Joining Forces for Gender Equality

WHAT IS HOLDING US BACK?

OECD

Joining Forces for Gender Equality

WHAT IS HOLDING US BACK?

OECD
BETTER POLICIES FOR BETTER LIVES

Please cite this publication as:
OECD (2023), *Joining Forces for Gender Equality: What is Holding us Back?*, OECD Publishing, Paris, https://doi.org/10.1787/67d48024-en.

ISBN 978-92-64-67283-3 (print)
ISBN 978-92-64-72801-1 (pdf)
ISBN 978-92-64-82583-3 (HTML)
ISBN 978-92-64-75772-1 (epub)

Photo credits: Cover © Adeline Marshall.

Corrigenda to OECD publications may be found on line at: www.oecd.org/about/publishing/corrigenda.htm.

Foreword

Despite some progress, gender inequality remains a reality in every OECD country, with women and girls still facing disadvantages and barriers in most spheres of social and economic life. While addressing gender inequalities is a moral imperative, prevailing gender gaps in education, employment, entrepreneurship, and public life also lead to missed opportunities for inclusive job creation, growth, and innovation, ultimately affecting the prosperity of the entire economy.

Promoting gender equality is a strategic priority for the OECD and is being mainstreamed in all of its work. The OECD regularly monitors progress on gender equality in member and partner countries as well as policy developments aimed at advancing on gender equality in a range of areas, including digitalisation, energy, environment, foreign direct investment, nuclear energy, trade, and transport. The 2010 *OECD Gender Initiative* drew attention to barriers to gender equality in the areas of education, employment, entrepreneurship, and public life. The 2013 and 2015 *OECD Recommendations on Gender Equality in Education, Employment, Entrepreneurship and Public Life* set out policy principles and measures for policy makers and stakeholders to address such gender inequalities in their countries. *The Pursuit of Gender Equality: An Uphill Battle (2017)* presented a stocktaking of OECD's policy efforts to reach gender equality, and was followed by in-depth work on gender equality in various policy areas.

The OECD is also at the forefront of expanding the coverage of gender-sensitive data. It offers a range of statistical resources to analyse gender equality, such as the *OECD Gender Data Portal*, the *OECD Family Database*, the *OECD Going Digital Toolkit*, the *Social Institutions and Gender Index* (SIGI) and data on *Official development assistance for gender equality and women's empowerment*. The *Gender data expansion project* initiated by the United States in 2021, for instance, allowed to improve gender data availability in the areas of digitalisation, telework, parental leave and tax-benefit systems. The OECD recently prepared the G7 Dashboard on Gender Gaps, including key indicators to track progress on gender equality in various areas.

Joining Forces for Gender Equality: What is Holding us Back? tracks progress and provides policy recommendations for gender equality in 33 chapters that cover various policy domains, from education, employment, and entrepreneurship to public life, development, trade, transport, and energy. The report shows progress in some policy areas, such as paternity leave, pay transparency, flexible work opportunities, and higher representation of women in leadership roles. Yet, major challenges remain, including girls' underrepresentation in educational fields promising better job opportunities, women's disproportionate share of unpaid care and housework, lower wages for women than men, barriers to entrepreneurship and self-employment for women, gender gaps in lifetime earnings and pension income, and women's underrepresentation in politics and government leadership positions. Gender impact assessments and gender budgeting have helped raise awareness of gender inequalities, but gender stereotypes, discrimination, and limited representation of women in policy making continue to impede progress. Moreover, violence against women remains a global crisis.

This publication calls for urgent action to address persisting and emerging gender inequalities. These can only be tackled by "joining forces" of all stakeholders, men and women, through a mainstreamed policy approach to gender equality that acknowledges its multidimensional nature.

Acknowledgements

Joining Forces for Gender Equality, What is Holding us Back? was prepared as an integral part of the OECD's ongoing Gender Initiative. The report was written under the overall supervision of the OECD Secretary-General, Mathias Cormann and Deputy Secretary-General, Ulrik Vestergaard Knudsen.

This publication is the result of extensive teamwork and collaboration across OECD directorates. The OECD Directorate for Employment, Labour and Social Affairs (ELS) led the writing and co-ordination of chapters of this report, under the senior leadership of Stefano Scarpetta (Director of ELS), Mark Pearson (Deputy Director of ELS) and Monika Queisser (Senior Counsellor and Head of the Social Policy Division). Willem Adema (Senior Economist in ELS) and Valentina Patrini (Social Policy Analyst in ELS) managed the project, supervised the editorial process and peer-reviewed all chapters.

The chapters were written by the following authors: Ashley Acker, Willem Adema, Lyydia Alajääskö, Pablo Antolín, Lorenzo Argirò, Carolin Beck, Valentina Bellesi, Francesca Borgonovi, Erika Bozzay, Anna Bruce, Michelle Cherian, Amal Chevreau, Marta Cignetti, Mollie Cretsinger, Emeline Denis, Romain Despalins, Jean-Christophe Dumont, Marta Encinas-Martín, Elsa Favre-Baron, Gaëlle Ferrant, Jonas Fluchtmann, Liselott Fredriksson, Valerie Frey, Jacobo García Villarreal, Maja Gustafsson, Pınar Güven, David Halabisky, Michelle Harding, Jenny Hedman, Alexander Hijzen, Diana Hourani, Julien Jarrige, María Camila Jiménez, Erin Kelleher, Kenza Khachani, Miriam Koreen, Jane Korinek, Natalie Laechelt, Marion Lagadic, Ave Lauren, Estelle Loiseau, Mariarosa Lunati, Josephine Macharia, Florence Maher, Marco Marchese, Alejandra Meneses, Bathylle Missika, Chiara Monticone, Letizia Montinari, Giulia Morando, Jessica Mosher, Scherie Nicol, Magdalena Olczak, Hyeshin Park, Valentina Patrini, Stéphanie Payet, Mario Piacentini, Glenda Quintini, Sara Ramos Magana, Marie-Estelle Rey, Ana María Ruiz, Helen Shymanski, Meeta Tarani, Tatyana Teplova, Chloé Touzet, Elisabeth van Lieshout, Marieke Vandeweyer, Per Anders Widell, Lisa Williams and Dimitra Xynou.

Pauline Fron, Lucy Hulett, Maxime Ladaique, Jayne Maddock, Eva Rauser, Nadia Sánchez Pacheco, Hanna Varkki and Alastair Wood provided editing, logistical and publishing support.

Table of contents

FIGURES

In figures throughout this publication, (↘) in the legend relates to the variable for which countries are ranked from left to right in decreasing order, and (↗) relates to the variable for which countries are ranked from left to right in increasing order.

TABLES

Follow OECD Publications on:

https://twitter.com/OECD

https://www.facebook.com/theOECD

https://www.linkedin.com/company/organisation-eco-cooperation-development-organisation-cooperation-developpement-eco/

https://www.youtube.com/user/OECDiLibrary

https://www.oecd.org/newsletters/

This book has...

StatLinks

A service that delivers Excel® files from the printed page!

Look for the StatLink at the bottom of the tables or graphs in this book. To download the matching Excel® spreadsheet, just type the link into your Internet browser or click on the link from the digital version.

Executive summary

Gender equality and the empowerment of women and girls are universal goals, as set out in the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the 1995 Beijing Declaration, the Platform for Action and the 2030 Agenda for Sustainable Development and the OECD Recommendations on Gender Equality in Education, Employment, Entrepreneurship and Public Life.

Addressing gender inequalities is not only a matter of intrinsic value and a moral imperative. It can also enhance growth, productivity, competitiveness and the sustainability of economies. Closing gaps in labour force participation and working hours may result in an average boost of 9.2% to GDP across OECD countries by 2060, adding about 0.23 percentage points to average annual growth. Failing to work towards equality between men and women puts our collective future prosperity at risk.

Yet, gender inequality persists in all spheres of social and economic life in all OECD countries. Even in those countries that have been at the forefront of modern gender equality policy, women and girls continue to face barriers and disadvantages at home, in the labour market and in public life. Girls are still under-represented in educational fields that promise better job opportunities. Women continue to spend a disproportionate amount of time on unpaid care- and housework, which complicates their engagement in the labour market, especially once they become mothers. Lower employment rates, fewer working hours per week, substantial labour market segregation, and persistent glass ceilings mean that women continue to get paid lower wages than men. Women also face barriers to entrepreneurship and self-employment.

All of these factors result in substantial gender gaps in life-time earnings and pension income. And they also mean missed opportunities for job creation, growth and innovation – which affects the whole economy.

Despite being overrepresented in public employment, women also continue to be underrepresented in politics and government leadership positions. This risks an underappreciation of issues that affect women and families and, more generally, may lessen support for policies promoting gender equality and women's rights.

There has been progress in policy making to support gender equality in recent years. Noteworthy examples include measures supporting the offer and take-up of paternity leave, pay transparency for equal pay, access to flexible work opportunities, and a higher representation of women in public and private leadership. Gender mainstreaming issues have also moved up the policy agenda: OECD countries are increasingly making use of governance tools and requirements for gender impact assessments and gender budgeting in different policy areas as well as including gender-related considerations in public procurement and infrastructure decision.

Yet stronger advances are needed to tackle the persisting gender gaps in education, employment, entrepreneurship, and public life, and to support widespread gender equality globally. Schools still see larger gender imbalances in the choice of fields of study, and the teaching profession remains feminised. In employment, further progress is needed to support gender equality in labour market participation, address vertical and horizontal labour market segregation and support job quality and access to flexible work opportunities, career progression and leadership positions in both the private and the public sector. Such progress can also contribute to reducing the gender pay gap. Governments could also strengthen the policy frameworks for women's entrepreneurship including through an increased use of tailored measures, such as accelerator programmes and growth-oriented finance.

In addition, over recent years, attention to more gender-equal policies has increased in a wider range of policy areas – including foreign direct investment, the environment, energy, nuclear energy, trade, and transport. There are common threads across these different sectors when it comes to gaps in gender equality: low participation of women in their workforce, and even lower representation in leadership positions; gender stereotypes and discrimination against women workers but also legal, technical and financial barriers; a limited representation of women in policy making in such areas; and a lack of adequate frameworks and support systems to enable women to be active in such sectors at their full potential.

Moreover, ongoing crises – the COVID-19 pandemic and its aftermath, Russia's large-scale war of aggression against Ukraine, as well as the cost-of-living crisis spurred by rapidly rising energy and food prices – threaten to erode some of the previously made progress in gender equality. For instance, women were over-represented in sectors that were most heavily hit by the pandemic; mothers took on the brunt of the additional unpaid care work deriving from the lockdowns; and as they typically earn lower incomes, women are also more likely to experience (energy) poverty than men.

While looking for actions to counteract these negative effects, policy makers have started to pay increasing attention to the intersectional nature of policy solutions supporting gender equality. This also requires urgent action to eradicate any forms of gender-based violence, which was identified by most OECD countries as their first priority for gender equality.

Policies should focus on promoting the right mind-set to advance gender equality. A mainstreamed approach to gender equality is the way forward to contribute to sustainable progress: countries must advance their efforts in incorporating gender equality considerations in policy making, acknowledging the interconnections and strengthening the nexus between gender equality and all – including new – policy areas. This requires looking at gender equality across a whole variety of socio-economic, geographic, institutional, policy and sectoral factors and stakeholders. For this to be achieved, countries should work towards ensuring a better representation of women in policy making across all policy areas and sectors, the collection of gender-disaggregated data, a systematic use of relevant governance tools and the necessary administrative capacities.

The OECD has been leading the way in advancing such a mainstreamed policy approach to gender equality. This has materialised into a high degree of internal co-operation on gender work across the whole of the OECD, informed by Delegates to Committees and Working Parties representing diverse Ministries across all OECD countries. With this wealth of information in hand, the contributors to this volume have actively "joined forces" to promote gender equality. This collaboration has resulted in policy recommendations for countries to adopt intersectional, mainstreamed approaches in policy design and implementation.

1 Mainstreaming gender equality

Willem Adema, Jonas Fluchtmann and Valentina Patrini

This chapter presents an overview of persisting gender gaps across OECD countries in and beyond education, employment, entrepreneurship, public life; it also covers additional policy areas such as energy and nuclear energy, environment, foreign direct investment and transport, among others. The chapter also discusses how recent crises are threatening progress in gender equality. It concludes with an overview of key policies adopted across OECD countries to advance in closing the existing gaps in gender equality.

Introduction and main findings

The OECD has placed gender equality at the top of its agenda and actively promotes efforts to close remaining gaps through a wide portfolio of work on gender (Box 1.1). Building on *Closing the Gender Gap: Act Now* (OECD, 2012[1]), *The Pursuit of Gender Equality: An Uphill Battle* (OECD, 2017[2]) and the two *Reports on the Implementation of the OECD Gender Recommendations* (OECD, 2017[3]; 2022[4]), this publication is a further step in identifying progress in gender equality in OECD countries and beyond.

