

Female labour inactivity

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This article deals with the female labour market inactivity and more specifically, the socio-economic background of inactive women. The analysis is based on the most recent (2003) PSELL-3 EU-SILC data.

There are many ways to approach and analyze participation of women in the labour market. One of the very important indicators is female inactivity, which provides an insight into the female work participation among the whole population of working-age women. The International Labour Organisation defines the female inactivity rate as the proportion of the working age female population that is not in the labour force (ILO 2003), i.e. neither in paid work nor unemployed. People are thus officially considered to be inactive if they study, take care of their families, are invalid, are either in early or full retirement, etc.

According to the ILO (ILO 2003), female inactivity rates have been continuously decreasing in all EU-15 countries during the last two decades. In the case of Luxembourg, this drop has been particularly big. However, compared to the rest of the EU-15 countries, the figures for Luxembourg remain relatively high. The Grand-Duchy still belongs to the group of countries with the lowest female participation in the labour market.

42% of women belonging to the age category of 25-64 years were inactive in February 2003

In the following paragraphs we describe the current situation of female labour market inactivity in Luxembourg with regard to socio-demographic variables such as: reasons of inactivity, presence of children, number of children, age categories, marital status, educational attainment, and nationality.

To make our analysis more relevant and more focused, we concentrate on the population of women aged between 25 and 64¹ and exclude all respondents who were not able to clearly identify their employment status. It needs to be emphasised that our analysis is based exclusively on the current labour market activity (referring to one point in time - February 2003) and not on the most frequent activity status (calculated from a 12-months calendar of activities).

According to our findings, 42% of women belonging to the age category of 25-64 years were inactive in February 2003. This number is rather striking especially if we compare it to the inactivity rate of men which was equal to 14%.

Family responsibilities are the main reason for female inactivity: 81% out of all surveyed inactive women did not participate in the labour force due to their family duties. Only 7% were out of the official labour force because of retirement (6% in retirement and 1% in early retirement schemes), 9% were invalid and 1% were still studying. Female non-participation in the labour market is thus primarily linked to the fact that a large proportion of working-age women are very much occupied with their family responsibilities.

Labour inactivity is more typical for women with children, widows and married women, older women of working age, women with primary or lower-secondary education, and for Luxembourg nationals

With regard to the number of children that women have, we can claim that the higher the number of children, the higher the tendency not to be in paid labour. This conclusion can be supported by the following concrete numbers. Only 21% of women without dependent children were out of the labour market while for women with at least one child the inactivity rate was more than double (48%). It needs to be added that, logically enough, women with dependent children are more likely to be inactive than their childless counterparts.

Looking at differences concerning labour inactivity between married and non married women, we see a significant contrast. In general, married women are proportionally more numerous to stay out of the labour force than the non-married counterparts. A more precise analysis of all categories of marital status reveals that the highest inactivity rates can be found amongst widows (69%) and married women (49%), followed by divorced and separated women (both groups around 20%). Family care is the most common reason for labour inactivity in all marital status categories that have been analysed.

Taking into account different age categories, we can sum up that younger women (aged 25-49) are, not really surpri-

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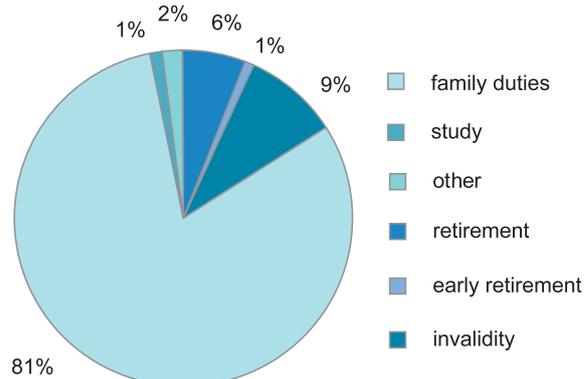
¹ We have chosen the population of women aged 25-64 because it is the most relevant category for participation in the labour market and consequently, for the state's employment strategies. The ILO analyses of female inactivity (ILO 2003) are normally based on the population of women of at least 25 years of age. Respondents younger than 25 years of age are mostly inactive because they are still studying, i.e. still in a process of preparing for their participation in the labour market. Since the official retirement age for women in Luxembourg is 65 we consider this to be a relevant upper age limit for our target population of women.

singly, more likely to participate in the labour market than older women (aged 50-64). However, housewifery is a very important reason for non participation in the labour market in both age categories. 91% of younger women and 71% of older women stayed out of the labour force due to their family responsibilities.

When we break down the female inactive population by the educational attainment (the highest obtained level of education) we see that more than half of the inactive female population consists of women with primary or lower-secondary education (61%). 27% of inactive women have higher-secondary education and only 12% obtained post-secondary diplomas. If we now consider the proportion of women in each educational category who were officially inactive in February 2003, we see that 52% of women with primary and lower-secondary education fell in this category. This figure was 38% for those with higher-secondary and only 23% for those with post-secondary diplomas. On the basis of these figures we can conclude that the higher educational level women reach, the more likely they are to participate in the labour market.

With regard to nationality of respondents, the data show that women who are Luxembourg nationals are more likely to be inactive (inactivity rate is 47%) than non-nationals (35%). When we go a bit deeper in this analysis and compare Luxembourg and Portuguese women (the biggest minority in the country) we see that there is a great discrepancy between these two groups concerning their participation in the labour market. As mentioned above, 47% of Luxembourg women are economically inactive as opposed to 26% of Portuguese women.

Main reasons for female inactivity



Source : PSELL-3/2003, CEPS/INSTEAD, STATEC

Pour en savoir plus :

ILO (2003): **Key Indicators of the Labour Market (KILM), 3rd edition**. Geneva: International Labour Organization

La source de données : Le PSELL-3 (*Panel Socio-Economique Liewen zu Lëtzebuerg*) est une enquête qui a été lancée en 2003 auprès d'un échantillon représentatif de la population résidant au Luxembourg. Grâce à la méthodologie mise en oeuvre pour sa réalisation, les résultats issus de cette enquête effectuée auprès d'un échantillon initial de quelque 3500 ménages (9500 individus) constituent des estimations précises des chiffres concernant l'ensemble de la population. Le PSELL-3 sera réalisé chaque année par le CEPS/INSTEAD, en collaboration avec le STATEC. Il s'inscrit dans le programme statistique *EU-SILC* de l'Union Européenne (*European Union - Statistics on Income and Living Conditions*) destiné à connaître les revenus et conditions de vie des personnes et des ménages dans les différents Etats membres. Plus d'infos : www.ceps.lu/vivre.