonably consistent picture of changes over the period.

Fig. 1 Women's earnings in industry and services in Member States, 1995 and 1998/1999



Earnings in industry and services

In the period since 1995, average earnings of women employed in industry and services have increased relative to those of men in 7 of the 13 Member States for which data are available: Belgium, Germany, Greece, Spain, Luxembourg, the Netherlands and the UK; remained much the same in 3 countries: Denmark, Ireland and Finland; and declined in only three: Austria Portugal and Sweden – in each case, by 1-2 percentage points (Figure 1). (For 7 of the countries, the data relate to the period 1995 to 1999, for 5, to 1995 to 1998 and for one, Denmark, to 1996 to 1999. See Methodological Notes for details of coverage.)

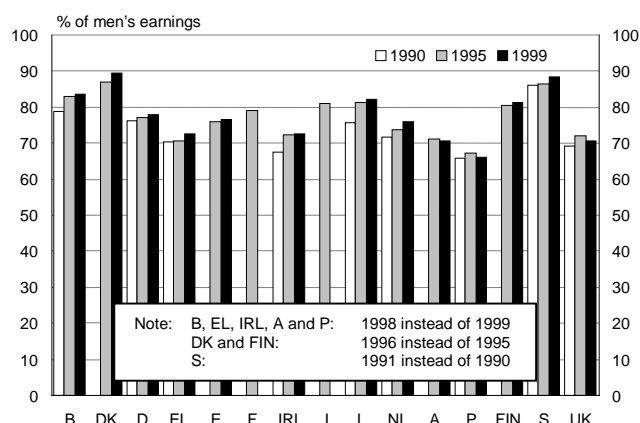
Nevertheless, despite the increase which has occurred in a number of Member States, women's earnings remain, on average, significantly below those of men across the Union according to the latest data. It is still the case that there are only four countries in which women's earnings are more than 85% of men's and none in which they exceed 90%. Moreover, in the countries in which the average level was lowest in relation to that of men in 1995, there seems to have been comparatively little increase in subsequent years.

It is evident from an analysis of the SSE data for 1995 that part of the differential between men's and women's earnings, even if a relatively small part, was due to differences in the composition of men's and women's employment, in particular, to the different occupational structure of women's jobs relative to men's or to the lower average age of women in work as compared with men (reflecting the much lower rate of participation of women of 25 and over in the labour force in most countries). A larger part of the differential was almost certainly due to men holding more senior or higher level jobs within occupations than women, which in the SSE is reflected in the pay gap at the top end of the earnings scale being wider than lower down. The harmonised statistics on earnings contain no information on changes in this kind of factor, so that it is not possible to conclude anything from the data about developments in the rate of pay of men and women performing similar types of job.

Earnings developments in industry

Nevertheless, the harmonised statistics do provide an indication of changes in earnings by broad area of economic activity. The data, in general, show similar developments but also a few differences. In industry, there were 7 Member States in which the average earnings of women manual employees rose relative to those of men between 1995 and 1999 (or 1998 in a few cases) (Figure 2). These, however, were not in all cases the same countries in which women's earnings in industry and services rose (Denmark and Sweden being particular cases in point). There were only two countries

Fig. 2 Women's earnings in industry in Member States, 1990, 1995 and 1998/1999



– Portugal and the UK – in which women's earnings in industry declined perceptibly in relative terms (by more than 1 percentage point), while in the remaining Member States, they remained virtually unchanged.

There is little evidence that the differential in earnings between men and women earnings has narrowed more since 1995 than in the years before. In all Member States for which comparable data exist, apart from Germany, Greece and Sweden, where they remained broadly unchanged, women's earnings increased relative to men's between 1990 and 1995, according to the harmonised earnings statistics. The rise was particularly marked in Ireland and the UK, where their relative level was below average (under 70% in 1990), as well as in Belgium and Luxembourg, where they were above. Nevertheless, in all EU countries, except Portugal, where they remained at much the same low level in relation to men's, women's earnings in industry increased by more than those of men over the 1990s.

Earnings developments in services

Much the same seems to be the case for women's earnings in retailing and financial services, the only service activities for which comparable data exist for a few Member States for the 1990s as a whole. Except in Portugal, average earnings of women non-manual workers increased relative to those of their male counterparts both between 1990 and 1995 and between 1995 and 1999 (Table 1). In financial services, women's earnings also failed to rise in relation to men's in Portugal over the period 1990 to 1998, while in Greece, they seem to have fallen (though there may be problems of data consistency for the years after 1995, not shown in the table). Moreover, although the relative level of women's earnings rose in other Member States for which data are available, the rise was generally less than in retailing. (In both Belgium and the UK, the rise was only around 1 percentage point over the 8 years.)