This volume highlights the following main findings:

- Across the OECD, gender gaps persist in all spheres of public and social life. Even though girls and young women have higher educational attainment, men continue to be more likely to be employed, earn more on average, be in decision-making positions in the public and private sector, and engage more in entrepreneurship activities compared to women.
- In recent years there has been progress in some policy areas to support gender equality, for example through earmarked parental leave for fathers, the introduction of pay transparency measures, and increased women's representation in public and private leadership.
- Gender mainstreaming has moved up the policy agenda. New policy areas – including foreign direct investment, the environment, energy, nuclear energy, trade, and transport – are increasingly examining gender equality challenges, thus helping to ensure that the gender lens is applied in a cross-cutting perspective.
- Different crises have exacerbated gender equality challenges. The COVID-19 pandemic has slowed progress, notably regarding gender-based violence. But it has also created opportunities for improving employment quality and flexibility. Russia's large-scale war of aggression against Ukraine, the associated rise in energy prices and the aggravating cost of living crisis are new challenges that countries must deal with through gender-sensitive policy making – as women are more likely to suffer heavier economic and financial consequences, such as energy poverty, due to gender gaps in savings and income.
- More progress is needed in a range of areas. The list is long: tackling bias to support gender equality in education, a more equal sharing of paid work and unpaid work, more accessible and affordable early childhood education and care, effective flexible working arrangements for the compatibility of work and family responsibilities, better employment quality, gender equality in entrepreneurship, representation of women in public leadership and politics, better governance tools for gender equality, and more sustained efforts for widespread gender equality globally.
- Gender equality cannot be achieved through siloed approaches. Real progress can only be achieved through a mainstreamed policy approach – which acknowledges the range of connections and interconnections between gender equality and a whole variety of socio-economic, geographic, institutional, policy and sectoral factors and stakeholders.

This overview chapter summarises existing and persisting gender inequalities, capturing the main policy thrust of initiatives undertaken to reduce these gaps across the OECD. This volume consists of 33 short chapters that display the wide range of increasingly cross-cutting gender-related policy issues. Box 1.1 illustrates how the OECD supports countries' path towards gender equality.

Box 1.1. OECD work on gender equality as part of global and national efforts

Gender equality has long been a central focus of the OECD's work. The 2010 *OECD Gender Initiative* drew attention to barriers to gender equality in the areas of education, employment, entrepreneurship, and public life. With the 2013 and 2015 *OECD Recommendations on Gender Equality in Education, Employment, Entrepreneurship and Public Life* the OECD set out policy principles and measures for policy makers and stakeholders to address such gender inequalities in their countries (OECD, 2017[5]; 2016[6]).OECD work has increasingly focused on the crosscutting nature of policy goals, not least the Sustainable Development Goals (SDGs). Similarly, it has analysed specific dimensions of employment and entrepreneurship with respect to gender equality – such as women's employment in the "social economy", as well as the role of international trade for women entrepreneurs. Moreover, the OECD is constantly expanding the scope of its gender work to include sectors such as foreign direct investment (FDI), the environment, energy, nuclear energy, trade, and transport.

In this context, the OECD is supporting member countries in strengthening gender mainstreaming, governance and leadership, not least through tools such as the Policy Framework for Gender-sensitive Public Governance (OECD, 2021[7]) and the Toolkit for Mainstreaming and Implementing Gender Equality (OECD, 2018[8]).

The OECD also offers a range of statistical resources to analyse gender equality, reflecting progress but also areas where more action is needed. The OECD Gender Data Portal (https://www.oecd.org/gender/data/) includes selected indicators that provide information on gender disparities in education, employment, entrepreneurship, health, development, governance, digital and energy for OECD member countries, as well as partner economies including Brazil, China, India, Indonesia and South Africa. In addition, the OECD Family Database (https://www.oecd.org/els/family/database.htm) provides cross-national indicators on family outcomes and policies. Gender-disaggregated indicators are also available in other thematic databases, such as the OECD Going Digital Toolkit, (https://goingdigital.oecd.org/). The OECD is expanding the availability of gender-disaggregated data also through specific projects, such as a project initiated by the United States to extend coverage of gender-sensitive data (http://www.oecd.org/gender/gender-data-expansion.htm).

The OECD has been instrumental in supporting the G7 and G20 in their focus on gender equality, for example, by helping define the target to reduce the gender gap in labour force participation by 25% by 2025, which was adopted by G20 Leaders at their 2014 Brisbane Summit (OECD et al., 2014[9]; OECD, 2022[10]). Recently, the OECD also prepared the G7 Dashboard on Gender Gaps to the G7 under Germany's G7-Presidency in 2022, including key indicators across a range of policy areas to track progress on gender equality (G7, 2022[11]). In addition to hosting working groups with a focus on gender, such as GENDERNET and the Working Party on Gender Mainstreaming and Governance, the OECD frequently engages experts and decision-makers in a variety of fora to advance the policy dialogue on gender equality – such as the 2022 Symposium on strengthening government capacities for gender-sensitive data and evidence.

On a global scale, the OECD developed the Social Institutions and Gender Index (SIGI) (https://www.genderindex.org/) in support of the 2030 Agenda for Sustainable Development, which serves as an official data source on discrimination against women in social institutions across 180 countries and is gathered in collaboration with the World Bank Group and UN Women (SDG 5.1.1). The OECD tracks and analyses development financing in support of gender equality and women's rights, using the Development Assistance Committee (DAC) Gender Equality Policy Marker (https://www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm). Together with the ILO and UN Women, the OECD also constitutes the Secretariat of the multi-stakeholder Equal Pay International Coalition (EPIC) (https://www.equalpayinternationalcoalition.org/), which calls for equal pay for work of equal value by 2030 (SDG 8.5).

Gender gaps are persistent

Gender equality and the empowerment of women and girls are critical to achieving equal human rights around the world (Chapter 2). Achieving gender equality is not only a moral imperative: in times of rapidly ageing populations and declining fertility rates, the inclusion of more women in the labour market and in leadership positions also is essential to boosting economic growth in the long run.

Stereotypes sustain gender gaps in educational choices

One of the great advances for girls and women over past decades has been in education. In OECD countries, young women now have a substantially higher educational attainment than young men: among 25-34 year-olds in OECD countries, 53% of women have attained a tertiary level of education in 2021 compared to 41% of men (OECD, 2022[12]). At school, girls usually fare better than boys in science and reading scores (see Annex Table 1.A.1); this relative advantage has been growing over recent years, while girls' disadvantage in mathematics compared to boys has been declining (Chapter 8). Across subjects, it is most commonly boys who are low achievers, which undermines school-engagement and may contribute to their higher likelihood of leaving school early (Chapter 10).

However, gender stereotypes that exist at home, in the classroom, and in society contribute to continued gender segregation in the choice of study fields and career expectations (Chapter 9), as well as gender differences in financial literacy (Chapter 12). Despite their higher educational attainment, young women are still more likely than young men to pursue studies in fields relating to education, health, and welfare, and less likely to choose engineering, mathematics, or computing. Similarly to girls in education, women in vocational education and training (VET) less often pursue technical and engineering programmes but are more likely to participate in business and administration as well as health and welfare programmes (Chapter 11). Therefore, women tend to be mainly represented in human- and care-centred educational pathways and occupations, which are typically characterised by lower pay compared to Science, Technology, Engineering and Mathematics (STEM) occupations. For example, the teaching profession has become increasingly feminised, particularly at primary and secondary levels. Female dominated occupations may be paid less because they are undervalued, not because they are inherently less valuable.

Gender gaps in the labour market are narrowing but differences remain

Labour market outcomes of men and women have converged substantially over the past decades. Nevertheless, working-aged women continue to fare worse than men in many labour market outcomes (Annex Table 1.A.1). For example, women in OECD countries are on average 10 percentage points less likely to be employed than men and still spend about five fewer hours per week in paid work (Figure 1.1). Men and women are also noticeably segregated across occupations and industries, with women often working in lower-paying service sector jobs, while men are disproportionally employed in more lucrative jobs, such as in the information and communications technology sector (Chapter 13). These gender differences in employment also culminate in a substantial gap in pay, with women earning about 12% less than men in 2020 on average in the OECD, measured at median earnings for full-time workers. Recent OECD research suggests that three-quarters of this pay gap can be explained by firms paying men and women of similar skills differently, mainly reflecting differences in tasks and responsibilities and, to a lesser extent, differences in pay for work of equal value. The remainder of the gender pay gap is a result of the labour market segregation of men and women, particularly the concentration of women in low-wage firms and industries (Chapter 16).

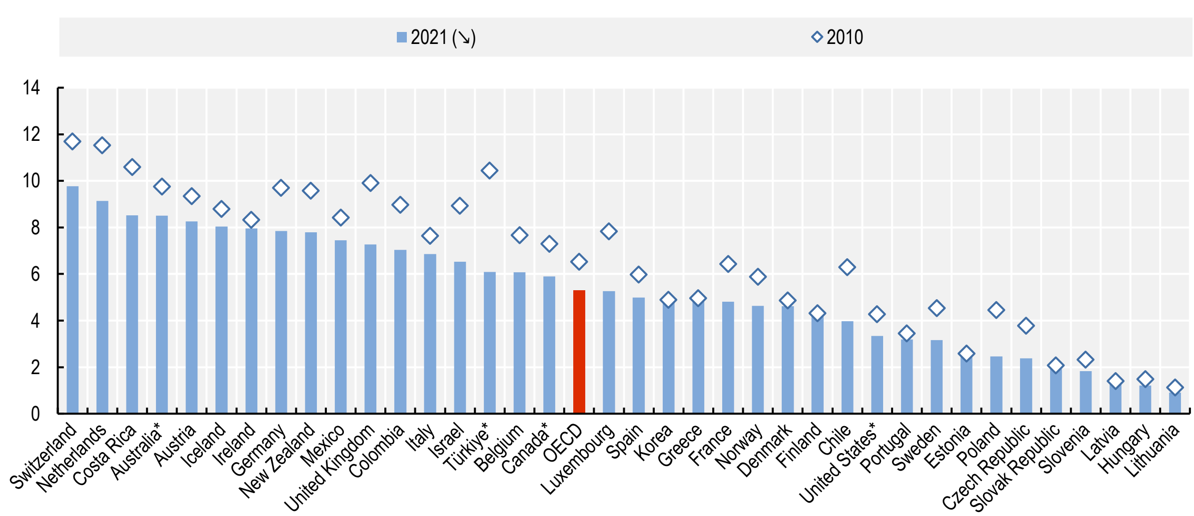
The gender pay gap often widens when women become mothers. In all OECD countries, women spend a disproportionate amount of time on unpaid care- and housework compared to men, even though many countries have improved their family support systems in recent years. Despite exclusive periods of leave for fathers now being offered in many countries and in increasing uptake of leave by fathers, mothers still take disproportionately long leaves of absence from the labour market after giving birth (Chapter 23). Even when mothers are ready to return to the labour market, the unequal burden of work-family responsibilities and a lack of affordable early childhood education and care (ECEC) options (Chapter 24) means that many mothers work part-time and may thus miss out on career advancement and wage growth – or stay out of the labour market entirely (Chapter 13). Tax policy also plays a role. For instance, the progressivity of personal income taxes can reduce post-tax income gaps between men and women, as well as between full-time and part-time workers. However, at the same time, the Tax-Benefit system can create traps which disincentivise second earners (typically women) from entering or re-entering the labour force, or that disincentivise part-time workers (also predominantly women) from working full-time (Chapter 25). Flexible working arrangements, including teleworking, also have a potential to support women's labour market attachment; yet, the use of telework by men and women reflects prevailing gender norms and managerial cultures, that do not necessarily work to the advantage of women (Chapter 26). Good examples can be identified in specific sectors of the economy, such as the social economy, where gender gaps in pay and leadership are reportedly smaller than in the overall economy. Yet, in the social economy, salaries remain lower than in the wider economy for both men and women (Chapter 32).

Women still struggle to make it to the top in companies. Progress has been made in women's presence on the boards of the largest publicly listed companies, which increased from around 21% in 2016 to 28% in 2021, partly due to more use of gender quotas and targets for corporate boards as well as complementary initiatives. But women's share in management positions only increased from 31.1% to 33.7% between 2016 and 2021 (Chapter 17 and OECD Gender Portal, https://www.oecd.org/gender/).

