

Small States and the Female Labour Market: focus on Malta

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INTRODUCTION

Malta is the smallest state in the European Union (EU). It stands out as the EU state with the lowest rate of female participation in the labour force. Labour market studies generally focus on the reasons for this low participation; some refer to traditional and cultural factors, while others blame inadequate policies on issues such as flexi/reduced hours, childcare centres, tax rates and other family friendly measures (ILO, 2009; Baldacchino, 2003). Yet other studies relate this low rate to the lack of available jobs and poor wages, which are not enough to entice women to leave the comfort of their daily routine to be 'condemned' to follow rules and do menial jobs under supervision. Low participation rates are more likely to be found among the less educated segments of the female population.

Today, countries with higher GDP levels have a higher female employment rate and more women in the parliament than countries with lower levels. The causal relations are not absolutely clear. There is however much to suggest that the *skewed distribution of power between women and men*, evident in several member states' parliaments today, is not encouraging long-term gender equality, without which sustainable economic development cannot be achieved. (Lofstrom 2010: 5)

The aim of this paper is to look at female participation rates across different small states and to see them in the context of the economic development of the country. Do small states share similarities in the activity rates of women? Do regional factors influence participation? Is there a relationship between a high gross domestic product (GDP) per capita and the level of female participation? What type of jobs do women normally engage in? Does political power lead to more family friendly policy and thus increase female labour market participation? The focus will be on Malta, with comparisons made with other small states in Europe and other regions around the world. The analysis depends on the availability of micro-data, which tends to be a problem in by small states.

This paper is a preliminary analysis of an ongoing research project. The remainder of the paper is divided into four sections. The second section presents the literature on women, perceptions and values related to work, and the relevance of the cultural context. The third section compares Malta with other small states in Europe and around the world in terms of employment figures, economic development and political power. The analysis is based on existing official databases. The penultimate section presents the implications of policies which encourage female participation. The last section presents some conclusions.

WOMEN, WORK AND SOCIETY

In economic terms, a woman who does not render a paid service to the economy is considered to be inactive. In everyday language, to say a woman is inactive is more than an understatement, since women at home are 'on duty' round the clock, analysed in economics through the household production function (see, for example, Huffman (2010)). Being a housewife is like managing a small enterprise – involving making sure goods are not out of stock, providing the services of a restaurant, a laundry and cleaner, and also of a seamstress, care worker, child minder, teacher's assistant, nurse, driver and accountant, apart from being a caring mother and a loving wife. For career-based women some of these services are actually 'contracted out', if their salary is high enough to compensate for such everyday essentials. This has led to a renewal in the idea of maids and nannies, and has also seen an increase in ready-made dishes found in supermarkets or home deliveries of food.

Why do women work and what value do they put on a paid job as compared to the freedom of managing their own ménage?

The role of women in society has changed over the centuries. More recently, starting from the 1960s feminist movements, women (more so in the Western world) have seen more liberalism and acceptance

of equality between men and women (Allan and Coltrun, 1996). Such civil liberties, however, do not necessarily extend to the workplace, and whilst the distinction is less apparent in careers, pay gaps and gender segregation of jobs are still evident in a significant number of countries, and women continue to face such problems at work (Day-Hookoomsing, 2002). Segregation takes place in some careers, dominated by health and education, the former because of shift conditions and the latter because of holidays and relatively shorter working days. In manual and less skilled fields, in countries with a small manufacturing sector, like most small states, the job choice is normally between the retail trade, office work and the hospitality sector.

How women in the labour market are viewed generally reflects wider social perceptions. In societies where the dominant figure and main breadwinner is assumed to be the man, which are often sustained by strong religious values, people tend to extend this to project a negative picture of the working woman, who is seen to be 'abandoning' her primary role in the house and pursuing 'egotistic' needs. Religion is often found to be very influential in sustaining traditional views (Heineck, 2004). In societies where a large proportion of women work, women are viewed as having the same right to a career as their male counterparts. These societies are likely to have institutional structures in place which cater for this reality, including childcare centres, flexible working conditions, longer opening hours for shopping and the sharing of domestic responsibilities. Nevertheless, stereotyping and cultural norms still tend to permeate attitudes in a significant number of countries.