Harmonised statistics are also available for two other service activities – hotels and restaurants (NACE H) and business services (NACE K) – but only for the period since 1995. These are activities in which the rate of employment growth has been relatively high over recent years, business services being the fastest growing activity of all. In contrast, industry, retailing and financial services have experienced comparatively little net job creation.

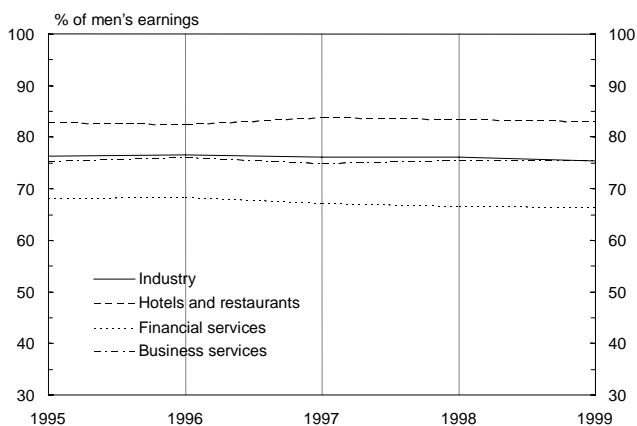
Table 1 Women's earnings in retailing and financial services in Member States, 1990, 1995 and 1998/1999

	Retailing			Financial services		
	1990	1995	1999	1990	1995	1999
	<i>% men's earnings</i>					
B	83.0	85.8	88.0	77.0	78.5	78.3
DK		82.4			79.5	78.2
D	74.8	78.8	86.4	71.7	73.4	74.4
EL	82.5	84.1	89.3	82.8	79.0	
E	63.8	61.9	70.1		78.1	80.6
F		81.6			68.7	
IRL		84.8			73.2	
I		89.9			80.7	
L		82.6	85.1	77.0	78.8	80.3
NL		73.1			62.0	64.8
A					77.7	76.2
P	79.4	75.3	73.4	80.9	80.1	80.4
FIN		84.8	85.6		63.4	64.8
S		97.2	101.2		77.0	74.3
UK	70.5	74.0	76.9	64.6	64.9	65.5

Note: B, EL, E, L and S: 1998 instead of 1999
 FIN and P: 1997 instead of 1999
 DK and E: 1996 instead of 1995

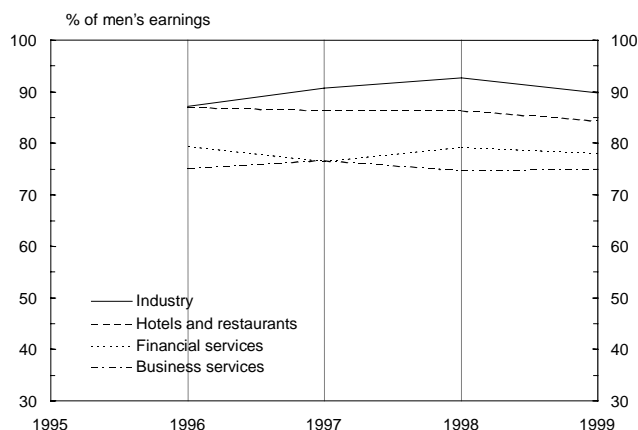
For hotels and restaurants, the earnings of women employed full-time averaged over 80% of men's across the EU (Figure 3, which, it should be noted, covers only those countries for which data are available for individual activities for the period 1995 to 1999). Their level ranged from 77% of the earnings of men in the Netherlands (as well as in Ireland, which is not included

Fig. 3 Women's earnings in selected sectors in the EU, 1995-99



in the graphs presented here) to 88% in Finland (and 92% in France and Italy, also not included in the graphs). Only, in Luxembourg (Figure 6) and Sweden (Figure 10), however, has there been any significant increase in women's earnings in relation to men's over the period since 1995. In other Member States, the relative level remained much the same.

Fig. 4 Women's earnings in selected sectors in Denmark, 1995-99



Similarly in business services, there has been a significant rise in the average earnings of women relative to men only in Spain (Figure 5) and the Netherlands (Figure 7) over this period, while in other countries, there has been little if any increase.