Over the life-course, all these gender differences compound and result in large gender gaps in life-time earnings, a substantial gender pension gap, and an elevated risk of old-age poverty for women (Chapter 22).

Figure 1.1. Despite improvements, women still spend five fewer hours per week in paid work than men

Gender gap in the average usual weekly hours worked on the main job, total employment, men – women, 15-64 year-olds, 2010 and 2021*



* Latest data for Türkiye refers to 2020 and for Australia refers to 2018. Data for the United States refer to dependent employment only. Data for Canada refer to average actual hours worked for all above the age of 15 years.
Note: In figures throughout this publication, (↘) in the legend relates to the variable for which countries are ranked from left to right in decreasing order, and (↗) relates to the variable for which countries are ranked from left to right in increasing order.
Source: *OECD Employment Database*, https://stats.oecd.org/Index.aspx?DatasetCode=AVE_HRS.

StatLink https://stat.link/l4jdx5

Gender gaps in entrepreneurship remain large

Women continue to be less likely than men to create a business, work in a new start-up, or be self-employed (see Annex Table 1.A.1). Although the gender gap in entrepreneurship was narrowing in most countries over recent years, in 2021 women were about 30% less likely than men to be starting or managing a new business across OECD countries. Women are similarly less likely to be self-employed than men – and even less likely to have employees (Chapter 28). Increasing women's engagement in entrepreneurship can have significant benefits for gender equality and economic empowerment.

However, while microfinance is becoming more available for women entrepreneurs, there is still substantial unmet demand – with a market gap expected to grow to nearly EUR 17 billion by 2027 in the European Union (EU) alone (Chapter 29). On the other hand, large gender differences in financial literacy and financial resilience persist. Despite progress in financial education initiatives, challenges remain, including difficulties to reach women, women's lower self-confidence in their financial skills than men, persisting gender stereotypes and social norms, and women's limited time availability given their family responsibilities (Chapter 12).

The sectoral segregation of entrepreneurship activities of men and women also explains why men-led businesses are almost twice as likely to sell in foreign markets (Chapter 30). Women are also less engaged in trade, both as salaried workers and as entrepreneurs and business leaders. Trade lowers consumer prices and increases firms' productivity and wages, and firms that trade are more productive and pay better wages than firms that do not trade. Women are therefore less likely to take advantage of the gains from trade, whether in terms of higher wages and salaries, or productivity gains for their businesses.

Women remain underrepresented in public decision-making positions and politics

Even though women continue to be overrepresented in public employment – making up about 58% of all employees – they still face obstacles in their pursuit of leadership roles in the public sector. In 2020, the average percentage of women in senior management positions in public sector employment across OECD countries was only 37%, just a small improvement up from 32% in 2015. This indicates a persistent "leaky pipeline" (Chapter 14).

Despite advancements, women remain underrepresented in decision-making positions in public life (see Annex Table 1.A.1). Across the legislative, executive and judiciary branches of power, women still make up only about one-third of leadership positions in the OECD on average, similarly to a decade ago (Chapter 18 and *OECD Gender Portal*). The COVID-19 crisis served as a sharp reminder of the gender gap in decision-making, as women made up only 24% of the participants in the worldwide pandemic response ad hoc decision-making frameworks (*OECD Gender Portal*). Such an underrepresentation of women in critical decision-making positions risks an underappreciation of issues that affect women and families – in addition to contributing to the gender wage gap (Chapter 16). It may also result in limited support for policies that promote gender equality and women's rights, as confirmed by evidence on a variety of sectors and policy areas – from environment (Chapter 5) to energy (Chapter 19).

Gender gaps in different policy areas and sectors are coming to the fore

Evidence on gender gaps is increasingly becoming available in different policy areas and sectors – including the environment, energy and nuclear energy, foreign direct investment (FDI) as well as transport – showing that there is still a long way to go to fully achieve gender equality. Beyond intrinsic specificities, all these sectors share a series of common barriers to gender equality. This includes a limited participation of women in the sectoral workforce and their even lower representation in leadership positions; existing gender stereotypes and discrimination as well as legal, technical and financial barriers affecting men and women differently; a limited representation of women in policy making; a lack of adequate frameworks and support systems allowing women to work at their full potential; and, an insufficient application of gender mainstreaming, implying that the linkages between each specific area and gender equality is often overlooked. In addition, limited data availability hinders the possibility to fully analyse gender gaps and take action accordingly.

For instance, when it comes to the environment, biodiversity loss, pollution, climate change and related extreme weather events threaten economic opportunities and increase health and well-being risks. While often overlooked, these environmental impacts affect men and women differently, exposing underlying discrimination, resource access inequalities and physiological factors that determine vulnerability. The agreed conclusions on "Achieving gender equality and the empowerment of all women and girls in the context of climate change, environmental and disaster risk reduction policies and programmes" at the 66th United Nations Commission on the Status of Women (CSW66) underline that the international community is aware of the existing gender gaps and the need for action (Chapter 5).

In the energy sector, women's participation remains low with notable variations between subsectors. In the share of female senior managers, the energy sector is not far behind the global workforce, but the highest-level positions still have few or no women. Women also remain under-represented in energy policy making and public institutions, where the focus on gender equality is still limited (Chapter 19).

Similarly, despite the key contributions of women scientists and engineers to the nuclear and radiological fields, female representation in the nuclear energy sector is low – again, especially in science and engineering positions and leadership roles. At the current rates of female representation in new hires, attrition, and promotion, the sector will not reach gender balance. The lack of gender diversity represents a loss of potential innovation and growth and a threat to the future viability of the field (Chapter 20).

FDI tends to be higher in sectors with a lower share of women and higher gender wage gaps, and the impact of FDI on gender equality is not automatically positive, given existing barriers in terms of domestic legal and regulatory frameworks (Chapter 31). Official development assistance for private sector development, which includes FDI-related assistance, has grown steadily in recent years, but the link with gender equality objectives remains weak (Chapter 2).

Finally, improving gender equality both for women as transport users and in the transport workforce remains a challenge in many countries. First, women remain underrepresented in most transport-related industries (Ng and Acker, 2020[13]). Moreover, although gender is a significant determinant for the choice of transport modes (Ng and Acker, 2018[14]), transport infrastructure and services rarely take into account the mobility needs of women. This hampers women's access to education, jobs, and other opportunities. The COVID-19 pandemic has further exacerbated the existing gender inequalities in the transport sector (Chapter 21).

Gender equality in times of crisis: Progress and policy implementation under threat

As the world continues to grapple with the effects of the COVID-19 pandemic, countries have had to focus on supporting a strong and inclusive labour market, as well as dealing with the economic and social impacts of Russia's large-scale war of aggression on Ukraine. This requires adopting gender-responsive actions, as these multiple crises and the policy responses may affect men and women differently.

The COVID-19 pandemic

The COVID-19 pandemic had profound gendered effects on labour markets in OECD countries and beyond. For example, as women make up the vast majority of nurses and midwives in OECD countries, and represent about half of doctors, they were at the forefront of the pandemic response (OECD, 2020[15]; Boniol et al., 2019[16]). At the same time, women were also over-represented in sectors that were most heavily hit by the pandemic. For example, they made up about 53% of employment in food and beverage services, 60% in accommodation services and 62% in the retail sector in the OECD in 2020 (ILO, 2022[17]; OECD, 2020[15]). The sectoral nature of the crisis also halted progress in gender equality in entrepreneurship, given the concentration of women-run businesses in personal services, accommodation and food services, arts and entertainment, and retail trade.

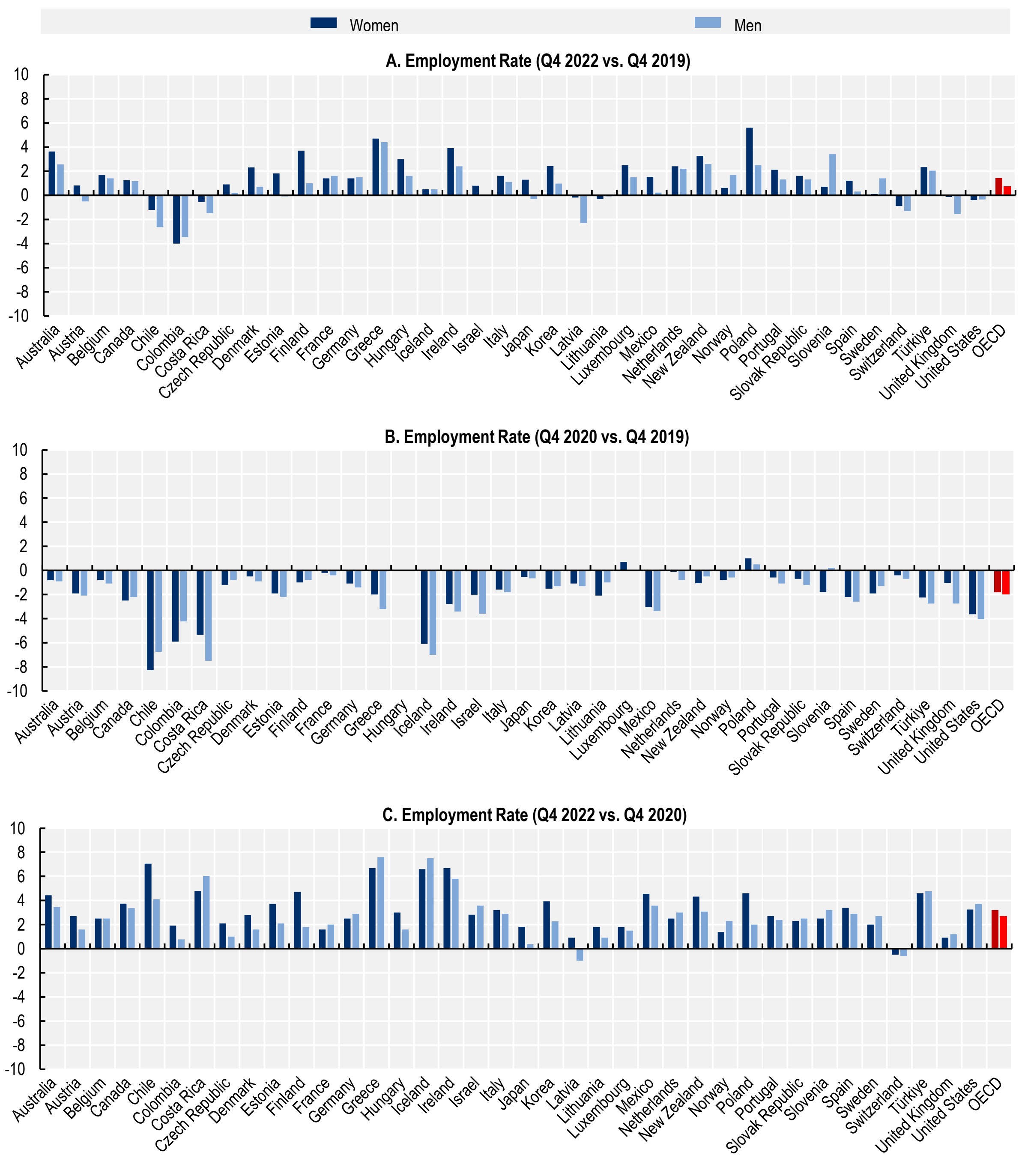
The OECD Risks that Matter 2020 survey showed that when schools and childcare facilities closed, mothers took on the brunt of the additional unpaid care work – and experienced labour market penalties and stress. For instance, more than six out of ten mothers of children under age 12 reported that they took on most or all of the additional unpaid care work caused by the pandemic, in comparison to a little more than two out of ten fathers, on average across the 25 OECD countries participating to the survey. Further, when fathers continued to be employed and mothers were not, gender gaps in unpaid work were the largest on average, while this was not the case when fathers were out of work and women remained employed (OECD, 2021[18]).

Despite these gendered labour market effects of the COVID-19 pandemic, women's employment outcomes were, on an aggregate level, not disproportionately more affected when compared to men's (Queisser, 2021[19]). For both men and women, employment rates developed very differently over the first year of the pandemic and the subsequent period of recovery when containment measures were less strict. Initially, employment rates dropped by 1.8 percentage points for women and 2.0 percentage points for men between Q4 2019 and Q4 2020 (Figure 1.2, Panel B). Almost all OECD countries – except for Luxembourg, Poland and Slovenia – experienced a drop in employment rates for both men and women, with especially strong declines in countries outside the EU, where the adoption of employment retention programmes was less common. On average, the employment declines were similar for men and women, but some countries experienced particularly strong declines for women (e.g. Colombia and Chile), while others did for men (e.g. Costa Rica, Greece and Israel). Initially, employment losses were also particularly strong among young women (aged 15-24), whose employment rates dropped by 3.9 percentage points on average across the OECD, compared to 3.2 percentage points for young men – see e.g. Risse and Jackson (2021[20]).