The World Values Surveys (WVS) provide information on perceptions about work and family trade-offs. What comes through is that values attached to work vary across different countries. Unfortunately data on small states are only partially available. The only three small states to have taken part in the latest survey (2005–2008), which looked at 57 countries, were Andorra, Cyprus, and Trinidad and Tobago. The following paragraphs give the views of over 70,000 people from around the world on work and housewives. The data on these three small states are presented to provide a comparison.

When asked if, when jobs were scarce, men should be preferred over women for a job, the answers varied. On average 48.1 per cent disagreed with this statement, but 36.2 per cent actually agreed, while 15.7 per cent neither agreed nor disagreed. Disagreement ranged from a high of 94.1 per cent in Sweden to 4.3 per cent in Egypt. In Cyprus, the disagreement was 46.4 per cent, while it was 65.7 per cent in Trinidad and Tobago and 89.9 per cent in Andorra, meaning that Cyprus is the most traditional of these three states. When taking into consideration the gender perspective, figures tend to be higher for females, that is, men are more conservative than women. Disagreement was found to be lower in developing countries (particularly in Asia, Africa and the Middle East), compared to developed ones in the West.

Respondents were asked about the importance of work in their lives. For 63.2 per cent work is very important and it is 'rather important' for 28 per cent, meaning that only 8.8 per cent did not see work as important in their lives. When segregated by gender and age, work was marginally more important for men than for women, and more important for the 30–49 age group than for the older and younger groups for both sexes. Work was more important for those with a lower level of education, and work's importance in life decreased the higher the educational level of the respondent. Work was 'very important' for respondents in Trinidad and Tobago, more so than in Cyprus and Andorra. In all cases, it was 'rather important' for more females than men.

When participants were asked what was the first thing they looked for in a job, 35.7 per cent said a good income, while 34.4 per cent said a safe job with no risk, followed by doing an important job at 19.7 per cent and working with people you like at 10.3 per cent. When segregated by age and gender, older women tended to be more in favour of a safe job, whilst younger men looked more for income. Those with a high level of education looked for an important job, whilst those with a lower level of education considered income as their prime motivator; this held true for both males and females. For the unemployed, students and self-employed females, income was the most important factor,

while for the employed and housewives, a safe job was the priority. Females in the three small states differed in their replies, with those in Cyprus leaning more towards a safe job and those in Andorra and Trinidad and Tobago stating that getting an important job was their main motivator.

The final comment on value presented here is the following statement: 'being a housewife is just as fulfilling'. From the global figure of 75,500 respondents, 61.3 per cent agreed or strongly agreed with this statement. The older the sample, the stronger was the agreement. Men also agreed with this statement more than women. Over half of female respondents agreed, even when disaggregated by level of education. Those at a higher level tended to agree less than those at a lower level. Respondents from Trinidad and Tobago were more conservative than those from Cyprus, with the more modern stance taken by Andorra, with 41 per cent of females agreeing, compared to 72.7 per cent for Trinidad and Tobago and 46.1 per cent for Cyprus.

Also using the WVS database, Fortin (2005) studied women in 25 Organisation for Economic Cooperation and Development (OECD) countries and concluded that the idea of a 'woman's place is in the home' tends to persist over time, since such an idea is bred at a young age and then women feel 'guilty' if they go against it. Ng and Burke (2004) built on studies conducted by Vygotsky (1978; 1986) and Hofstede (1983) and confirm that history and culturally ingrained social processes continue to present themselves in perceptions of women in the workplace. Ng and Burke studied a large financial institution in Canada, which employed people from different ethnic backgrounds. Differing perceptions of equality between men and women in the workplace reflected the ethnicity of the respondents, with those from non-Caucasian and non-North American backgrounds showing less support for equality.

