Gender Unemployment Gaps: Evidence from the New Member States

This paper documents and analyzes gender unemployment gaps in the eight New EU Member States, using the European Union Labor Force Survey data between years 1996-2006. We estimate a model of the probability of being unemployed as a function of standard human capital characteristics, by gender, country, and year, and perform a flexible version of Oaxaca-Blinder decomposition for binary variables to identify whether the observed cross-country variation in gender unemployment gaps and their changes over time are due to the differences in the characteristics of their populations or due to the differences in the way these characteristics affect the labor market outcomes for the two genders.

We relate our decomposition results to additional factors, namely gender differences in self-employment, availability of part-time work, and the share of public sector employment, and the extent of job segregation.

Using a steady state unemployment formula, we analyze whether the gender unemployment gaps are driven by the gender differences in the transition from employment to unemployment or the transition from unemployment to employment. We focus on the transition from unemployment to employment, to identify whether the gender unemployment gaps can be explained by different job search methods and lower job search intensity by women when compared to men, or rather by discriminatory practices in hiring.

Preliminary findings suggest that while there is negative, although not always significant, gender unemployment gap (in favor of women) in the Baltic states, and no unemployment gap in the two southern countries, Hungary and Slovenia, the three central European countries, Poland, Czech Republic, and Slovak Republic show a clear evidence of persistent gender unemployment gap against women. We further find that there is no statistical difference between the flow rates of women and men from employment to unemployment in any of the countries, but the flow from unemployment to employment is significantly smaller (by around four percentage points) for women in Poland, the Czech Republic, and also more recently Slovakia. We conclude that it is the lower transition of women from unemployment to employment, which accounts for the gender unemployment gaps in the central European countries.