The period between Q4 2020 and Q4 2022 was marked by a strong recovery in economic activity, raising employment rates by 3.2 percentage points for women and 2.7 percentage points for men on average across the OECD (Figure 1.2, Panel C), while Switzerland was the only country in which employment fell for both men and women. The recovery was noticeably stronger for women in some countries (e.g. Chile, Estonia, Finland, Japan, Korea, Latvia and Poland), but in countries like Costa Rica, Greece, Iceland and Norway men had a noticeably larger increase in employment. Over the whole period (Figure 1.2, Panel A), most OECD countries reached pre-recovery levels, often with slightly more noticeable improvements in female employment. Notably, this stronger employment recovery may have concurred with a shift towards better quality jobs. On an aggregate level across EU countries, for example, there has been some signs of a transition from female employment in low-paid in-person service sector jobs to better paying knowledge-intensive jobs (Eurofound, 2022[21]).

Figure 1.2. Changes in employment rate since the onset of the COVID-19 pandemic (Panel A), in the first year of the pandemic (Panel B) and over the second and third year (Panel C)

Change in percentage points, population aged 15-64



Note: Data for EU countries are affected by the implementation of the new Integrated European Social Statistics Framework Regulation (IESS FR) in 2021, which, among changes in sampling and the structure of the questionnaire, adjusted the definition of employment, particularly in relation to maternity-, paternity- and parental leave. For Türkiye, Q4 2022 data refers to Q3 2022.
Source: *OECD Short-term Labour Market Database*, https://stats.oecd.org/index.aspx?queryid=35253.

StatLink https://stat.link/svw21u

Russia's war of aggression against Ukraine

Russia's large-scale war of aggression against Ukraine has led to huge losses of life, and inflicted life-changing injuries among civilians and the military – especially men, and a massive displacement of people – especially women and children. An estimated 12 million people have become displaced in Ukraine and abroad. By early-January 2023, almost 5 million have registered for Temporary Protection in the EU alone. Because of a general mobilisation in Ukraine, which prevented most men aged 18 to 60 from leaving the country, the refugee inflows from Ukraine are comprised mainly of women, children, and elderly people; in virtually all host countries, at least 70% of adult Ukrainian refugees are women. Although there has since been some return migration, these historic migration flows present a huge challenge for OECD countries, not least in terms of integrating millions of women and children into society and the labour market (OECD, 2022[22]) (Chapter 15).

Refugee women may suffer from a "triple disadvantage" as the challenges related to gender, immigrant status and forced migration add up, or even mutually reinforce each other (Liebig and Tronstad, 2018[23]). Ukrainian refugee women, however, have some characteristics that facilitate their integration prospects: they have benefitted from often immediate labour market access in OECD countries, their educational profile is often conducive to finding employment, and they have been able to leverage existing social networks in host countries. Early evidence on the labour market inclusion of Ukrainian refugees indicates that their entry to the labour market has been faster than for other refugee groups in the OECD (OECD, 2023[24]). Yet, these good early outcomes are not necessarily an indicator of long-term success. Moreover, despite the relatively swift entry, much of the early employment uptake has been concentrated in low-skilled jobs, which is why skills mismatches are widespread (OECD, 2023[24]). In addition, care obligations can impede labour market participation of Ukrainian women.

Ukrainian refugee women's labour market integration will be shaped by a complex interplay of both favourable circumstances and limiting barriers. While there is no doubt that Ukrainian women are better positioned than many other refugee women, there is likely a need to implement gender-sensitive and targeted integration measures to ensure their successful labour market integration at skill-appropriate levels. This also hinges critically on the availability of adequate childcare services and the integration of Ukrainian children into national school systems (OECD, 2022[25]; 2022[22]; 2022[26]).

The cost of living and energy crisis

Despite strong employment growth and far-reaching labour shortages during the recovery from of the COVID-19 pandemic, real household disposable income growth was already under pressure in 2021 due to rising prices caused by disrupted supply chains. This trend continued into 2022, when energy markets were sent into turmoil and supply chains were further disrupted by Russia's large-scale war of aggression against Ukraine – particularly for food and other essential goods. This exacerbated the inflationary pressures that were already present due to the pandemic, so much so that in the first half of 2022, inflation reached levels not seen in decades in many OECD countries – almost 10% in the OECD as a whole and only expected to slowly decline in 2023 and beyond. This has eroded the living standards across households in the OECD as nominal wage growth remained modest despite the tight labour markets.

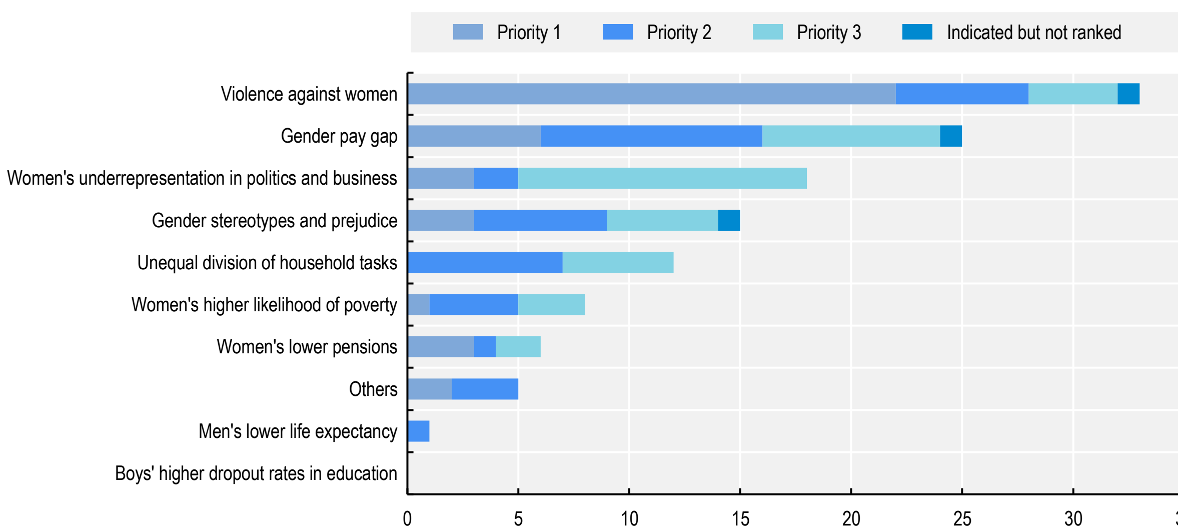
The impact of inflation and cost of living crisis is felt disproportionately by lower-income households, which have been hardest hit by the COVID-19 crisis (Immervoll, 2022[27]; OECD, 2022[26]). As women typically earn lower incomes, they are also more likely to experience (energy) poverty than men. In the EU, for example, a larger percentage of women than men had unpaid energy bills since the onset of the COVID-19 pandemic, but particularly so once energy prices surged in response to Russia's large-scale war of aggression against Ukraine (Eurofound, 2022[28]).

Priorities and policies for gender equality: Recent efforts and the way forward

Eradicating stubborn inequalities between men and women remains a top priority in the OECD, not least since the adoption of the 2013 and 2015 OECD Gender Recommendations. The 2021 OECD Gender Equality Questionnaire asked countries to identify the most pressing gender equality issues they face. 33 out of 41 national government respondents reported that violence against women remains the priority issue in promoting gender equality, particularly since it rose in severity during the COVID-19 pandemic. The second most pressing issue is closing the gender wage gap (25 respondents), followed by addressing women's underrepresentation in politics and business (18 respondents) and addressing gender stereotypes (15 respondents) (Figure 1.3). This is very similar to the priority ranking that emerged among Adherents to the 2013 OECD Gender Recommendation in 2016 (OECD, 2022[4]; 2017[3]).

Figure 1.3. Priority areas in gender equality

Number of respondents



Note: The 2021 OECD Gender Equality Questionnaire asked the 42 Adherents to the 2013 OECD Gender Recommendation to select the priority issues in gender equality in their country from a list of topics. This is different from policy priorities that countries may have on work to be undertaken by OECD, OECD committees and their subsidiary bodies (e.g. the Working Party on Gender Mainstreaming and Governance). The horizontal axis indicates the number of respondents that ranked the issues among their top three priorities. Respondents also had the possibility to suggest additional priorities. These are reported in the category "others", and include "unequal labour force participation", "health difference between genders", "undervaluation of female dominated jobs", and "women's safety". Number of responses: 41, of which 1 did not identify priority 3, and 1 identified two items as priority 3.
One questionnaire per country, prepared by country officials.
Source: OECD (2022[4]), *Report on the Implementation of the OECD Gender Recommendations*, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf.

StatLink https://stat.link/kztv1m

All of the above issues are influenced by persisting gender-related social norms, which guide stereotypes of men and women's roles in society and which take time to change (OECD, 2019[29]; 2021[30]). According to a third of respondents to the 2021 OECD Gender Equality Questionnaire, traditional views on within-household distribution of earnings, women's work and family life, as well as men and caregiving are still prevalent in their countries. More specifically, "the idea of a father being the primary caregiver" is opposed in 28% of responding countries, "the idea that family life suffers when a woman works full-time" is supported in 34%, and "the idea of a woman earning more income than her husband" is unacceptable in 25%.

Nonetheless, respondents also stressed important progress in these attitudes over time, especially in the perceptions of the within-household distribution of earnings (OECD, 2022[4]).

Putting a halt to gender-based violence and sexual harassment

Sexual harassment and gender-based violence (GBV) are among the most abhorrent threats to women's health, safety and well-being. It is estimated that more than one in four women experience sexual and physical violence in their lifetime – one of the most severe forms of gender inequality in the world (Chapter 6). However, a major bottleneck to effective action against gender-based violence is the lack of sufficient data and statistics, as cases of intimate partner violence are heavily underreported.

Recent years have been marked by increasing visibility and public pressure on policy makers to act. Despite efforts to protect women's safety and well-being, legislative progress, strategic planning, policy co-ordination, and long-term investment in services have often been uneven across OECD countries, limiting the effectiveness of public measures (OECD, 2019[31]). The COVID-19 pandemic has further highlighted the need for major efforts to eradicate GBV, showing that it remains "a pandemic within a pandemic", and some countries have taken action accordingly (OECD, 2022[4]; 2022[26]). In parallel, new forms of GBV, such as online harassment and stalking, are strongly emerging.

As an example of a major persisting barrier, survivors of GBV often face substantial administrative and bureaucratic challenges of service delivery, by having to navigate a complex web of social services offered by a range of providers. Co-ordinating multisectoral solutions to GBV is key (Chapter 7). However, less than half of OECD countries report that they are promoting and/or investing in such integrated service delivery in healthcare, justice, housing, child-related services, and income support (OECD, 2023[32]). Some countries provide targeted mental health supports and connected services deployed from hospitals, which are often the first access point for women escaping violence. There is also emergency or longer-term housing support for women and children fleeing violence in many countries, but this often means that survivors must uproot their life. Increasing focus in also put on police services, for example by requiring them to contact support services.

Workplace violence and harassment, including sexual violence and sexual harassment, also remain a key threat to women's safety on the job. Many governments have recently introduced new or improved existing laws to combat and curtail workplace sexual harassment (e.g. Australia, Canada, Costa Rica, Denmark, France, Greece and Japan). Some countries have also developed national roadmaps for the prevention of violence and harassment in employment or made legislative efforts to tackle online harassment.

Supporting gender equality in education

OECD countries have acted to rectify long-standing, skewed gendered experiences in education that have affected labour market outcomes of men and women over many years. Countries have renewed their efforts to get more girls to study STEM subjects, to involve teachers in efforts to encourage students to follow non-stereotypical career paths, to improve learning materials, and to train teachers in gender-sensitive practices. For example, Sweden updated its preschool curriculum to include a focus on combating gender patterns that limit children's development and opportunities, and Finland now requires authorities and other stakeholders in education and training to promote gender equality. Various countries have also enhanced financial literacy instruction for women and encouraged them to enrol in adult and vocational education programmes, especially in STEM professions. However, this has made only modest improvements to the current gender disparities in educational attainment. Overall, parents, teachers and employers need to become more aware of their own conscious or unconscious biases so that they give girls and boys equal chances for success at school and beyond. In parallel, education systems should tackle issues of disengagement and lack of motivation early on, devoting adequate attention and resources to the issue (Chapters 8, 9 and 10).