Corby and Stanworth (2009) conducted a study in the south-east region of the UK to see what drives women in their search for a job. It appears that there is one strategy in place, taking jobs that are available, weighing the negatives, in the form of less pay, exclusion from promotion and unfair practices, against the positives of flexible working conditions; in the view of these women, tolerating the negatives is balanced by the positives.

There are more studies from all around the world which point to various salient factors. Female participation has increased over time, but prejudices, inequality, culturally based stereotyping and lack of strategic policies continue to hinder women from full labour market activity.

FEMALE PARTICIPATION IN SMALL STATES

The economic rationale for increasing the number of women in the labour market is that they are an additional economic resource which is not being utilised in the most efficient way. An inactive resource translates into foregone production, foregone income and foregone tax revenues. This becomes more imperative for small states with their limited resources. In practically all countries the proportion of women who are in paid work is lower than the proportion of men. Table 1 shows the activity rate of both males and females in the five smallest states in Europe.

Malta stands out not only when it is compared with other small states, but also with the next lowest country, Italy (51.5%). Even though progress has been made in the past ten years, from 36.7 to 44.1 per cent, this 7.2 increase is similar to that experienced by Estonia and Luxembourg. The proportion of males in paid employment in Malta is no different from that in other countries and is marginally higher than the EU average. The type of work done by Maltese women remains traditional: for the more highly educated, teaching and health are the sectors which engage higher numbers of women, while the less well educated are concentrated in the hotel and catering industry and in retail. This segmentation of the labour market is based on accommodating working hours, the need for a shorter day corresponding to the school day and holidays which are the same as children's timeframes. For the other sectors, shifts are the most attractive characteristic.

Table 1. Male and female activity rates in selected European countries

Country	Females (2002)	Females (2011)	Males (2002)	Males (2011)
EU27	61.0	64.8	78.4	77.6
Cyprus	61.8	67.4	81.3	80.4
Estonia	64.4	71.5	74.6	78.1
Luxembourg	53.6	60.7	76.7	75.0
Malta	36.7	44.1	80.	78.5
Iceland	82.7 ^a	81.7	89.6	87.6
Highest in EU	75.8 Sweden	77.7 Sweden	84.5 Netherlands	83.5 Netherlands
Lowest in EU	36.7 Malta	44.1 Malta	66.4 Bulgaria	68.8 Hungary

