

WOMEN IN THE LABOUR MARKET^{1,2}

Joanna Borg Caruana

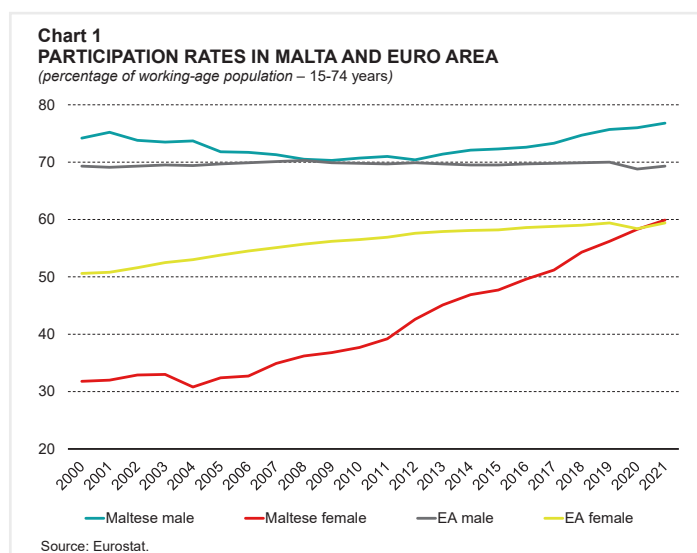
Facilitating female participation in the labour force has become a major social policy target internationally.³ Additionally, it can impact greatly potential GDP, helping to offset the effect of population ageing (Juhn and Potter, 2006). In 2019, as Chair of the International Monetary Fund, Christine Lagarde (now the President of the ECB) noted that “if women’s employment equalled men’s, economies would be more resilient and economic growth would be higher”.

This article looks at how the Maltese female labour market evolved since 2000. It uses administrative data and information from the LFS to study the driving forces behind the gap between the male and female participation rates, and the main reasons for inactivity amongst females. It also analyses the characteristics of females in employment.

The developments of the gender participation gap over time

The female participation rate is the share of the active workers (consisting of employed and unemployed women) within the female working-age population.⁴ Across Europe, the female participation rate has typically been lower than that for males, and Malta is no exception. Locally, the female participation rate has risen strongly since 2005, reaching 59.9% in 2021, and exceeding the euro area average of 59.4% (see Chart 1). As the male participation rate over this period fluctuated between 70% and 80%, the gap between the male and female participation rates has decreased steadily over time, falling from 42.4 percentage points in 2000, to 16.9 percentage points in 2021. Nevertheless, the gap remains above that in the euro area, where the gap decreased to 9.9 percentage points from 18.7 percentage points in 2000.

The reasons behind the increase in the female participation rate since 2000 could be due to both demand and supply factors. Higher demand for female workers could have been the result of the higher service-oriented employment opportunities (Galor and Weil, 1996), and higher educational attainment of women (Micallef,



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² The cut-off date for this article is 20 November 2022, except as otherwise indicated. Figures may differ from those cited in other parts of this *Report* which have a more recent cut-off date.

³ For instance, it was one of the pillars of the EU 2020 Strategy, the G20 25X25 target and the United Nation’s Sustainable Development Goal No. 8.

⁴ Unless otherwise specified, the term working-age population refers to ages between 15 and 74.

2018). Supply-side factors include the introduction of family-friendly policy measures by employers, such as the introduction of flexible work practices, as well as government policies (Micallef, 2018). A series of government measures in Malta have been implemented in the past with the aim to encourage women to remain or return to the labour force (Rapa, 2019). These can be divided into two; those that directly impact disposable income – such as the reduction in national insurance (NI) contribution, the introduction of tax credits, a new parent tax computation, in-work benefits and higher maternity benefits; and those that impact disposable income indirectly – such as increasing maternity and paternity leave, the introduction of partial payment for parental leave, free child-care services, afternoon school programmes, and other schemes to facilitate the return of women to work (see Table 1).

The increase in the number of women in the labour force can also reflect cultural changes such as lower fertility (Micallef, 2018), an increase in the mean age of marriage and that of first childbirth,