Supporting a more equal sharing of paid work and unpaid care and non-care work

The disproportionately high burden of unpaid care and non-care work on women's shoulders is another indication of the stubborn gender inequalities in the labour market and at home. Policies need to break down gendered stereotypes around caregiving by better supporting fathers' leave-taking and ensure that mothers have access to (well-) paid employment-protected leave, while avoiding entitlements that discourage mothers' return to work. Since the adoption of the 2013 OECD Gender Recommendation and by April 2022, many OECD countries have made progress in changing their family policies to encourage more fathers to take leave to care for children over longer periods. For instance, Austria, Belgium, Colombia, the Czech Republic, France, Greece, Italy, Korea, Luxembourg, the Netherlands, Portugal, Spain and Switzerland have introduced or extended paid paternity leave entitlements, while Canada, Denmark, Estonia, Finland, Iceland, the Netherlands, Korea and Norway introduced earmarked and non-transferable rights of leave for fathers or increased incentives for both parents to take leave. Since April 2022, there have been further reforms of parental leave systems in various countries, including Australia, Belgium, Denmark, Finland, Japan, the Netherlands and the Slovak Republic (Chapter 23).

Following these developments, more fathers take paternity and parental leave around the birth of their children today than about a decade ago. However, the total duration of these absences pale in comparison to the time that mothers are on maternity- and parental leave, which means that most of the care burden remains on women's shoulders. Furthermore, very few countries have made changes to Tax-Benefit systems that would have an impact on the gendered division of unpaid work. For example, Estonia switched from a household-based to an individual-based tax system, and Luxembourg introduced the option for individual income taxation (Chapter 25).

Improving access and affordability of early childhood education and care

Many countries also continue to offer public supports for early childhood education and care (ECEC) in an effort to boost the financial incentives for fathers and mothers to work. For example, the Government of Canada is investing in a Canada-wide, affordable, high-quality and inclusive community-based early learning and childcare system with provincial, territorial and Indigenous partners. Key targets include achieving an average parent fee for regulated childcare for children under six of CAD 10-a-day and creating over 250 000 new childcare spaces across the country by March 2026. Other countries, such as the Czech Republic, Germany and Hungary have increased public funding of ECEC, while Australia, Chile, Greece, Ireland, and others, have introduced or expanded childcare subsidies or allowances. However, in many countries, the cost of ECEC remains a considerable barrier to (mothers') participation in paid work, along with insufficient availability. To foster more gender equality in the labour market and at home, the availability, cost and quality of ECEC services must all increase (Chapter 24).

Promoting flexible working arrangements for a better work-life balance

Flexible working arrangements – such as part-time employment, teleworking, flexitime or job-sharing – offer working parents to accommodate caregiving responsibilities, especially in cases where good quality ECEC is not available or affordable. While this can have positive effects on workers' well-being and productivity, it can also carry a stigma with colleagues and employers who assume boundaries between work and the private might blur during teleworking arrangements. Parents who telework may face increased caregiving burdens if they do not have access to childcare (Chapter 26).

To facilitate a better compatibility between parenthood and labour market careers, some governments have recently strengthened teleworking regulations and expanded the rights of all workers to request flexible work arrangements, particularly since the start of the pandemic (e.g. Canada, Greece, Lithuania and Spain). Despite such efforts, gendered patterns in the use of parental leave and flexible work arrangements persist, as women continue to be more likely to work part-time than men. Simply promoting flexible work is not enough, as policies must ensure that these arrangements do not carry negative effects on careers and pay development and that the stigma of part-time work is reduced. Governments should also consider how to encourage parents of very young children to better share part-time work on a time-limited basis (OECD, 2019[33]).

Adopting pay transparency tools to reduce the gender pay gap

To advance towards more equality in pay, many countries have implemented policies over recent years, in particular pay transparency tools. Such measures spread awareness of the gender pay gap and can support a convergence in pay for similar work. When pay transparency measures are well designed and implemented, they can help highlight and combat discrimination in pay for equal work.

As of 2022, more than half of all OECD countries mandate private sector firms comply with gender-disaggregated pay reporting requirements or gender pay audits for private sector companies. Within this group, ten OECD countries have implemented comprehensive equal pay auditing processes that apply to a pre-defined set of employers (Canada – under the Pay Equity Act, Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden and Switzerland). Some countries apply more limited tools, such as requiring analysis of gender pay gaps in the process of labour inspections (Costa Rica, the Czech Republic, Greece and Türkiye), while others require companies to report gender statistics on outcomes *other* than pay, such as the gender composition of the workforce – a practice in 13 OECD countries (Chapter 27). Of course, it is important to note that pay transparency tools must be part of a comprehensive effort to combat gender gaps in pay – simply revealing the presence of a pay gap will do little to mitigate pay inequity that has built up over years of educational and workplace choices.

As part of global efforts to ensure equal pay, over the past years, an increasing number of governments, social partners, academia, the private sector and civil society organisations from OECD and non-OECD countries have joined the Equal Pay International Coalition (EPIC) (see Box 1.1). There, Members share policy practices, tools and experience to advance equal pay. In this context, the Swiss “Logib” tool (https://www.logib.admin.ch/home) – which usefully offers, free of charge, two modules for companies of different sizes to self-assess their gender wage gap – was identified as a good practice.

Enhancing employment quality and fighting informality

Over recent years, some countries have made progress in improving the job quality for some vulnerable workers, particularly for those that are predominately female-dominated and/or in informal work arrangements. For example, following other countries that implemented similar policies since the early 2000s, Italy introduced a pay cheque system, through which private households can pay for domestic services in 2017. This improved labour protection and access to social security for household service workers that would otherwise be likely to work informally (OECD, 2021[34]). Other countries, such as Mexico, Korea and Switzerland made progress in guaranteeing labour rights for informal workers; Chile, Costa Rica France and Ireland and Spain advanced in extending social security access to more informal workers; Mexico and Spain ratified the ILO Convention on Domestic workers; and Türkiye recently launched an initiative to support women’s participation in formal employment.

Breaking the glass ceiling

OECD countries have made some progress in increasing the representation of women in corporate leadership positions. On average, countries that have initiated mandatory quotas and/or voluntary targets for board composition in listed companies have achieved a greater level of gender diversity on boards than other countries over the last decade. For example, France, Germany, and Italy have made some of the biggest gains, with the support of both board quotas and disclosure requirements. However, these measures sometimes yield unintended side effects – for instance, not leading to more women holding board director positions, but rather to more women serving on multiple boards.

Complementary measures have also been used to increase gender diversity on boards and in senior management in both the public and private sectors. Approaches include training and mentorship programmes, networks, private-sector initiatives, relevant listing rules, role model schemes, peer-to-peer support, as well as advocacy initiatives to raise awareness, overcome biases and cultural resistance, and develop the female talent pipeline. Some countries with (e.g. Italy and Spain) or without quota or targets in place (e.g. New Zealand) have achieved significant progress through such additional initiatives. Yet, further progress is needed to achieve an equal distribution of men and women in positions of corporate decision making and leadership (Chapter 17).

Promoting gender equality in entrepreneurship

Governments continue to invest in initiatives to address market and institutional failures that hold women back in entrepreneurship activities. Policy interventions that are tailored to the diverse needs of women entrepreneurs can be effective both on the supply side (e.g. gender bias in banking, investor preferences, and negative social attitudes) and the demand side (e.g. access to entrepreneurship training, networks and mentorship).

Governments can use, scale up and further develop the suite of traditional policy measures (e.g. loan guarantees, investor readiness training) to address persistent barriers faced by women entrepreneurs on both the supply- and demand-side of financial markets. Some countries such as Australia, Canada, Costa Rica, the United Kingdom and the United States have implemented policies that address the overall entrepreneurial ecosystem, enhancing gender inclusivity to ensure that women entrepreneurs benefit from existing supports. An acceleration in the use of digital platforms has been another key development in recent years. Governments can consider new approaches to improve access to finance for women entrepreneurs, such as microfinance (relevant examples can be found in eastern EU countries and in Central and South American countries) and fintech (relevant examples can be found in Spain and Sweden). Similarly, there are various areas where governments can support women business leaders in their export journeys, including making trade agreements more gender-sensitive and applying a gender lens to trade promotion, among others. Domestic policies that favour women's participation in labour markets should complement gender-sensitive trade policies (Chapter 30). Overall, to facilitate knowledge sharing and policy transfer, governments must improve the measurement of the impact their policies have on women entrepreneurs (Chapters 28 and 29).

Increasing female representation in public leadership and politics

OECD countries have taken steps to improve gender equality in public leadership, including through leadership targets and quotas, mentorship, networking, capacity-building programmes, and active recruitment of women for leadership positions. For example, Portugal has adopted a 40% quota for women and men in senior leadership positions in public employment in 2019. Other OECD countries have also launched measures to improve work-life balance for parliamentarians, to measure women's representation in the judiciary, and to tackle harassment and gender-based violence in politics.

However, more significant and sustained efforts are needed to achieve gender balance at the top in politics and judiciary. Promoting inclusiveness within elected bodies requires a mix of mandatory and voluntary instruments, incentives, and sanctions (e.g. targets, quotas or pay reporting requirements); gender audits of parliamentary practices and procedures; efforts to eliminate cyber violence and harassment; raising awareness among legislators and society; addressing structural barriers to women's participation in political life; and strengthening leadership skills to promote gender equality. In the judiciary, measures will need to ensure a gender-balanced talent pipeline across all levels, gender-sensitive hiring and promotion processes, and safeguard a gender-sensitive working culture (Chapter 18).

Strengthening governance tools for gender equality

Gender equality and gender mainstreaming are gaining momentum in the political agenda. In recent years, there has been a growing commitment to promoting gender equality and gender mainstreaming in public life. This has included the development of legal and policy frameworks to support these goals, including specific national strategies for gender equality, as well as efforts to embed a gender perspective in governance and policy-making processes (Chapter 3). Governance tools and requirements for gender impact assessments, gender budgeting and gender-related considerations in public procurement and infrastructure decisions are increasingly being adopted. For example, Canada, Iceland, Italy and Portugal have recently introduced some form of gender budgeting, bringing the number of OECD countries having some gender budgeting measures in place to 23 in 2022, while Canada, Ireland, Latvia, the Netherlands, Portugal and Spain have introduced or revised the scope of Gender Impact Assessments requirements to inform decision-making (Chapter 4).

However, several obstacles still stand in the way of inclusive and gender-responsive policy making and improved policy results, including longstanding gender biases, a non-systematic application of governance tools, limited government capacities and a lack of gender-disaggregated data in many sectors. Without data, the situation is difficult to analyse and progress impossible to monitor. Governments must gather more gender-disaggregated data – including data from an intersectional perspective providing in-depth information on the situation of vulnerable groups and minorities – across all policy domains while assessing, monitoring, evaluating, and reporting on gender disparities. The COVID-19 crisis has accelerated the shift towards data-driven, innovative, and digital governments, which presents a window of opportunity for producing accurate and timely data on gender equality in various policy areas. Governments will also need to be aware of the dangers that emerging technologies and artificial intelligence pose to gender equality, such as the transfer of persistent gender biases into the digital world, the emergence of new digital divides, and algorithmic discrimination against women. All above actions require adequate investments in capacity building for staff.

Supporting gender equality globally

Beyond OECD countries, the extensive socio-economic impacts caused by the global COVID-19 pandemic reinforced gender inequalities (McKinsey Global Institute, 2020[35]; UN Women, n.d.[36]; 2020[37]). They disproportionately affected women in developing countries and risked reversing years of progress towards gender equality. It is no longer sufficient to work within existing structures and systems. Post-COVID-19 recovery efforts and the recent global crises have reinforced the idea that, in order to build back in a stronger, greener, more sustainable and more gender-equal way, women must be included in all decision-making processes and the knowledge and experiences of women and girls must underscore future recovery efforts of all kinds.

Achieving SDG 5 on gender equality – as well as the rest of the SDGs – requires collective action and transformative change to address the unequal power dynamics, systemic barriers and discrimination embedded in laws, norms and practices. The 31 countries that are members of the OECD Development Assistance Committee (DAC) – a unique international forum of many of the largest providers of aid – need to make gender equality and the empowerment of women and girls a policy priority in strategic frameworks on development co-operation and/or in legislation, while addressing gender equality throughout the programme cycle and increasing their financial allocations dedicated to gender equality accordingly.

Other development actors such as multilateral organisations, regional development banks, development finance institutions, philanthropic organisations and private actors also have a critical role to play in supporting governments. Countries should work with local women's rights organisations and feminist movements, with men and masculinities, and employ an intersectional lens to leave no one behind (Chapter 2).

Moreover, countries should define tailored solutions to tackle gender gaps in specific regions. The example of the Middle East and North African (MENA), for instance, shows the potential of digitalisation to enhance women's economic contribution in the region. This also means considering the risks that technologies pose to women's economic empowerment in the region and the appropriate safeguard that would make digital a catalyst for inclusiveness (Chapter 33).