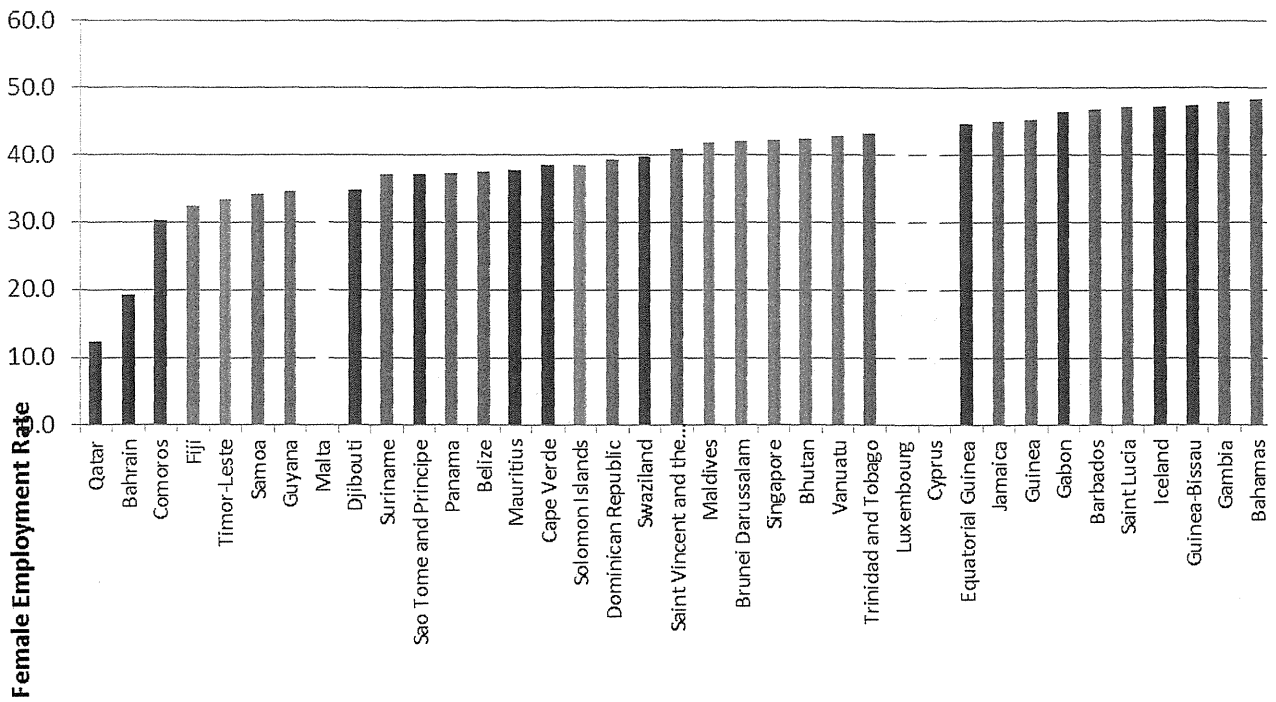
Source: Eurostat ^a 2003 figure

The participation rate of both females and males in relation to the level of development of countries across the world was evaluated in a recent ILO study of 162 countries, where a distinctive ‘U-shaped relationship’ was revealed. High participation rates are found in the poorest and the richest countries, but for different reasons. In the poor countries (especially in sub-Saharan Africa) participation is high because people cannot afford not to work, even though they may have precarious and dangerous working conditions. In the rich countries (mainly in developed states and in Europe), this high participation results from more highly educated people wishing to make use of their qualifications and skills. At both extremes, the high participation rate is due mainly to the increase in the number of women in the labour market (ILO, 2011: Figure 1a).

Another interesting result derived from this analysis is the fact that, with a few exceptions, female participation tends to be lower than that of males. In six sub-Saharan countries (Equatorial Guinea, Mozambique, Benin, Burundi, Rwanda and Togo) and in Nepal, female participation is actually higher than that of males, while in two other countries (Lao People’s Democratic Republic and Sierra Leone) the rates are almost the same. Bigger differences in participation rates, with significantly lower rates for women, can be found in the Middle East and North Africa (this is also evident when comparing only small states in Figure 1 below) and also some countries in the south Asian region (see Timor-Leste below as an example). In these cases, barriers exist in various forms, which prohibit increased participation; these are cultural and even institutional in nature.

Figure 1 compares female participation in employment in Malta with that in other small states around the world. The figure shows different regions (Middle East (purple), European (yellow), Caribbean (blue), East Asia/Pacific (green) and Africa (red)). There does not appear to be a particular cluster based on region, except the two Middle Eastern countries, which have the lowest rate. The widest range is in the Caribbean and Africa.