Table 1

GOVERNMENT MEASURES TO ENCOURAGE WOMEN IN THE LABOUR FORCE

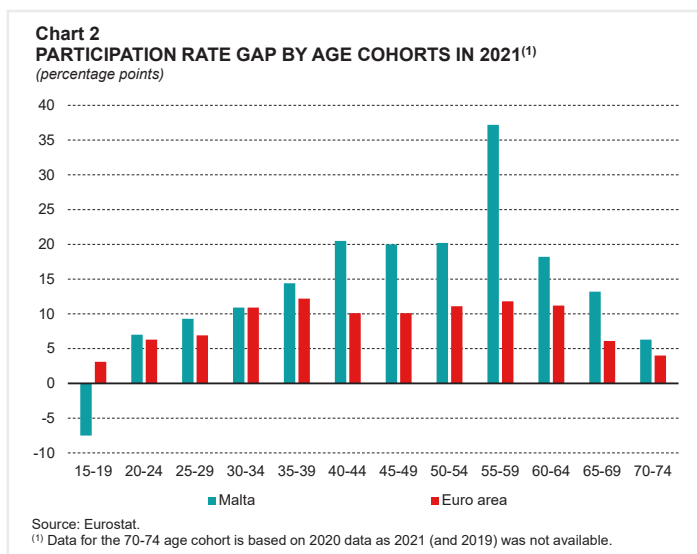
List of measures

Direct impact on disposable income	Indirect impact on disposable income
Pro-rata NI Contribution for Part-time Self-Employed Women	Three months of unpaid parental leave for each parent until the child is eight years, to be used in established periods of one month each and is non-transferrable between parents
Tax Credit for women returning to work after having children	Afternoon School Programmes in the Community – Klabb 3-16
New Tax Computation for Parents	Increased parental leave to a period of four months
Increase in the tax deduction to €2,000 for parents sending their children to private childcare centres	Increasing maternity leave to 18 weeks
Reduction in income tax for unemployed women over 40 years who return to work after being inactive for more than five years	Free child-care services for parents in employment or in education
Increasing the maternity benefit rate of self-employed women to the National Minimum wage	Breakfast club to provide care for primary school children between 7:00am and 8:30am
Raising the rate of pay of the last four weeks of maternity from €160 per week to minimum wage	Aligning adoption leave with maternity leave - increasing leave from five to 16 weeks, and then to 18 weeks
The In-Work Benefit scheme to support low-income working parents (2015) as well as families with one working parent	"Access to Employment" Scheme – This scheme provides employment aid to enterprises to promote the recruitment of the more challenged amongst jobseekers and inactive persons
	The setting up of a special fund to finance maternity leave in the private sector in a bid to decrease gender discrimination in employment
	The introduction of Legal Notice (LN) 201 of 2022, transposing the EU Work-Life Balance Directive, includes provisions whereby paternity leave for new fathers, or the second parent, rose to ten days (from one day). Moreover, both parents are now eligible to two months of paid parental leave (at sickness rate) and another two months of unpaid parental leave until the child is eight years. Parental leave has to be used in established periods of two weeks, and two months of them can be transferrable between parents. It also gives parents of children younger than eight the right to request flexible working hours. The LN also allows individuals taking care of sick relatives to take five days of unpaid leave to care for them (instead of utilising their respective sick leave).

Source: Author's compilation.

as well as higher separation and divorce rates (Juhn and Potter, 2006). Developments in the housing market might have also contributed, especially in the increase in household indebtedness (Micallef, 2018).

Data by age cohort show that in 2021, the male participation rate surpassed the female rate in most age cohorts. This is illustrated by a positive gap in Chart 2. The largest gap between the male and female participation rates is in the 55-59 age bracket (37.2 percentage points), while the smallest difference is in the youngest cohort, where this tends to fluctuate between positive and negative gaps over time.

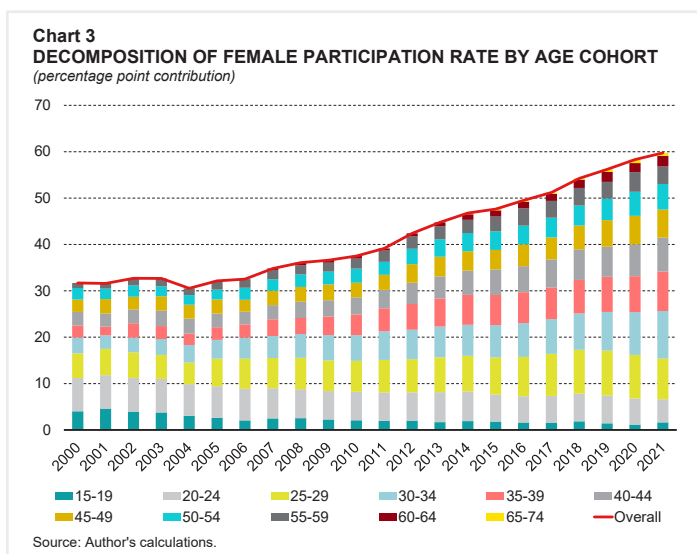


The gap in the Maltese labour market seems to exceed that in the euro area across most age brackets, in particular, the 55 to 59 group, but also among those aged 40 to 54. The Maltese participation rate gap seems to be more in line with that of the euro area in younger cohorts.

During 2021, the female participation rate was highest for the 25-29 age bracket at 86.9%. Between 2000 and 2007, the female activity rate peaked slightly before, in the 20-24 age bracket. This could be because the mean age of the first marriage for women was earlier, and there was a higher tendency for women to leave the workforce once they get married or bear children. In fact, in 2021, the male rate peaks later, at 35-39 years, and remains above 90% till the 55-59 age bracket, before abating.

The increase registered by the female participation rate between 2000 and 2021 reflected a strong improvement in the rate of women between the ages of 35 and 39 (55.5 percentage points) as well as those between the ages of 50 to 54 (51.6 percentage points). On the other hand, the participation rates of women between the ages of 15 and 24 declined, in line with the drop in the share of female early school leavers.

From a historical perspective, almost 40% of the female participation rate in 2000 can be attributed to females between 20 and 29 years (see Chart 3).



The share falls at higher age cohorts. This may reflect a tendency for females to exit the labour force once they get married or bear children. Nevertheless, this development seems to have been changing over time, as the 20-29 age group contributed less to the female participation rate in 2021 (23%), while women in their 30s and mid-40s contributed around 44% of the female participation rate, compared to around 30% in 2000. This reflects higher participation of females in the 30 to mid-40s cohorts.

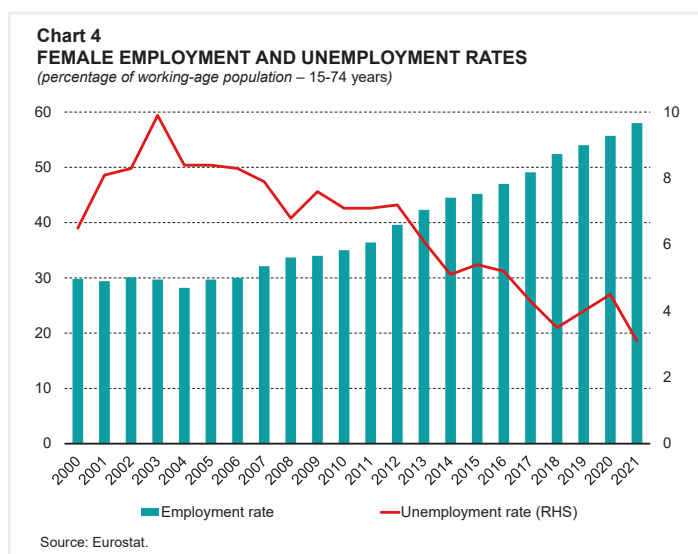
Moreover, the share contributed by older women has increased only slightly. This might reflect the tendency of these women to not have any mortgages. It may also reflect lifestyle choices, as several older women might have been inactive for a number of years and might be unwilling to enter the labour market or gain further skills at this stage in life.