Fig. 5 Women's earnings in selected sectors in Spain, 1995-99

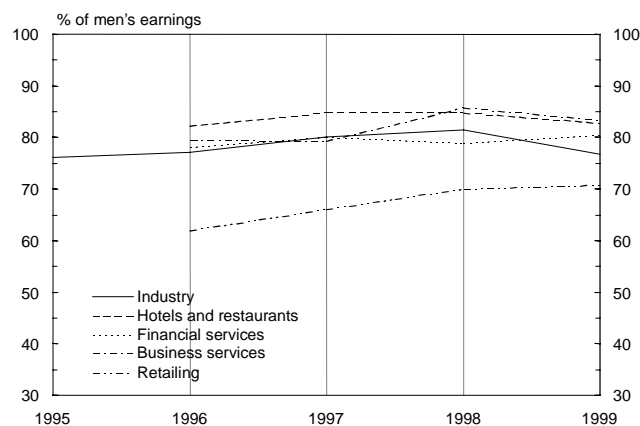


Fig. 6 Women's earnings in selected sectors in Luxembourg, 1995-99

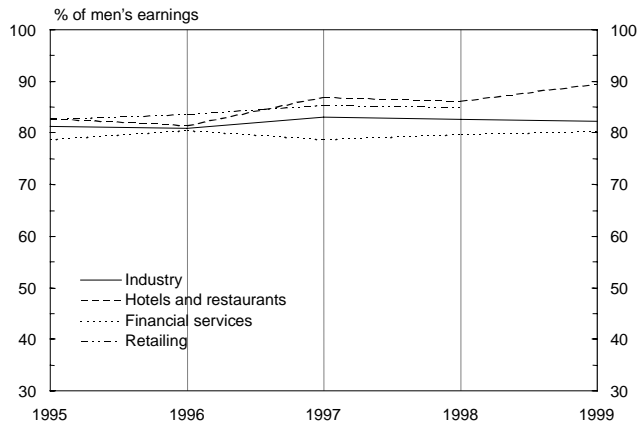


Fig. 7 Women's earnings in selected sectors in the Netherlands, 1995-99



Fig. 8 Women's earnings in selected sectors in Austria, 1995-99

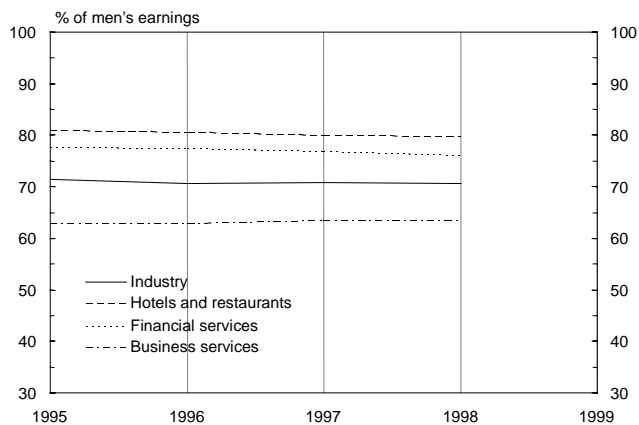


Fig. 9 Women's earnings in selected sectors in Finland, 1995-99

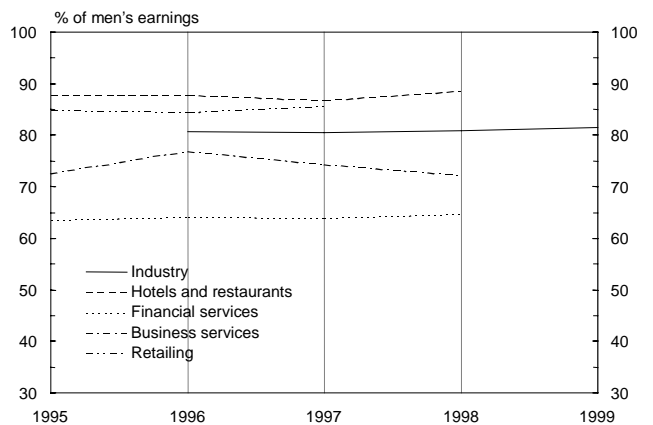


Fig. 10 Women's earnings in selected sectors in Sweden, 1995-99

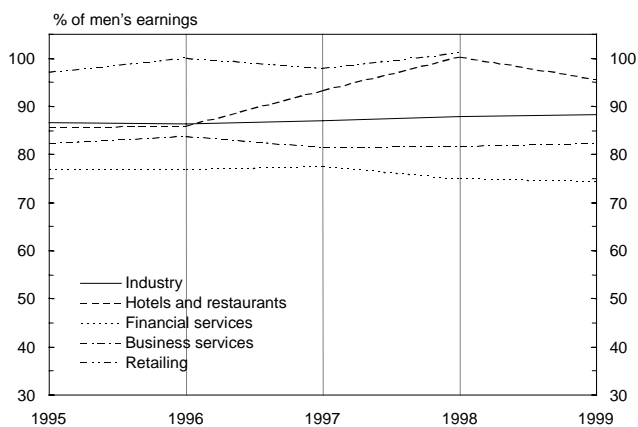
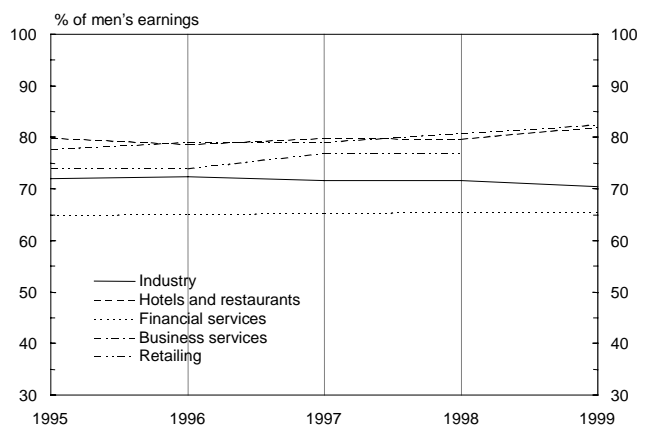


Fig. 11 Women's earnings in selected sectors in the UK, 1995-99



Changes in relative earnings and the share of women in employment

Overall, the number of women employees in industry and services has risen by much more than that of men since 1995 in most Member States at the same time as the differential in earnings has narrowed slightly. (A point to note here is that the harmonised statistics relate either to full-time employees or