Gender mainstreaming to tackle gender inequalities in cross-cutting policy areas

There is increased awareness of the need to promote gender equality in all socio-economic spheres and the relevance of gender mainstreaming across sectors – encompassing connected issues such as competition, corporate governance, digital transformation, health, migration, pensions, governance, social institutions, taxation, trade, and well-being.

Analyses on FDI, environment, energy, nuclear energy and transport highlight that countries should intensify efforts to enhance the positive nexus between each of those areas and gender equality. Countries need to collect internationally comparable and regularly updated gender-disaggregated data – this will allow to identify and understand existing gender gaps in all sectors and policy areas, analyse policy outcomes and trends over time, as well as define gender mainstreaming strategies to embed gender equality objectives and tackle related barriers specific to each area. Long-term efforts are required to boost inclusion for a gender diverse workforce, to support women's representation in leadership positions, to ensure a better representation of women in policy making and to adopt governance tools for gender equality (e.g. policy guidelines, OECD Recommendations and other legal instruments, quality frameworks and gender mainstreaming) in every policy area. A gender lens also needs to be adopted in any operations that may involve interactions with other countries, including development co-operation actions (Chapters 2, 5, 19, 20, 21 and 31).

A mainstreamed policy approach to gender equality is key for sustainable progress. Public policies cannot afford to disregard the intertwined nature between specific policy areas and gender equality objectives. Key actions encompass supporting efficient co-operation between stakeholders; breaking existing siloed approaches; raising awareness on the link between gender equality and any specific policy objective, area and sector; producing new gender-sensitive data on these issues; shedding light on the contribution of gender equality to employment and economic growth; addressing the inequalities that intersect with gender; and appropriately enhancing governance structures, tools and capacities, co-ordination and mainstreaming mechanisms, as well as data collection tools.

Gender equality pays a growth dividend

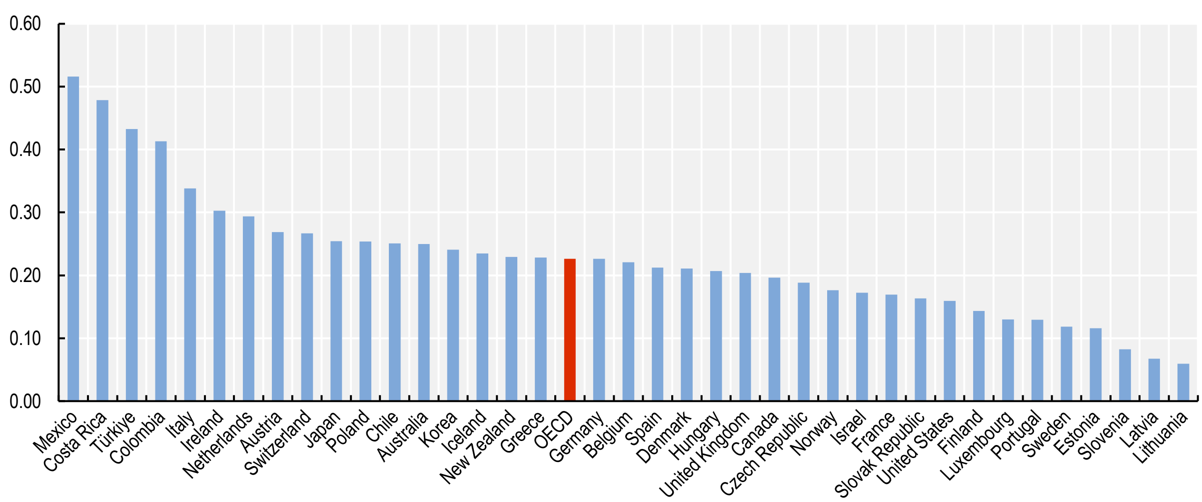
Gender equality is not only a moral imperative: it can also translate into employment and economic growth. Increasing the integration of women into the labour market has the potential to boost labour input and to improve productivity by better matching workers to jobs and making more efficient use of the available female talent pool. Given the challenges posed by population ageing and declining fertility rates, which are leading to shrinking workforces in many OECD countries, boosting female employment could be a crucial factor in maintaining economic growth and living standards in the coming decades.

Efforts to increase women's engagement in paid work beyond what is already projected for the future promises a substantial boost to economic growth. To illustrate this, Figure 1.4 presents economic output projections following a convergence of male and female labour participation and working hours across different 5-year-age-groups by 2060, most of which implies an increase in female labour force participation and working hours to male levels – with an exception of elderly women in Estonia, see OECD (2022[38]). These forecasts are based on OECD labour force projections in conjunction with a simplified version of the OECD Long-Term Model (Guillemette and Turner, 2018[39]; 2021[40]), where changes in annual growth in potential GDP per capita are estimated under different labour market outcomes (OECD, 2022[4]). Across the OECD, a simultaneous closing of gender gaps in labour force participation and working hours may increase potential GDP per capita growth by additional 0.23 percentage points per year, resulting in a 9.2% overall boost to GDP per capita relative what baseline projection estimate for 2060.

The effects of the different scenarios on potential output growth by 2060 are very heterogeneous across the OECD (Figure 1.4), depending strongly on the underlying gender gaps in labour force participation and working hours today. Countries which have substantial gender gaps in labour force participation or working hours could see the strongest boost to annual economic growth. For example, Colombia, Costa Rica and Türkiye may see more than 0.40 percentage points of additional GDP growth per year – corresponding to economic output that between 17 and 20% larger than expected for 2060. Mexico could even expect 0.52 percentage points added to annual output growth, which would add 22% to its GDP in 2060. Countries that have much smaller gender gaps would see a more muted, but still noticeable, boost to economic output. For example, Latvia, Lithuania and Slovenia could expect an additional 0.06 to 0.08 percentage points of annual GDP growth, adding about 2 to 3% to their economic output in 2060.

Figure 1.4. Gains in economic growth from closing gender participation and working hours gaps

Difference relative to the baseline in projected average annual rate of growth in potential GDP per capita over the period 2022-60, closure of gender gaps in labour force participation and working hours, percentage points



Note: The projections assume that labour force participation and working hours gaps close by 2060. For labour force participation, this is based on convergence of male and female levels to the highest level for each 5-year age groups in each country, following baseline labour force projections over the period 2022-60. In the absence of future working hours forecasts, projections are based on convergence from a constant 2021 level (or latest year available). See OECD (2022[4]) for a description of the method and data used.
Source: OECD estimates based on *OECD Population Data*, https://stats.oecd.org/index.aspx?DataSetCode=POP_PROJ; *OECD Employment Database*, http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm; Employment Projections; and the OECD Long-Term Growth Model, https://doi.org/10.1787/b4f4e03e-en.

StatLink https://stat.link/gfi6mu

References

Boniol, M. et al. (2019), *Gender equity in the health workforce: Analysis of 104 countries*, World Health Organization, https://apps.who.int/iris/handle/10665/311314. [16]

Eurofound (2022), "Recovery from COVID-19: The changing structure of employment in the EU", https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef22022en.pdf. [21]

Eurofound (2022), *The cost-of-living crisis and energy poverty in the EU: Social impact and policy responses: Background Paper*, https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef22077en.pdf. [28]

G7 (2022), *G7 Dashboard on Gender Gaps*, https://g7geac.org/g7-dashboard/. [11]

Guillemette, Y. and D. Turner (2021), "The long game: Fiscal outlooks to 2060 underline need for structural reform", *OECD Economic Policy Papers*, No. 29, OECD Publishing, Paris, https://doi.org/10.1787/a112307e-en. [40]

Guillemette, Y. and D. Turner (2018), "The Long View: Scenarios for the World Economy to 2060", *OECD Economic Policy Papers*, No. 22, OECD Publishing, Paris, https://doi.org/10.1787/b4f4e03e-en. [39]

ILO (2022), *Labour Force Statistics (LFS)*, https://ilostat.ilo.org/topics/employment/#. [17]

Immervoll, H. (2022), "Income support for working-age individuals and their families", OECD, Paris, https://www.oecd.org/social/Income-support-for-working-age-individuals-and-their-families.pdf. [27]

Liebig, T. and K. Tronstad (2018), "Triple Disadvantage?: A first overview of the integration of refugee women", *OECD Social, Employment and Migration Working Papers*, No. 216, OECD Publishing, Paris, https://doi.org/10.1787/3f3a9612-en. [23]

McKinsey Global Institute (2020), *COVID-19 and gender equality: Countering the regressive effects*, https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects. [35]

Ng, W. and A. Acker (2020), "The Gender Dimension of the Transport Workforce", *International Transport Forum Discussion Papers*, No. 2020/11, OECD Publishing, Paris, https://doi.org/10.1787/0610184a-en. [13]

Ng, W. and A. Acker (2018), "Understanding Urban Travel Behaviour by Gender for Efficient and Equitable Transport Policies", *International Transport Forum Discussion Papers*, No. 2018/01, OECD Publishing, Paris, https://doi.org/10.1787/eaf64f94-en. [14]

OECD (2023), *Gender wage gap* (indicator), https://doi.org/10.1787/7cee77aa-en (accessed on 13 April 2023). [41]

OECD (2023), *Supporting Lives Free from Intimate Partner Violence: Towards Better Integration of Services for Victims/Survivors*, OECD Publishing, Paris, https://doi.org/10.1787/d61633e7-en. [32]

OECD (2023), "What we know about the skills and early labour market outcomes of refugees from Ukraine", *OECD Policy Responses on the Impacts of the War in Ukraine*, OECD Publishing, Paris, https://doi.org/10.1787/c7e694aa-en. [24]

OECD (2022), *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/3197152b-en. [12]

OECD (2022), *G7 Dashboard on Gender Gaps 2022: A Guide*, https://g7geac.org/wp-content/uploads/2022/09/g7-dashboard-on-gender-gaps-guide-data.pdf. [10]

OECD (2022), *International Migration Outlook 2022*, OECD Publishing, Paris, https://doi.org/10.1787/30fe16d2-en. [22]

OECD (2022), *OECD Employment Outlook 2022: Building Back More Inclusive Labour Markets*, OECD Publishing, Paris, https://doi.org/10.1787/1bb305a6-en. [26]

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [4]

OECD (2022), *The Economic Case for More Gender Equality in Estonia*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/299d93b1-en. [38]

OECD (2022), "The potential contribution of Ukrainian refugees to the labour force in European host countries", *OECD Policy Responses on the Impacts of the War in Ukraine*, OECD Publishing, Paris, https://doi.org/10.1787/e88a6a55-en. [25]

OECD (2021), *Bringing Household Services Out of the Shadows: Formalising Non-Care Work in and Around the House*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/fbea8f6e-en. [34]

OECD (2021), "Caregiving in Crisis: Gender inequality in paid and unpaid work during COVID-19", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/3555d164-en. [18]

OECD (2021), *Government at a Glance 2021*, OECD Publishing, Paris, https://doi.org/10.1787/1c258f55-en. [42]

OECD (2021), *Man Enough? Measuring Masculine Norms to Promote Women's Empowerment*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/6ffd1936-en. [30]

OECD (2021), "Policy framework for gender-sensitive public governance", OECD, Paris, https://www.oecd.org/mcm/Policy-Framework-for-Gender-Sensitive-Public-Governance.pdf. [7]

OECD (2020), "Women at the core of the fight against COVID-19 crisis", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/553a8269-en. [15]

OECD (2019), *Part-time and Partly Equal: Gender and Work in the Netherlands*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/204235cf-en. [33]

OECD (2019), *SIGI 2019 Global Report: Transforming Challenges into Opportunities*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/bc56d212-en. [29]

OECD (2019), "Violence against women", in *Society at a Glance 2019: OECD Social Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/008fcef3-en. [31]

OECD (2018), "Toolkit for Mainstreaming and Implementing Gender Equality", OECD, Paris, https://www.oecd.org/gender/governance/toolkit/. [8]

OECD (2017), *2013 OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship*, OECD Publishing, Paris, https://doi.org/10.1787/9789264279391-en. [5]

OECD (2017), *Report on the Implementation of the OECD Gender Recommendations - Some Progress on Gender Equality but Much Left to Do*, https://www.oecd.org/mcm/documents/C-MIN-2017-7-EN.pdf. [3]

OECD (2017), *The Pursuit of Gender Equality: An Uphill Battle*, OECD Publishing, Paris, https://doi.org/10.1787/9789264281318-en. [2]

OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, https://doi.org/10.1787/9789264252820-en. [6]

OECD (2012), *Closing the Gender Gap: Act Now*, OECD Publishing, Paris, https://doi.org/10.1787/9789264179370-en. [1]