Grech (2020), in fact, showed that for those women in older age categories who were in employment, the response to policy changes, such as the rise in the pension age, was even more pronounced than that seen among men. Older women who are in employment appear to differ from the rest of the women in their cohort, and being a much smaller group than older male workers also tend to be relatively more engaged in higher occupational categories and in professional work.

The one category where female participation is declining is that of females under 20, with the contribution of this age group to the overall female participating rate falling from almost 13% in 2000, to around 3% in 2021. This reflects the increase in young females that are furthering their studies and are not being captured as part of the labour force.

Female participation can also be assessed in terms of employment status (the participation rate is composed of the employed and unemployed). The female employment rate, which is calculated as the share of women in employment as a percentage of the female working-age population, has been on the rise since 2009, reaching 58.0% in 2021, from 29.8% in 2000 (see Chart 4). This reflects the abovementioned demand, supply, and cultural factors at play. Moreover, mirroring the developments in the female participation rate, the female employment rate continued to increase even during 2020 and 2021.

After reaching a high of 9.9% in 2003, the unemployment rate for women has been generally on a downward trend, except for a spike recorded following the financial crisis in 2009, and another one which began in 2019 and continued to rise in the following year due to the COVID-19 pandemic. Nevertheless, by 2021, the unemployment rate for women returned to its downward path and hit a historical low of 3.1%.



The Maltese female unemployment rate was always lower than that of the euro area, which stood at 8.1% in 2021.

On the other hand, the Maltese female unemployment rate was generally higher than that of males up to 2012. Since the following year, the gap between these two rates has been either zero, or fluctuating between small negative and positive gap rates, suggesting that female employment have benefited from the economic expansion of the last decade in a broadly similar way to males. In 2021, the female unemployment rate stood 0.5 percentage point lower than that of males.

From the above analysis it is clear that even though the female participation rate has risen strongly, and the respective unemployment rate has declined, significant gaps with males remains in terms of participation, especially in the over 40s age brackets. Nevertheless, the recent pandemic showed that the female labour force seems to be as resilient as that of males during turbulent economic times.

Reasons for inactivity in the female population

Although it has decreased steadily over time, the female inactivity rate – which measures the percentage of women who are not employed, unemployed or actively seeking work – remains substantial. The rate declined from 68.2% in 2000 to 40.1% in 2021, for the 15 to 74 age bracket. Although the gap between the male and female inactivity rate narrowed over the years, in 2021 the female inactivity rate stood almost 17 percentage points higher than that of males, translating to 76,700 inactive females compared to 49,500 inactive males.

The Maltese female inactivity rate always stood higher than the euro area average, but the gap started to narrow since 2007. In 2021, the Maltese rate stood half a percentage point lower than that of the euro area. During that year, the female inactivity rate in Malta was lower than that in France, Belgium, Croatia, Greece, and Italy, but was higher compared with the rest of the euro area. The largest gap was registered with the Netherlands, Estonia, and Lithuania, where the inactivity rate stood at 30.3%, 32.2% and 32.7%, respectively.

The inactive population can be categorized into those that are willing to work and those that are not. Most inactive females are not actively searching for employment. In 2021, this figure stood at 72,900, or 95.4% of inactive women. This share rose by 3.6 percentage points since 2000, less than half the increase registered by males over the same period. In fact, the share of males rose by 8.2 percentage points to 97.8% in 2021.

In 2021, the majority of inactive females across all age categories were not willing to work, with the share being highest in the 50 to 74 age bracket, at 99.0%, which is equivalent to around 47,900 women. As noted in the previous section, most of these inactive women may have been out of the labour market for a very long time, or else might not have entered the labour force at all. Moreover, they are less likely to be burdened with mortgages, and with the children all grown up, they will have less need to work.⁵

The 15 to 24 age bracket has a slightly lower share of inactive females that do not want to work than the previous cohort, at 91.2%, equivalent to around 10,300 females. The women falling in

⁵ The 50-74 age bracket also includes persons of pensionable age. Although the Government has provided a number of incentives aimed at encouraging such persons to remain in employment, some may still feel uncompelled to work.

this group are mainly students. The age bracket with the lowest share of inactivity is that between 25 to 49 years at 87.5%, equivalent to 14,700 women.

A survey by Azzopardi and Bezzina (2014) on female homemakers reveals that reasons for inactivity can be categorized into four – the home environment, discouraged workers, unwillingness to work due to cultural factors and those who are informally active.⁶ According to the authors, the first category is the most common reason behind inactivity amongst women. The home environment includes any personal or family constraints, such as caring for children, the elderly or the disabled, own illness or disability, early retirement, as well as those that are studying. In fact, LFS data confirm that these categories together account for around 80% of inactive women who are willing to work in 2019 and 2020, which is much higher than that calculated for the euro area (see Table 2).⁷

Within the home environment category, the most prominent cause of inactivity is ‘other family or personal reasons,’ which was mentioned by 26.3% of inactive females willing to work in 2019 but rose to 31.5% during the first year of the COVID-19 pandemic. Another large group is those females that are inactive because they are in education or training, which stood at 27.7% in 2019 of inactive women that were willing to work but moderated slightly in the following year. Less than

Table 2
REASONS FOR BEING INACTIVE BUT WILLING TO WORK⁽¹⁾

Percentage of inactive population but willing to work

	Females		Males	
	2019	2020	2019	2020
Malta				
Lay-offs	-	-	-	-
Other family or personal reasons	26.3	31.5	-	-
Care of adults with disabilities or children	19	15.9	-	-
Education or training	27.7	24.5	61.3	39.9
Own illness or disability	7.4	7.1	13.6	-
Believing no job available	-	-	-	-
Other reason	16.8	16.1	22.3	34.4
No response	-	-	-	-
Euro area				
Lay-offs	1.4	2.6	2.4	3.8
Other family or personal reasons	9.7	7.0	3.5	2.5
Care of adults with disabilities or children	19.1	17.8	2.4	2
Education or training	15.7	16.4	21.4	20.6
Own illness or disability	12.6	11.1	17.4	14.7
Believing no job available	18.7	16.4	20.5	18.5
Other reason	21.8	27.6	30.7	36.4
No response	1.1	1.1	1.7	1.5

Source: Eurostat.