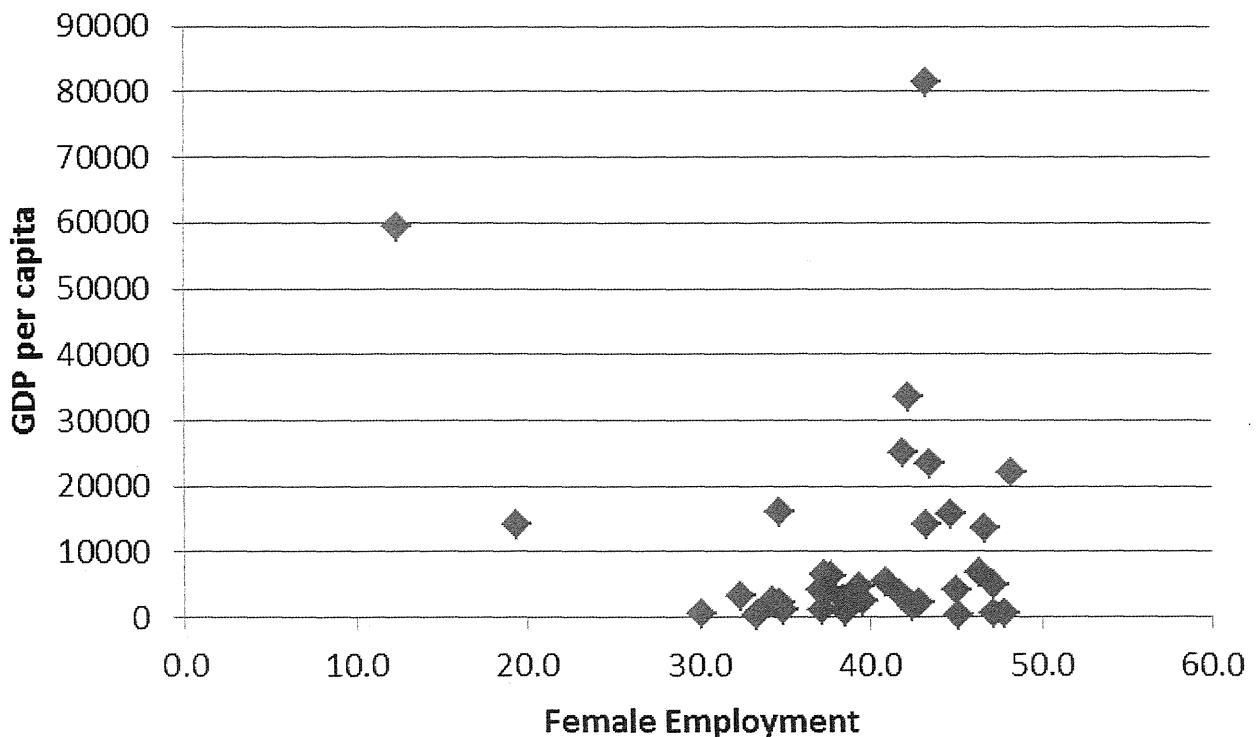
Figure 1. Female employment rate in 36 small states, 2010



Source: Based on UNCTAD data

Figure 2 shows the female employment rate and GDP per capita in small states, where the hypothesis is that if more females worked, this would have a positive impact on GDP. The figure shows a snapshot of the situation in 2010, including the 36 small states above. However, though a cluster appears in the lower right quadrant, the range remains wide. At low-income levels, the range varies from 30 to 50 per cent. At high income levels the range is even higher, from 10 to 45 per cent. Further research is needed to conduct an analysis based on a period of years to see if this shows a change in the relationship between the two variables and if over a period of years a trend is revealed.