OECD et al. (2014), "Achieving stronger growth by promoting a more gender-balanced economy"*, Report prepared for the G20 Labour and Employment Ministerial Meeting*, https://www.oecd.org/g20/topics/employment-education-and-social-policies/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf. [9]

Queisser, M. (2021), "COVID-19 and OECD Labour Markets: What Impact on Gender Gaps?", *Intereconomics*, Vol. 56/5, pp. 249-253, https://doi.org/10.1007/s10272-021-0993-6. [19]

Risse, L. and A. Jackson (2021), "A gender lens on the workforce impacts of the COVID-19 pandemic in Australia", *Australian Journal of Labour Economics*, Vol. 24/2, pp. 111-144, https://researchrepository.rmit.edu.au/esploro/outputs/journalArticle/A-gender-lens-on-the-workforce/9922062508501341. [20]

UN Women (2020), *From insights to action: Gender equality in the wake of COVID-19*, https://www.unwomen.org/en/digital-library/publications/2020/09/gender-equality-in-the-wake-of-covid-19. [37]

UN Women (n.d.), *COVID-19 and gender data resources*, https://data.unwomen.org/COVID19. [36]

Annex 1.A. Key indicators of gender gaps in education, employment and entrepreneurship, and governance

Annex Table 1.A.1. Gender gaps exist in many areas

Key indicators of gender gaps in education, employment and entrepreneurship, and governance (men – women)

	Education			Employment and Entrepreneurship				Governance		
	Gender gap in mean PISA reading scores (boys – girls)	Gender gap in mean PISA mathematics scores (boys – girls)	Share of women among masters' graduates (%)	Gender gap in the labour force participation rate (men – women) (p.p.)	Share of women among managerial employment (%)	Gender wage gap for full-time employees (%)*	Share of women among self-employed with employees (%)	Share of women among parliamentary representatives (%)	Share of women among public sector employment (%)	Share of women among central government senior management (%)
Age group	15-year-olds	15-year-olds	All ages	15-64 years	All ages	All ages	All ages	All ages	All ages	All ages
Year	2018	2018	2021	2021	2021	2021	2020	2023	2019	2020
Note	1	1	2		3	4	5	6	6	6
OECD average	-29.0	5.5	57.9	10.9	33.7	11.9	24.9	33.8	57.6	37.2
OECD std. dev.	9.3	6.6	5.8	8.1	7.4	6.5	4.5	10.5	10.2	12.1
Australia	-31.4*	6.0*	52.7	8.2	40.0	10.5	31.3	38.4	62.1	47.0
Austria	-28.1*	13.3*	54.4	9.3	35.5	12.2	25.3	40.4	..	30.4
Belgium	-21.7*	12.1*	56.6	8.0	35.4	1.2	26.2	42.7	57.2	21.1
Canada	-28.9*	4.9*	56.4	7.0	35.6	16.7	27.0	30.7	63.3	44.6
Chile	-19.8*	7.5*	56.8	20.6	30.4	8.6	21.5	35.5	55.7	..
Colombia	-10.3*	19.5*	56.6	24.9	..	3.2	..	28.9	47.4	39.6
Costa Rica	-14.4*	17.7*	59.2	23.8	40.2	5.2	..	47.4	50.7	38.1
Czech Republic	-33.2*	3.5	59.7	13.7	28.4	11.5	21.9	26.0	..	33.2
Denmark	-29.3*	3.9	56.1	6.1	28.2	5.0	20.7	43.6	69.6	32.2
Estonia	-30.7*	8.5*	64.0	4.6	41.2	20.4	19.5	27.7	67.8	48.5
Finland	-51.5*	-6.1*	60.9	3.2	36.5	16.0	24.2	45.5	71.0	38.0
France	-24.9*	6.4*	54.7	6.2	37.8	15.0	27.0	37.8	63.8	30.8
Germany	-25.9*	7.1*	53.5	8.1	29.2	14.2	24.7	35.1	55.5	32.5
Greece	-42.1*	0.3	61.4	15.4	29.6	5.9	28.2	21.0	47.9	52.9
Hungary	-26.5*	8.8*	57.6	9.9	37.3	12.4	30.1	13.1	60.0	..
Iceland	-40.6*	-9.8*	69.1	5.4	37.6	12.9	22.3	47.6	..	..
Ireland	-23.2*	5.9	55.9	9.7	38.0	8.3	26.9	23.1	..	35.6
Israel	-48.1*	-9.2	62.5	3.3	34.6	24.3	17.9	24.2	62.0	44.5
Italy	-24.7*	15.5*	57.7	18.2	28.6	8.7	25.3	32.3	58.2	34.0
Japan	-20.4*	10.1*	35.0	13.3	13.2	22.1	16.3	10.0	43.3	4.2
Korea	-23.6*	4.0	53.3	18.1	16.3	31.1	25.6	19.1	45.7	8.6
Latvia	-32.8*	6.8*	64.2	5.8	45.9	24.0	..	29.0	67.0	56.2
Lithuania	-38.7*	-2.5	66.1	2.0	37.0	9.0	25.4	28.4	68.0	28.5
Luxembourg	-29.3*	7.5*	51.4	6.5	21.9	..	29.7	35.0	39.6	25.0
Mexico	-11.1*	11.8*	56.4	32.4	38.5	12.5	20.2	50.0	52.7	23.3
Netherlands	-28.8*	1.4	56.5	6.9	26.0	13.2	23.9	40.7	49.5	35.0
New Zealand	-28.8*	8.9*	58.6	8.2	..	6.7	32.6	50.0	..	52.8
Norway	-47.0*	-7.0*	57.4	4.4	33.5	4.6	23.3	46.2	69.6	43.4
Poland	-32.8*	1.4	66.7	13.4	43.0	8.7	29.9	28.3	60.6	45.2
Portugal	-24.3*	9.0*	58.6	5.2	38.0	11.7	32.3	36.1	60.7	41.5
Slovak Republic	-34.4*	4.6	61.9	8.0	37.3	11.7	23.9	22.0	60.9	50.3
Slovenia	-41.7*	0.6	65.6	5.8	34.0	8.2	24.5	37.8	..	49.0
Spain	-20.0*	6.4*	60.0	8.3	33.3	3.7	30.3	42.4	56.1	42.8
Sweden	-34.3*	-1.2	60.6	4.1	43.0	7.2	20.7	46.4	71.8	55.0
Switzerland	-30.6*	7.1*	50.2	7.8	31.9	13.8	25.5	41.7	..	21.7
Türkiye	-25.3*	4.9	49.9	39.6	18.2	10.0	12.2	17.4	25.3	..
United Kingdom	-20.1*	12.2*	61.2	7.2	36.8	14.3	28.1	34.5	66.3	42.0
United States	-23.5*	8.6*	60.9	10.5	41.4	16.9	25.9	29.4	57.5	37.1
Argentina	-16.1	15.4*	60.5	..	..	..	..	..	..	..
Kazakhstan	-26.9	1.3	..	..	..	..	..	..	..	..
Morocco	-25.9	0.9	..	..	..	..	..	..	..	..

Note: Gender gap indicators are expressed as men's outcomes minus women's outcomes. The OECD average and standard deviation are the unweighted average and standard deviation for all OECD member countries with available data on the given measure. Values are shaded according to the size of women's share relative to the OECD average share or according to the size of the gap relative to the OECD average gap. "(p.p.)" denotes measurement in percentage points; "(%)" denotes measurement in percentage terms.
Well above OECD average.
Around OECD average.
Well below OECD average.
1. Where marked with an *, the gender gap in the mean PISA score is statistically significant. Reading scores for Spain refer to PISA 2015.
2. See OECD (2022[12]), *Education at a Glance 2022: OECD Indicators*, https://doi.org/10.1787/3197152b-en. Data for Australia, Canada, Chile, Costa Rica, the Czech Republic, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Mexico, Portugal, Türkiye and the United Kingdom refer to 2020 and data for Argentina to 2019.
3. See ILO (2021), Indicator 5.5.2 Metadata. Data for Australia and Türkiye refer to 2020, data for the United Kingdom refer to 2019 and data for Israel refer to 2017.
4. The gender wage gap is defined as the difference between median earnings of men and women relative to median earnings of men. See OECD (2023[41]), "Gender wage gap" (indicator), http://dx.doi.org/10.1787/7cee77aa-en. Data for Belgium, Chile, Denmark, Finland, Germany, Greece, Hungary, Italy, Poland, Portugal and Switzerland refer to 2020. Data for Ireland and Israel refer to 2019. Data for Iceland, Slovenia and Türkiye refer to 2018.
5. Data for the United Kingdom refers to 2019. Data for Australia, Chile, Korea and Mexico refers to 2017. Data for Israel refers to 2016. Data for Chile refer to 15+ year-olds.
6. See OECD (2021[42]), *Government at a Glance 2021*, https://doi.org/10.1787/1c258f55-en.
Source: *OECD Gender Portal*, https://www.oecd.org/gender/.

2 Global goals in gender equality

Anna Bruce, Jenny Hedman, Alejandra Meneses and Hyeshin Park

This chapter starts by illustrating the role of the Sustainable Development Goals as a universal agenda for gender equality globally. Focusing on discriminatory social institutions, it then shows that gender equality is not being promoted enough to ensure sustainable progress and provides examples of how such discriminatory social institutions are preventing gender equality in education, access to assets and resources, as well as women's rights and political representation. It then illustrates actions by OECD DAC members, the multilateral development system as well as private philanthropies and foundations to advance gender equality and provides reflections on further actions needed.

Key findings

- Gender equality and the empowerment of women and girls are essential to achieve the Agenda 2030 for Sustainable Development and its related Goals, and to leave no one behind. Addressing discriminatory social norms and structural barriers for gender equality is a key first step to accelerate progress. Governments are making efforts in this respect, also thanks to the support by development partners – including the OECD Development Assistance Committee (DAC), a unique international forum of 30 members that are among the largest providers of aid.
- In 2019-20, OECD DAC members' bilateral allocable Official Development Assistance (ODA) for gender equality reached USD 56.5 billion on average per year. Much of this was committed to programmes that integrate gender equality as one of their significant policy objectives. However, only 5% of total bilateral aid went to programmes dedicated to gender equality and women's empowerment as the principal objective (OECD, 2022[1]).
- Development partners, including OECD DAC members, have identified actions to better support transformative gender equality outcomes by designing effective policies and programmes, supporting local organisations and feminist movements, addressing the inequalities that intersect with gender, and implementing gender equal policies within their own institutions.

The SDGs as a universal agenda and trends in gender equality globally

Gender equality and the empowerment of women and girls are universal goals, as set out by the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the 1995 Beijing Declaration and Platform for Action and the Sustainable Development Goal (SDG) 5 of the 2030 Agenda for Sustainable Development. Addressing gender inequalities can enhance the growth, competitiveness and sustainability of economies and increase the effectiveness and sustainability of development co-operation policies and programmes designed to leave no one behind. Gender equality is not only a matter of intrinsic value and a moral imperative, but also a valuable socio-economic strategy for countries.

Yet, women around the world continue to have fewer opportunities, earn less, face more barriers, and endure more violence and harassment than men. Such risks and vulnerabilities are heightened in low- and middle-income countries (UN Women, 2020[2]; Jayachandran, 2015[3]).

The extensive socio-economic impacts caused by the global COVID-19 pandemic widened pre-existing gender gaps and reinforced gender inequalities within and between countries (McKinsey Global Institute, 2020[4]; UN Women, 2022[5]; 2020[6]). They disproportionately affected women in developing countries and risked reversing years of progress towards gender equality. Yet, in many settings, women and girls led recovery efforts and resilience initiatives, worked at the front lines and advocated for change at community, country and international levels. Post-COVID recovery efforts have reinforced the idea that, in order to build back in a stronger, greener, more sustainable and more gender-equal way, women must be included in all decision-making processes and the knowledge and experiences of women and girls must underscore future recovery efforts of all kinds.

It is no longer sufficient to work within existing structures and systems. Achieving SDG 5 on gender equality – as well as the rest of the SDGs – requires collective action and transformative change by addressing the unequal power dynamics, systemic barriers and discrimination embedded in laws, norms and practices. In addition to OECD DAC members, other development actors such as multilateral organisations, regional development banks, development finance institutions, philanthropic organisations and private actors have a critical role to play in supporting governments.