⁽¹⁾ Figures in columns may not add up to 100 due to rounding and missing data for certain categories. Data for 2020 may be affected by the impact of COVID-19 pandemic on the labour market.

⁶ This study covers female homemakers with ages between 23 and 65 years.

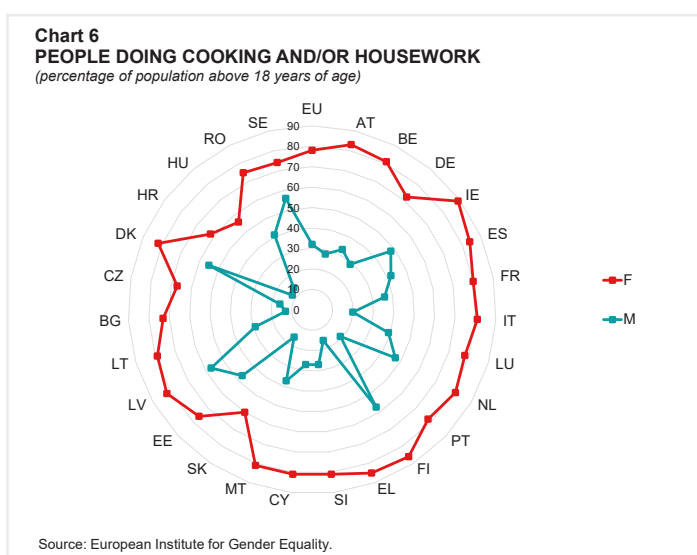
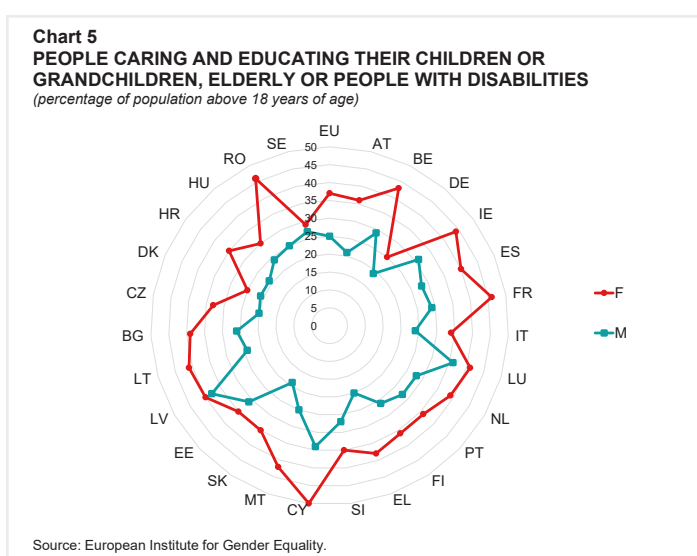
⁷ Data for 2021 are not available for all categories.

20% of inactive females willing to work attributed their inactivity to the care of adults with disabilities or children. This share fell to 15.9% in 2020. The smallest group was those inactive due to own illness or disability.

This pattern differs from that of males. Data for 2019 shows that over 60% of inactive males willing to work attributed their inactivity to education and training, while the rest are inactive partly due to illness or disability.⁸ In fact, Azzopardi and Bezzina (2014) highlighted that although unpaid parental leave is available, it is the female who is most likely to be the main child-carer.

The reason for female inactivity due to personal reasons or caring for family members seems to be much stronger in Malta when compared to the euro area. The percentage of Maltese females who remain inactive due to education and training also exceeds that of the euro area. On the other hand, inactivity due to own illness or disability is somewhat less prevalent than in the euro area.

The time-dimension of the Gender Equality Index, published in 2022 by the European Institute for Gender Equality (EIGE) supports the above argument through two indices that focus on the “caring activities” dimension.⁹ One of the indices focuses on caring and educating children, grandchildren, elderly or people with disabilities (see Chart 5) and another one that looks at cooking activities and housework (see Chart 6). From these two indices it is clear that European women were participating more in caring and education activities as well as cooking and household work than males, with gaps between males and females being heterogeneous across countries. Malta is among the countries with the largest gap between genders in caring and educating dependents – with a



⁸ Data for Malta for 2020 were not available for males on all the categories, suggesting that the number of males falling under these categories is small.

⁹ For the index refer to [Malta | Index | 2022 | Gender Equality Index | European Institute for Gender Equality \(europa.eu\)](https://eige.europa.eu/gender-equality-index). Due to an absence of updated data, the time dimension for Malta is based on 2016 data.

17 percentage points difference, together with Romania (21 percentage points), Greece (18 percentage points), Lithuania (17 percentage points) and France (17 percentage points). The European average gap for this index is 12 percentage points.

On the other hand, the gender gap on cooking and housework for Malta stood at 44 percentage points, in line with the European average of 46 percentage points. The highest gap can be found in Greece (69 percentage points) and Italy (61 percentage points) while the smallest gap can be found in Sweden (18 percentage points) and Latvia (25 percentage points).