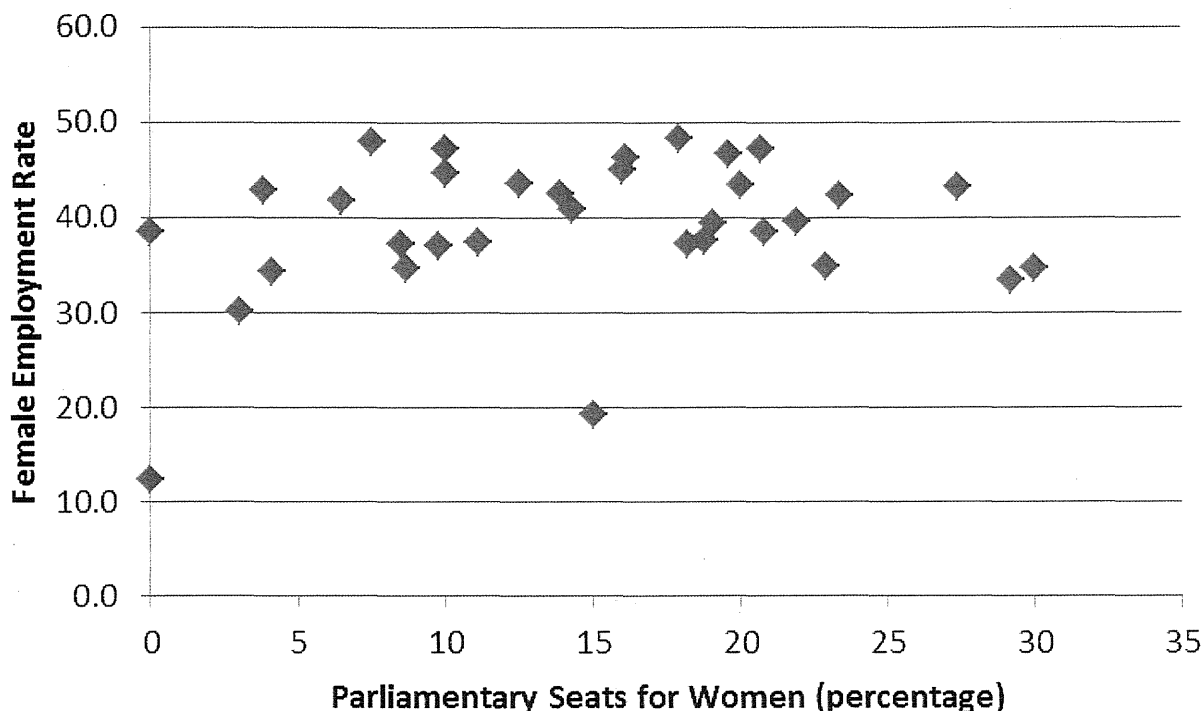
Figure 2. Female employment rate and GDP per capita in small states, 2010



Source: Based on UNCTAD data

Figure 3 evaluates whether there is a relationship between the number of seats in parliament (taken as a proxy for political power) occupied by women and the female employment rate. The hypothesis is that women in parliament are more likely to push for family friendly policies, encouraging more females to enter the labour market. A snapshot of 2010 is again shown. Parliamentary representation varies from 0 to 30 per cent, whilst labour market employment rates vary from 12 to 48 per cent. No cluster is evident.

Figure 3. Parliamentary seats and the female employment rate



Source: Based on UNCTAD and UNDP data

The short preliminary analysis in this section does not appear to find strong relationships between the variables presented in the case of small states. Economic level, employment rates and parliamentary representation vary across countries and regions. The final section of this study evaluates the role of policies in encouraging and sustaining women's engagement in the labour market.

THE ROLE OF POLICIES

There are different policies which can facilitate the increase and integration of women in the labour market. Among these are childcare services, taxation, family-friendly measures such as greater co-ordination of working and school hours, and flexible conditions in the workplace, including leave arrangements. However, it is not enough to actually have policies in place unless these are enforced and are effectively utilised by families. Policies themselves need to be flexibly tailored for diverse needs. For example the existence of a childcare centre does not guarantee its usage if charges are considered to be too high or if the parents prefer their child to be raised at home by the mother. Malta ranks fifth (of 27 EU member states) in a survey of countries where parents find difficulty in combining work and home responsibilities due mainly to inadequate childcare (European Foundation, 2009). Cyprus is tenth and Luxembourg is seventeenth, making Malta the more problematic of the three small states. Preliminary results from a study conducted by Azzopardi and Bezzina (forthcoming) show that home responsibilities remain the biggest problem for working females in Malta.