to full-time and part-time employees together, with the latter measured by full-time equivalents. The main growth in employment, however, has been in part-time jobs. The harmonised series are assumed to reflect changes in the earnings of part-time as well as full-time employees, but this is not necessarily true in reality.) In industry, the tendency for women's earnings to increase relative to men's coincided with a widespread decline in women's share of total employment in this sector (Figure 12), the two events perhaps reflecting the decline in low-paid jobs. Two of the three countries in which the share rose,

Fig. 12 Women's share of employment in industry in Member States, 1995 and 1999

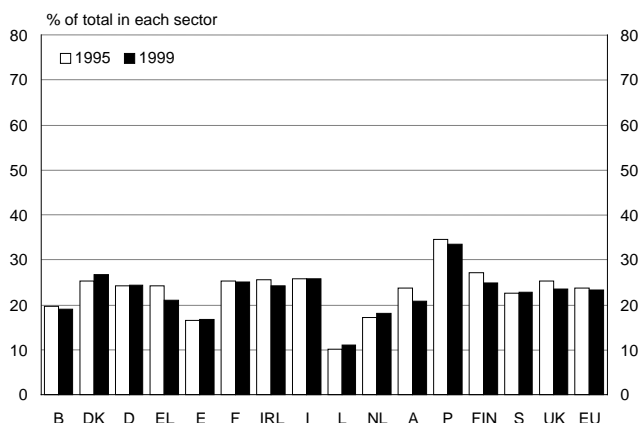
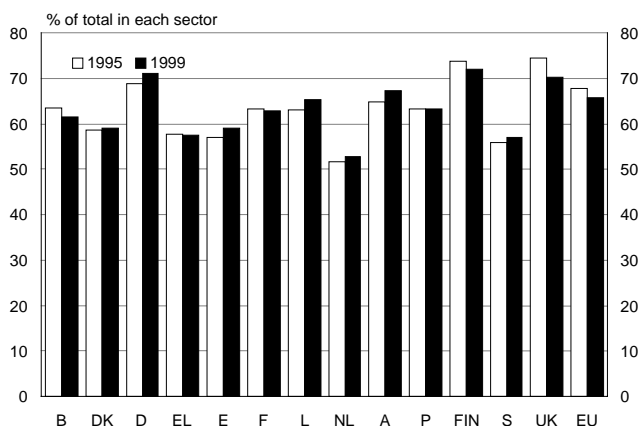


Fig. 13 Women's share of employment in retailing in Member States, 1995 and 1999



however, Denmark and the Netherlands, were also the two in which the average earnings of women went up by most relative to those of men, which is consistent with increased job opportunities for women leading to more equal pay.