Besides the home environment, Azzopardi and Bezzina (2014) noted three other reasons behind inactivity amongst female homemakers. One issue could be the discouraged worker effect, referring to workers that think that there is no suitable job for them. Although no data for Malta is officially available from Eurostat, as noted in Table 2, this issue accounts for a significant share of inactivity across the euro area. These women might be discouraged to look for work due to lack of skills that they might have and might be disheartened to further their education.

Women who are informally active can also be classified as 'inactive'. These females might have temporary or occasional jobs which tend to be not registered in an official way and therefore, cannot be counted as "employed" in national statistics. Although no official data is available specifically for this category, a factsheet by the European Commission (2017) noted that inactive female workers tend to participate in household services such as cleaning, and also help run family businesses. This determinant of inactivity would be captured in the "other reasons" category featured in Table 2. This category represents a lower percentage of the inactive population amongst women compared to men. Moreover, it is also lower than that for females in the euro area.

Another reason behind joblessness is unwillingness to work. In case of females, Azzopardi and Bezzina (2014) note that it could be related to cultural beliefs that a woman should stay at home. This category might also incorporate women that come from families with strong financial wealth or have no loans or mortgages, and therefore it is unnecessary for them to work, and others that have been out of the labour force for a very long time and see no need to re-enter the labour market.

The main characteristics of women in employment

The number of women in actual employment over the age of 15, during 2021, stood at around 110,900, which is 41% of total employment.¹⁰ This number of female workers is almost triple that registered in 2000, which stood around 43,500, when it covered 30% of total employment in the labour market.

Full-time and part-time employment

More than three fourths of employed women in 2021 – around 88,900 – were employed in full-time jobs, while the rest (22,000) were in part-time employment as their main occupation (see Chart 7).^{11,12} The number of females working part-time as a primary job was almost double that of males, which stood at 11,500 in 2021. Nevertheless, the share of females working part-time has been on a declining trend since 2015, as more women are choosing to work full-time.

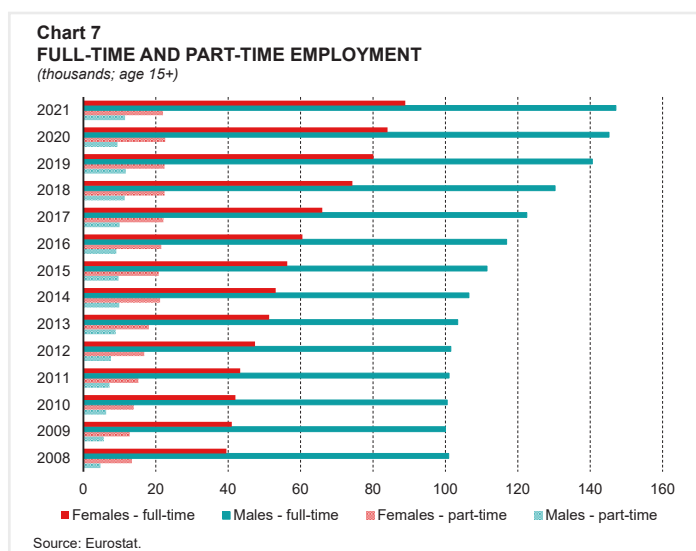
¹⁰ This section makes use of employment data for the age cohort 15+.

¹¹ In the LFS data, part-time employment includes workers whose working hours in their main occupation are less than those of full-time workers, including also those employed on a full-time with reduced hours basis.

¹² There is no data on part-time employment as a secondary job in LFS data.

From Chart 7 it is evident that both the level of full-time and part-time female employment continued to rise despite the pandemic. While the full-time jobs of males also continued to increase, the number of male part-time jobs dipped in 2020, although the latter had almost completely recovered by the following year.

The reasons for women choosing to work part-time jobs vary across ages. According to the LFS, in 2021, 80% of young females falling in the 15 to 24 age bracket were primarily working part-time to supplement their income during their studies. This share was much lower in the past, as young females also faced difficulty in finding full-time employment. The principal motivation for working less hours for women between 25 and 49 years was always due to family or personal reasons, as well as caring of adults with disabilities or children.



Employment by sector

Almost 92% of employed women work in the services sector, which employs around 101,800 females. This number is more than three times that registered in 2000, when the services sector had about 32,400 females in employment. This pattern was also observed in other developed economies, and over different periods in time. Moreover, once women began to outsource certain household work and childcaring, it was easier for these jobs to be filled by women (Ngar and Petrongolo, 2013). Therefore, these skills give women a comparative advantage to males in services-oriented jobs.

The sectors with the largest number of women in 2021 were the sectors of human health and social work activities, the education sector and the wholesale and retail industry. These sectors accounted for around 43% of all women in employment.

The sectoral distribution of women in full-time and part-time jobs is slightly different, as the presence of women in part-time employment is stronger than that in full-time.

The industry with the highest share of females in its labour complement of full-time jobs during 2021 was the “other services” sector, which had 70% of its jobs filled by females, equivalent to around 5,000 employees (see Chart 8).¹³ Other sectors with more than 60% of their full-time workers being female include education (66%, equivalent to 13,900 women) and human health and social work activities (64% of workers, equivalent to 15,700 females). Other sectors with high female engagement in full-time jobs include the wholesale and retail sector (9,300 women – 33%

¹³ The “other services activities” sector includes activities in business, employers and professional membership organisations, activities in trade unions and other organisation such as religious and political organisations. It also includes the repair of computers, personal and households goods and other personal services activities which are not elsewhere classified, such as washing and (dry-)cleaning of textiles and fur products, hairdressing and other beauty treatment, funeral and related activities.

of all full-time staff) and financial and the insurance industry (about 6,900 women – 49% of all full-time staff).

This contrasts with the structure of the female labour market in the early 2000s. In fact, in 2000, the industry with the highest share of females working full-time jobs was the education sector, where 53% of workers were women. This was followed by financial intermediation (with a share of 48%) and the sector of health and social work (37%).