Women often leave the labour market because childcare facilities are unavailable, too expensive, inaccessible or inadequate. Indeed, women without children are more often employed than those with children. (European Foundation, 2009: 4)

Straub (2007) and Mallon and Cassell (1999) state that the effectiveness of policies can only be achieved through changes in perceptions of women. Lo (2002), in analysing married female professionals in traditional Hong Kong, says that women prefer policies which provide for more flexibility in working conditions to help them balance their family responsibilities and work.

Across the EU, more than six million women aged 25–49 years say that they are forced into not working, or can only work part time, because of their family responsibilities. For more than a quarter of them, a lack of childcare facilities – or their cost – is the main problem. (European Foundation, 2009: 7)

The EU's 2002 Barcelona targets were aimed at encouraging greater female participation. The targets include the provision of childcare centres for at least 90 per cent of children between three years old and the mandatory school age (which varies across countries) and for at least 33 per cent of children under three years of age by the end of 2010. This was aimed at providing equal opportunities in the labour market for both men and women. Data for 2006 showed big discrepancies across countries.

Change also needs to occur in the sharing of responsibilities at home, including child rearing. In an analysis of the role men and women play in the house, it transpired that in Austria, Cyprus, Greece, Italy, Malta and Portugal (Mediterranean countries plus Austria) there is a 60 per cent difference between the number of men and women who engage in daily housework. (European Foundation, 2009).

Taxation can also determine whether a woman works or stays at home. If take-home income does not compensate not only for the time spent at work but also for the opportunity cost of leaving children with others, feeling 'guilty' of abandoning the needs of the family and having to juggle between two realities, then the decision to remain at home becomes easier to make.

Tax incentives to split income – and thus work hours – between spouses can influence the choice of married women between inactivity and part-time participation. (Jaumotte, 2004: 69)

Other policy measures include a range of active labour market policies, which the EU is encouraging member states to focus on. These include, training programmes, job search assistance, forms of employments incentives or subsidies, job placements, and job creation programmes. A study by Bergemann and Van den Berg (2007) found positive effects of active labour market policies on female employment outcomes in several European countries, with the impact likely to be higher for those with low participation rates.

CONCLUSION

This paper has discussed issues related to the female labour market in small states, asking questions rather than providing answers. The level of participation varies across small states and size cannot be seen as a factor that influences the level of participation. This variance is evident when pairing variables and trying to understand whether a higher level of female participation leads to increased GDP, or whether the political power to introduce family friendly measures leads to higher female participation rates. However, using data for just one year can only provide a snapshot and does not explain developments which may be happening over time. This suggests further research looking at time series data which might uncover relationships that are not evident when taking a

cross-section view. In fact, comparing clusters of high income/high female participation, and low income/low female participation in 2010 with 1980 showed that such clusters did not exist in earlier years, which suggests changes have occurred over the 30-year gap.

Culture and conventional attitudes linger on in most countries, although they are stronger in some regions than others. Small states do not appear to share any similarities, with some countries being more conservative than others. Trying to attract women to the labour market will generally meet greater opposition in traditional societies, the dominant idea being that children need their mother at home, with some even suggesting that women who go out to work are exposed to temptation, thus leading to friction and possible disharmony in families.

A number of policies can work towards an increase in female participation in the economy. However, these need to be tailored towards a society eager to embrace more equality between men and women's role not only in the workplace, but also in the home and society in general. The support system can vary from informal kin structures of the extended family type and positive attitudes towards working women, to more formalised societal policy-based frameworks, such as structures extending from nurseries/childcare centres to after-school activities, taxation, training programmes and accommodating working conditions. The more resistance one finds in society and at home to this idea, the more difficult it will be to enforce such a change in attitudes at the workplace. But with the problems of ageing populations, the strengthening of global competitive forces and widening equalities, the need to make better use of existing and potential resources becomes more imperative. This is a research area which demands more attention to ensure that resources in small states, and in particular women, who form about half the population, are utilised in the most efficient way. The benefits are significant, the contribution being not only towards the country's economy but also as means of improving women's personal development and capabilities.

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