Fig. 14 Women's share of employment in hotels and restaurants in Member States, 1995 and 1999

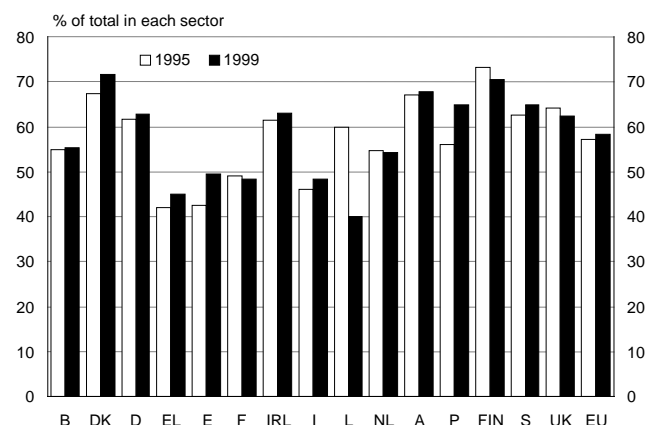


Fig. 15 Women's share of employment in financial services in Member States, 1995 and 1999

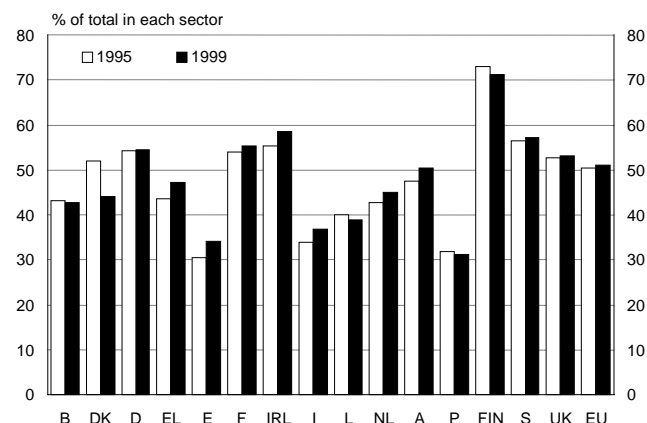
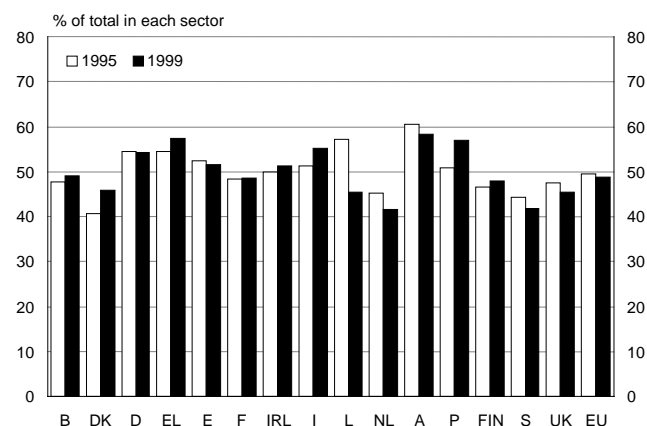


Fig. 16 Women's share of employment in business services in Member States, 1995 and 1999



In retailing, the women's share of paid employment increased in most Member States between 1995 and 1999, declining only in Belgium, France, Finland and the UK (Figure 13). In three of these countries, all except France, where data are not available, women's earnings

rose relative to those of men. However, they also went up in Germany, where the women's share of jobs in retailing rose markedly.

In hotels and restaurants, in Sweden, one of only two countries to show an increase in the relative level of women's earnings, women's share of employment also rose, while it declined slightly in the Netherlands, where their share of employment fell (Figure 14).

In financial services, where there was generally a small rise in women's earnings relative to men's, there was also a higher rate of growth of women's employment

than men's in most Member States (Figure 15), though one of the countries in which the gap in earnings between men and women failed to narrow at all, Portugal, was one of the few in which there was a small fall in women's share of employment.

In business services, in which the relative level of women's earnings increased only in Spain and the Netherlands, there was a decline in women's share of employment in both of these countries, though also in Luxembourg, Austria, Sweden and the UK (Figure 16), where the level remained much the same.