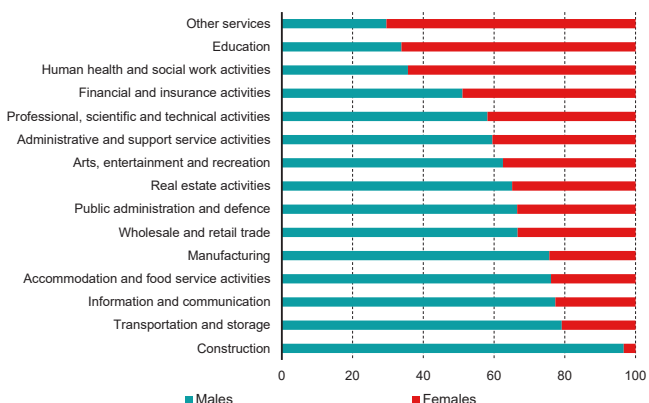
The majority of sectors offering part-time jobs tend to rely more on females than males (see Chart 9). During 2021, the ‘other services’ sector had the largest share of part-time jobs that were taken up by women. Women made up around 94% of part-time employment in that sector – around 1,700 females. Other sectors that have more than two-thirds of their part-time workers being females include the human health and social work sector (82%), financial and insurance activities (76.5%), the administration and support services (73.3%), wholesale and retail trade (69.8%), and arts and entertainment (69.2%).

In the early 2000s, the dominance of women in part-time employment was stronger in certain sectors than it was in 2021. In fact, the education sector was reported to have almost the entire part-time workforce being female. Part-time work in the health and social work sector was always predominantly female, with the share of females standing at 85% in 2000, very close to the rate registered for 2021. Other sectors with a high dependence on female part-timers included ‘other services’ (around 75%), wholesale and retail trade (64%), and real estate (57%). In the manufacturing sector, financial intermediation and the public sector, the part-time complement was more or less evenly distributed between males and females.

Foreign workers

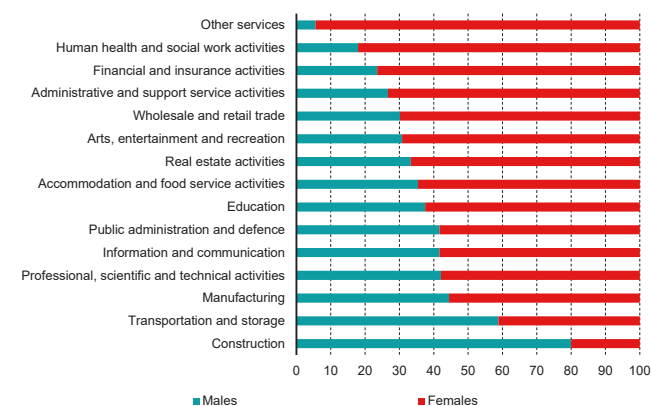
Administrative data on the labour market in Malta show that it has a sizable pool of female foreign nationals. This has been increasing strongly over time, rising from an average of 571 workers in 2000

Chart 8
FULL-TIME EMPLOYMENT BY GENDER IN 2021⁽¹⁾
(per cent)



Source: Eurostat.
⁽¹⁾ Note that no data is available for females employed in the Energy sector and in the Agriculture, Forestry and Mining sector in 2021.

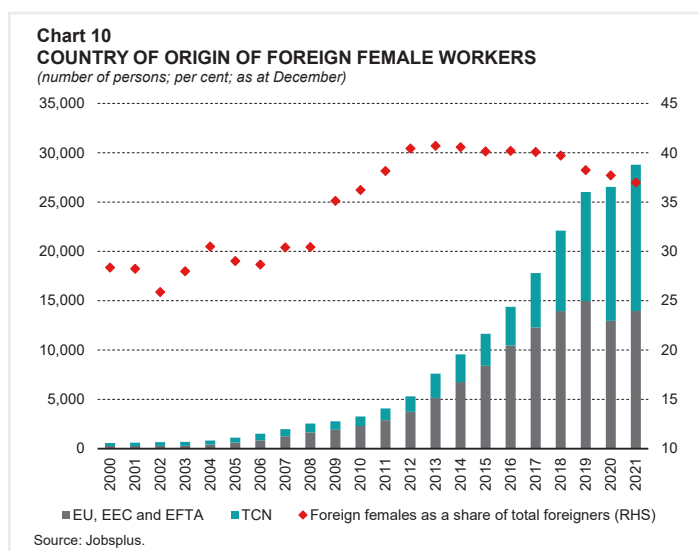
Chart 9
PART-TIME EMPLOYMENT AS A PRIMARY JOB BY GENDER IN 2021⁽¹⁾
(per cent)



Source: Eurostat.
⁽¹⁾ Note that no data is available for females employed in the Energy sector and in the Agriculture, Forestry and Mining sector in 2021.

to an average of 28,784 workers in 2021 (see Chart 10).¹⁴ This number did not fall during the pandemic, although its rate of growth moderated significantly. After growing at a double digit rate for a number of years, the number of female foreign workers rose by just 2% in 2020. It then increased by 8% in 2021.

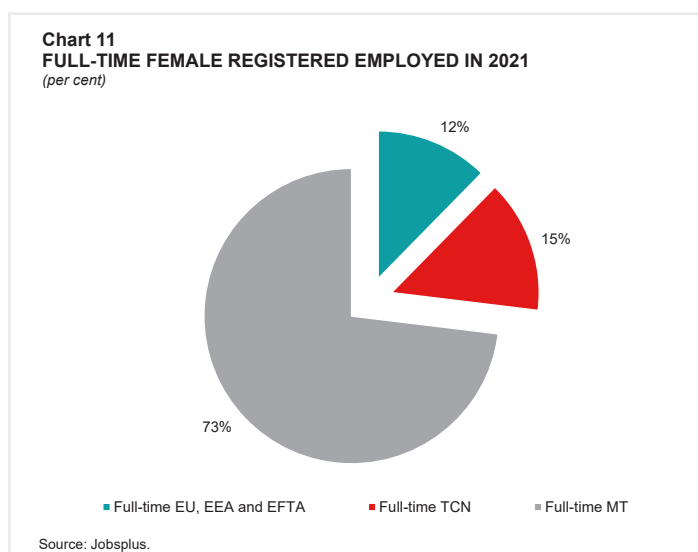
The share of females in the total employment of non-nationals stood at 28% in 2000 and rose to a high of 41% by 2013, where it remained around that rate before moderating in the last three years to 37% in 2021.



Administrative data for gainfully occupied females show that between 2000 and 2003, the number of third-country nationals (TCNs) was slightly higher than that of European workers (European Union, European Economic Area (EEA) and European Free Trade Association (EFTA)). Nevertheless, once Malta joined the European Union, free mobility made it easier for EU-workers to come and join the domestic labour market. Indeed, by 2016, the share of European (including the UK) female workers rose to a high of 73% of foreign women workers in Malta. More recently, however, the share of females from TCNs was rising much faster than those from the European Union. This trend was compounded since 2020, partly because workers from the United Kingdom started being considered as TCNs due to Brexit. In 2021, 48.5% of non-Maltese women working in Malta were European Union, EEA and EFTA nationals.

The majority of non-Maltese women working in Malta have a full-time occupation. After reaching almost 93% in 2008 from 89% in 2000, this share started to decline. It fell to around 78% by 2014, before rising again to 89.7% in 2021.¹⁵

Foreign females accounted for almost 27% of all women in full-time employment, while the share in part-time employment stood at 16% (see Charts 11 and 12). Furthermore, in the case of full-time jobs, these are



¹⁴ The administrative data from Jobsplus cannot be compared to the LFS data due to diverse method of collection.

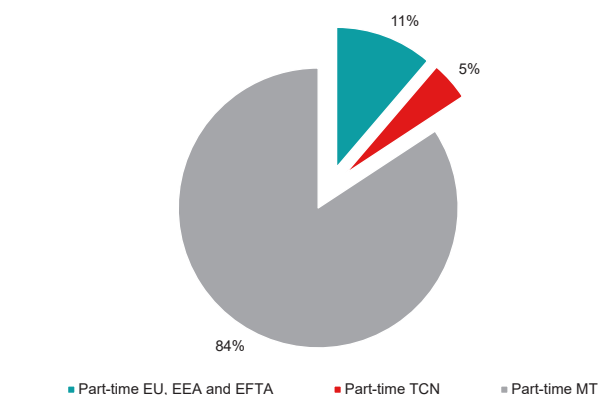
¹⁵ The administrative data in this section refers to part time as a primary job.

characterised by a more even split between TCNs (including the United Kingdom) and European Union and other European nationalities, whereas the latter dominate part-time jobs held by foreign women.

According to administrative data by sector, the largest number of non-Maltese women with a full-time job in 2021 could be found in the administrative and support services sector. These amount to almost 4,000 women, with more than two-thirds coming from TCNs (including the United Kingdom) (see Chart 13). This was followed by human health and social work activities, with around 3,400 foreign females. The sectors of accommodation and the food services as well as arts and entertainment employ around 3,000 non-Maltese females each in full-time jobs, while the sector comprising professional, scientific and technical activities employs slightly less, at about 2,800. All of these sectors, with the exception of the arts and entertainment sector, as well as the sector comprising professional, scientific and technical activities, employ more than half of their foreign female workforce from TCNs.

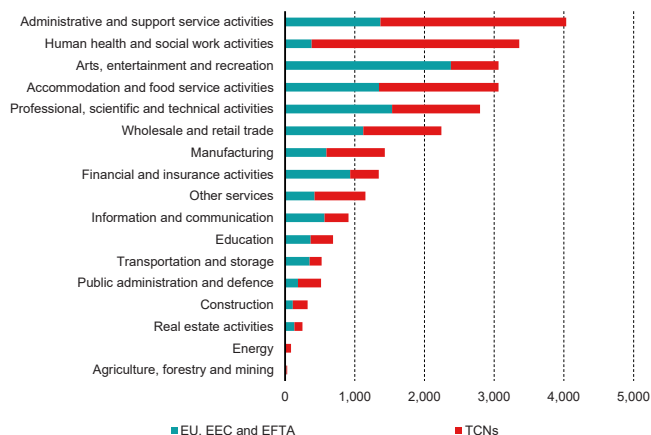
The sector with the largest number of non-Maltese women working in part-time employment in 2021 was accommodation and food services activities, with more than 630 women (see Chart 14). This was followed by the wholesale and retail trade

Chart 12
PART-TIME FEMALE REGISTERED EMPLOYED IN 2021⁽¹⁾
(per cent)



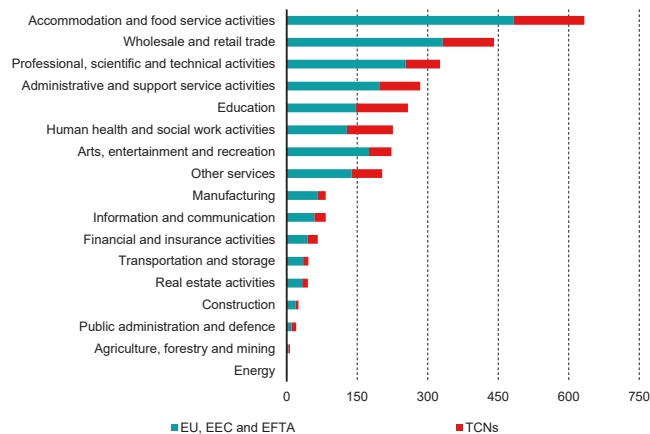
Source: Jobsplus.
⁽¹⁾ Part-time as a primary job.

Chart 13
FULL-TIME FOREIGN FEMALE WORKERS BY SECTOR IN 2021
(number of persons)



Source: Jobsplus.