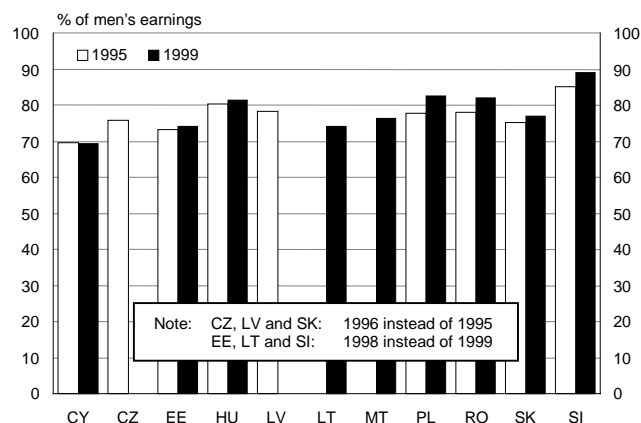
The earnings differential in the candidate countries

The difference in average earnings between men and women in the candidate countries seems to be similar to that in EU Member States (although the data are not directly comparable between the two).

In most countries, women's earnings, as a percentage of those of men, averaged between 75% of those men (in Estonia and Lithuania) and just over 80% (Hungary, Poland and Romania), with the level being lower than this in Cyprus (70%) and higher in Slovenia (almost 90%) (Figure 17).

The data indicate a general tendency for the earnings differential to narrow since 1995, with 6 of the 7 countries for which figures are available showing a rise in the earnings of women relative to those of men and the remaining one, Cyprus, showing little change. The largest increases seem to have occurred in countries where earnings of women were already relatively high in relation to men's – in Slovenia, Romania and Poland.

Fig. 17 Women's earnings in industry and services in candidate countries, 1995 and 1999



➤ METHODOLOGICAL NOTES

The data presented here are based primarily on the Harmonised Statistics on Earnings (annual data) which are compiled by Eurostat from the most suitable national series in the Member States. As indicated below, they relate to earnings of either full-time and part-time employees together and cover manual workers in the case of industry and predominantly non-manual workers in the case of the service sectors. These statistics have been aligned in the analysis to the data on the average earnings of full-time men and women employees derived from Statistics on the Structure of Earnings (SSE) for 1995, which is the most reliable source of comparative earnings across the EU. The figures for the earnings of women relative to men shown in the graphs and tables for 1995, therefore, come directly from the SSE.

Data sources

The SSE provides data on earnings by age, sex, occupation, level of education and length of service of employees which are the best indicator of the pay gap between men and women. Until the SSE for 2002 became available, the Harmonised Statistics of Earnings provide the only indication of developments in the pay gap since 1995. However cross-country comparability is limited, given the many differences in national earnings statistics or the incomplete coverage of service activities. Data availability for Belgium, Germany and Greece is confined to industry, wholesale and retail trade and financial services. Data for Ireland cover industry only and no data are available for Italy, while data for France are available on a consistent basis only from 1997 on. (Accordingly, the data presented for France, Ireland and Italy are confined to those derived from the SSE for 1995.) It should be emphasised that the coverage of these statistics is not ideal for monitoring relative women's earnings because activities where women are in the majority - health, education and personal services - are not covered, though this also applies to the SSE.

Data coverage

Industry and services, NACE Rev.1 categories C to K – ie excluding public administration, education, health and social and personal services: monthly earnings, all employees, full-time and part-time workers.

In Belgium and Luxembourg, only non-manual workers are included. In Germany and the UK, only full-time employees are included, and in the services sector for Germany, only non-manual workers are included. In Belgium and Germany, H, I and K are excluded. In Luxembourg I and K are excluded. In Belgium, divisions 66 and 67 are excluded from J, and in Luxembourg division 67 is excluded.

Industry: Hourly earnings of manual workers, full-time and part-time, except Austria, where earnings are monthly; Germany, where the data are for full-time only; and the Netherlands, where data include both manual and non-manual workers.

Services: Germany, Greece and Luxembourg: monthly earnings of non-manual, full-time employees.

Denmark and the Netherlands: monthly earnings of all employees, full-time and part-time.

Belgium, Spain, Austria, Finland and Sweden: monthly earnings of non-manual employees, full-time and part-time.

Portugal and the UK: monthly earnings of all full-time employees.

Belgium and Greece: financial services confined to financial intermediation (NACE J65).

Germany and Luxembourg: financial services exclude activities auxiliary to financial intermediation (NACE J67).

Belgium, Denmark and Sweden: part-time employees converted into full-time equivalents.

Further information:

➤ Databases

New Cronos, Domain "Harmonised earnings" and "Structure of Earnings Statistics - 1995"

To obtain information or to order publications, databases and special sets of data, please contact the **Data Shop** network:

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