Chart 14
PART-TIME FOREIGN FEMALE WORKERS BY SECTOR IN 2021
(number of persons)



Source: Jobsplus.

industry, which employed more than 440 non-Maltese females, and the professional, scientific and technical industry with almost 330 persons. A slightly lower number of non-Maltese women were employed in the administrative and support services activities as well as the education sector. All these industries had the majority of their foreign female workers coming from EU countries.

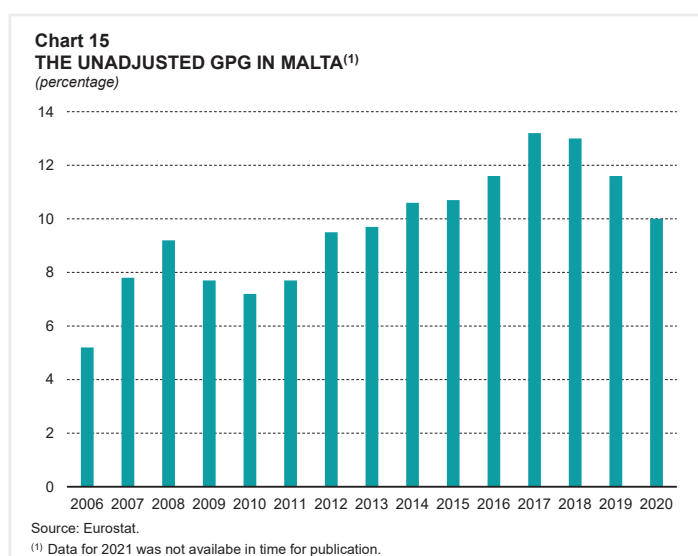
Gender gap in income

With higher educational attainment and an increase in female participation rates, women have been seeing their income converging to that of males. With the existing laws in place, especially since becoming a member in the European Union, employers cannot discriminate on the basis of gender. Nevertheless, the gender pay gap (GPG) captures other factors behind income discrepancy between genders, such as sectoral and occupational gender segregation. Sectoral gender segregation occurs when women tend to work in low-paying sectors while men work in high-paying sectors. Occupational gender segregation occurs when men are more frequently promoted to higher-level grades than women, which can be the result of glass-ceiling effects but also because of career breaks.

To gauge differences in income between genders across European countries, one can use the ‘unadjusted’ GPG disseminated by Eurostat. This indicator measures the average differences in the gross hourly wages between males and females.¹⁶ The unadjusted gender rate gap for Malta was generally on the increase up to 2017, only abating in 2009 and 2010 (see Chart 15). After reaching a high of 13.2% in 2017, the indicator has recorded steady declines and stood at 10.0% in 2020.¹⁷ Nevertheless, it is still above its historical average.

Malta’s pay gap during 2020 stood below that of the European Union (13.0%) and the euro area (14.1%). Countries with higher unadjusted pay gap than Malta include Latvia (22.3%), Estonia (21.1%), Austria (18.9%) and Germany (18.3%). On the other hand, Luxembourg (0.7%), Slovenia (3.1%), Italy (4.2%), Belgium (5.3%), Cyprus (9.0%) and Spain (9.4%) have a lower gap.

While an analysis of the determinants of the gender gap is beyond the scope of this study, it is worth highlighting that persistence of such gaps has implications for the long-term growth potential of the economy, the functioning of the labour market, and inequality.



¹⁶ Eurostat defines the unadjusted GPG as follows: [(average gross hourly earnings of male paid employees – average gross hourly earnings of female paid employees)/average gross hourly earnings of male paid employees] expressed as a percentage. Average earnings are calculated as arithmetic means.

¹⁷ Data for 2021 was not available in time for publication.

Conclusion

The female participation rate has increased strongly in the last decade and the drop out rates of females has diminished over time. However, the female participation rate remains below the corresponding male rate in most age brackets. Furthermore, the gender gap in terms of participation rates remains higher than that in the euro area across most age groups, and is particularly higher in the case of those in the 40 to 59 age brackets. Hence, higher educational attainment and further improvements in family friendly work policies need to be complemented with other measures that facilitate access to work.

Labour market data show that Malta seems to have attracted more male non-nationals than female ones. This may require investigating the extent to which this is due to factors that may discourage women to come and work in Malta, in particular, of the state of family friendly measures and social support networks available to migrant workers compared to those present in other countries. Cultural differences (particularly amongst TCNs) may also account for this difference.

Sectoral data show that the majority of women in Malta are employed in services such as health and social work activities, as well as education, the wholesale and retail sector and the 'other services' sector. These tend to be jobs with a lower-earning potential, and therefore they contribute to the gender pay discrepancy. This segregation can be also seen in the education-attainment years. Additional policies should encourage females to enter male-dominated sectors to increase their earning potential. Additional studies are needed that focus on the quality of and access to education among women in Malta, and whether this is affecting the types of sectors that women can then find employment in.

Although Malta has introduced a number of legislative measures to ensure equal pay for equal work, GPG is still present in the labour market. This indicator has been declining since 2017, although it is higher than its historical average. Further indepth research is needed to analyse the GPG in Malta, with particular focus on the determinants of this inequality, and its distribution across sectors.

It is not enough to increase the female participation rate. Policies need to ensure that women, and parents more generally, can still reach their full earning potential, particularly at certain points during child-rearing years, such as during school-holiday days and when children get sick. Another important challenge will be to ensure that the gains of higher female participation during child-rearing years are not lost during the ageing transition. Women tend to face relatively more responsibilities related to the care of elderly persons and persons with disability. In this regard, measures taken in recent years to extend and simplify the Carer's Allowance are a step in the right direction. Although efforts can be done to encourage and support females who want to work, the decision finally rests on each individual and the family situation. Nevertheless, policies should still aim at supporting women who want to return to the labour market.

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