Gender equality is not being promoted enough to ensure sustainable progress

The OECD's Social Institutions and Gender Index (SIGI) measures the degree of discrimination against women in social institutions. It takes into consideration how laws, social norms and practices can be underlying drivers of gender inequality across 179 countries. The fifth edition of the SIGI launched in March 2023 reveals that the number of countries committing to ending gender-based discrimination is on the rise and developing countries are leading the charge. Between 2019 and 2023, the number of countries in which levels of discrimination are low or very low has increased by 10, to reach 85 countries worldwide. Progress has occurred across all regions of the world and developing countries are bridging the gap with developed countries. In 2023, 19 (or 41%) of the 46 countries for which the level of discrimination in social institutions is estimated to be very low are non-OECD countries (OECD Development Centre/OECD, 2023[7]).

Despite major reforms and advances in legal and policy systems, gender equality remains a distant goal in many countries. Numerous challenges and discrimination in social institutions continue to severely hamper the empowerment of women and girls. Globally, 40% of women and girls live in countries where the level of discrimination in social institutions is estimated to be high or very high. In 18 countries, all located in Africa and Asia, the levels of discrimination in social institutions are measured as very high (OECD, 2023[8]).

Gender-responsive legal reforms and policy measures addressing discriminatory social norms can contribute to women's social and economic empowerment. Moreover, advancing policies that promote gender equality is particularly important in light of global crises such as COVID-19 and the war in Ukraine. In the wake of the pandemic, countries have primarily focused on recovery and economic growth policies that are largely gender-blind and that can have a disproportionately negative impact on women and girls (UNDP and UN Women, 2021[9]). Failing to prioritise gender equality or to adopt a systematic gender lens is a missed opportunity for sustainable development.

The following sections provide an illustrative look at how discriminatory social institutions may hamper progress towards gender equality in developing countries, and what steps can be taken to address them.

Discriminatory social norms limit girls' educational attainment and weaken the path towards SDG 4

SDG 4 sets a shared goal to ensure inclusive and equitable quality education for all, with a specific target (4.5) addressing the elimination of gender disparities in education (United Nations, 2022[10]). Education is a determinant of women's economic empowerment, which in turn influences women's bargaining power and agency, including in the household. Persistent discriminatory social norms in the family can undermine girls' access to education, therefore limiting women's and girls' decision-making power, status and authority in both the private and public spheres and their opportunities for the future.

For instance, in Côte d'Ivoire, despite recent progress and reforms that drastically advanced girls' education, discriminatory social norms continue to hamper their status. In 2015, the country introduced compulsory education for all children aged 6-16 and implemented targeted policies to boost girls' educational attainment, which led to an increase of girls' gross enrolment rates in primary education from 81% in 2014 to 98% in 2020 (World Bank, 2022[11]). However, social norms categorise domestic chores as an integral part of girls' education, limiting the time available for girls to study relative to boys. By contrast, the same norms do not establish that domestic work should be part of boys' education (OECD, 2022[12]). At the same time, large shares of the population in Côte d'Ivoire perceive boys as having higher innate abilities in Science, Technology, Engineering and Mathematics (STEM) than girls (OECD, 2022[12]). These stereotypes and biases perpetuate educational segregation (Chapter 9). Furthermore, although girl child marriage is prohibited by law, it remains prevalent in Côte d'Ivoire as in many other countries, increasing girls' risk of adolescent pregnancy and school dropout. This harmful practice is encouraged by discriminatory social norms: 34% of the population believes that a well-educated woman has less chance of marrying (OECD, 2022[12]). Social norms and perceptions of future returns on education also encourage families to prioritise boys' educational development over investing in girls' education.

Discriminatory social institutions hamper women's access to assets and resources, jeopardising the achievement of SDG 8

SDG 8 promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (United Nations, 2022[13]). At the same time, target 5.a of SDG 5 fosters reforms that give women equal rights to economic resources, including access to ownership and control over land and other forms of property (United Nations, 2022[14]). Despite progress towards these shared goals, many challenges and obstacles persist. For example in Tanzania, agriculture is a key driver of the national economy, accounting for one-third of the national output and two-thirds of total employment, but gender imbalances in land ownership hurt women's economic empowerment: in 2021, only 33% of Tanzanian women owned agricultural land, compared to 47% of men (OECD, 2022[15]).

Discriminatory laws and practices contribute to the restrictions that prevent women from accessing and controlling critical productive and financial resources and assets, including land. Inheritance practices in Tanzania favour sons and male family members over daughters and widows. Evidence shows that such discriminatory attitudes towards women's inheritance are associated with lower land ownership rates of women (OECD, 2022[15]). Practices that partially transfer brides' formal ownership of agricultural land to their husbands and put household assets predominantly under men's control also play a role.

Discriminatory practices limit women's rights and political representation and the path towards SDG 10

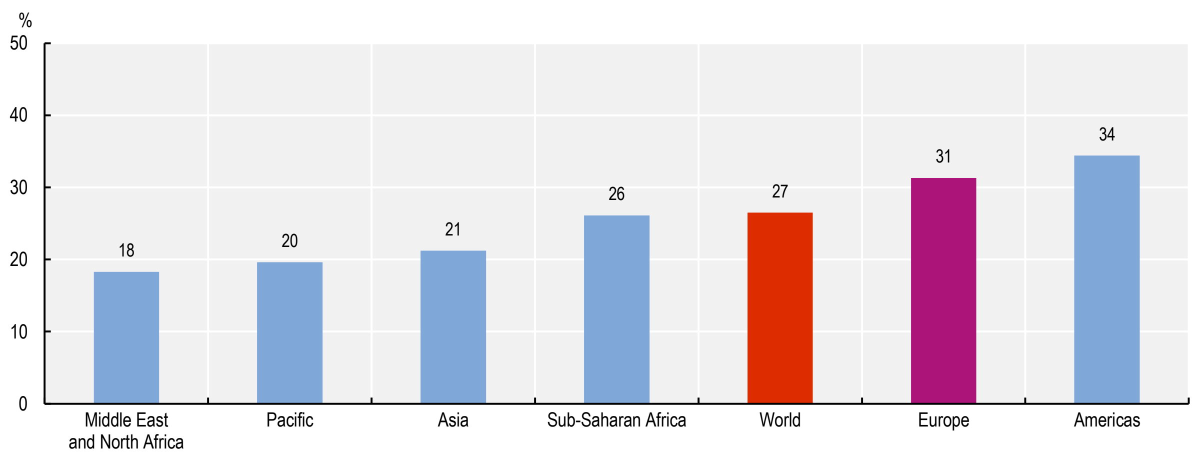
Women's political voice is silenced when they are not represented in the public sphere. SDG 10 aims to combat that exclusion by reducing inequality within and among countries. Specifically, Target 10.3 looks to empower and promote the social, economic and political inclusion of all, irrespective of sex or other statuses (United Nations, 2022[16]). Discriminatory social norms, such as those that perceive men as better political leaders than women, are a root cause of women's exclusion from the political sphere and are associated with women's underrepresentation in national parliaments. For instance, nearly half of the population (48%) continues to think that men make better political leaders than women (OECD Development Centre/OECD, 2023[7]). Politically motivated gender-based violence and fear of such violence can also deter women's participation in public and political leadership roles (Krook, 2017[17]). The exclusion of women from politics and other decision-making structures in the public sphere can become self-perpetuating, reinforcing discriminatory norms in other areas.

At the global level, in 2022, women only account for one in four representatives in national parliaments (IPU Parline, 2022[18]) (Chapter 18). Although women's collective political voice is strengthening, progress is uneven, and some regions lag behind (Figure 2.1). There is political willingness to involve women more in public life at all levels, as 76 countries out of 179 have a national action plan promoting equality between women and men in political and public life (OECD Development Centre/OECD, 2023[7]). Across the G20 countries, women account for 29% of parliamentarians, and in only three G20 countries women represent more than 40% of national representatives (OECD, 2020[19]). In 2021, Mexico became the first G20 country to reach gender parity in political representation with 50% of women as representatives in the lower house (IPU Parline, 2022[18]).

Legal reforms and specific instruments such as quotas help promote women's political inclusion. These policy measures require effective enforcement mechanisms and structures in place that ensure women have the knowledge, support and time needed to run for office. For instance, in Latin American and the Caribbean, many countries have established quota systems at the national and sub-national levels (OECD, 2020[20]), which have helped promote women's equal political participation and may explain the regions' relatively high representation of women in parliament (IPU Parline, 2022[18]). As of 2023, 19 countries in the region have quotas or special measures at the national level (OECD Development Centre/OECD, 2023[7]).

Figure 2.1. Women continue to be largely underrepresented in national parliaments

Global and regional averages of women in national parliaments (lower chambers and unicameral), July 2022, percentage



Sources: IPU Parline (2022[21]), *Global and regional averages of women in national parliaments*, https://data.ipu.org/women-averages.

StatLink https://stat.link/8l69xe

What development partners are doing and what they can do better

This section provides an overview of OECD DAC members' financial and policy efforts to advance gender equality. The report *Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners* (OECD, 2022[22]) presents an extensive set of good practice recommendations and check lists for OECD DAC members and other development partners that include and go beyond what is addressed in this chapter.

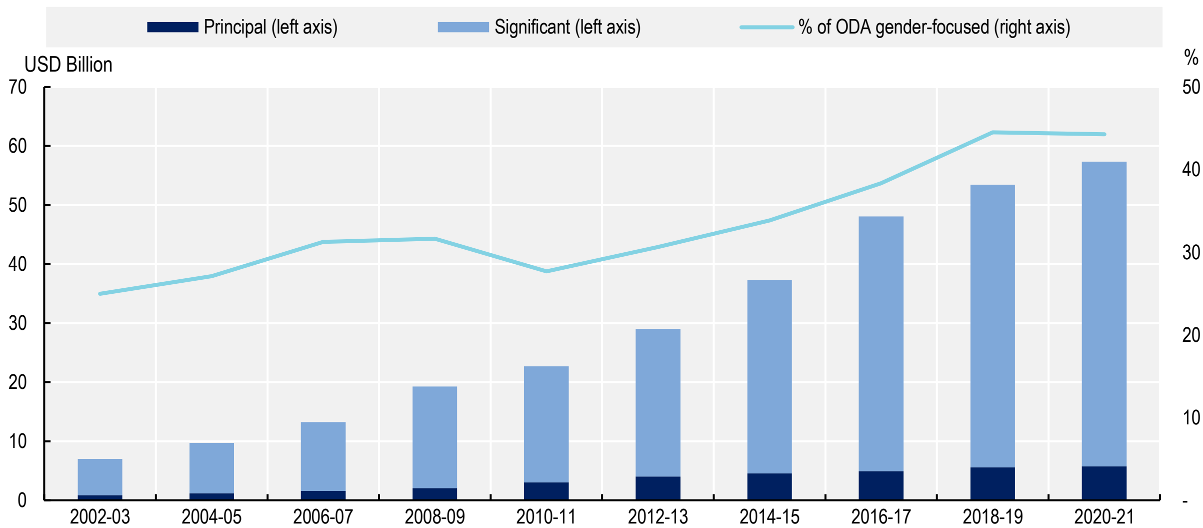
OECD DAC members are increasing efforts for gender equality

Political and policy support amongst OECD DAC members for these issues is strong and has increased over the past 15 years. Of the 30 DAC members, 29 have development co-operation policies that identify gender equality as a policy priority. Some have adopted Feminist Foreign and/or Development policies, and other have anchored gender equality in their legislative frameworks (OECD, 2022[22]).

The volume of ODA for gender equality and women's empowerment increased from USD 53.4 billion per year on average in 2018-19 to USD 57.4 billion in 2020-21. This is in line with the increase of total ODA during the same period, as DAC members stepped up their co-operation with partner countries grappling with the COVID-19 crisis. However, the *share* of total ODA with gender equality as a policy objective dropped slightly to 44% (OECD, 2023[23]). As shown in Figure 2.2, much of this (40%) was committed to programmes, across different sectors, that integrate gender equality as one of their significant policy objectives. Only 4% of bilateral allocable aid went to programmes dedicated to gender equality as the main objective.

Figure 2.2. The share of DAC members' ODA for gender equality stopped growing after a decade on the rise

Volume and share of ODA that has gender equality and women's empowerment as principal and significant policy objective, from 2002 to 2021, constant 2020 USD billion, bilateral allocable ODA



Note: Data collected through the OECD Creditor Reporting System (CRS) using the DAC gender equality policy marker.
Source: OECD (2023[23]), *Official development assistance for gender equality and women's empowerment: A snapshot*, https://www.oecd.org/dac/snapshot-oda-gender-2023.pdf.

StatLink https://stat.link/ma3fv7

Additionally, considering DAC members' "other official flows" to developing countries (i.e. official flows that do not meet ODA criteria), USD 4.2 billion integrated or were dedicated to gender equality and women's empowerment, corresponding to 42% of total other bilateral flows on average per year in 2020-21.

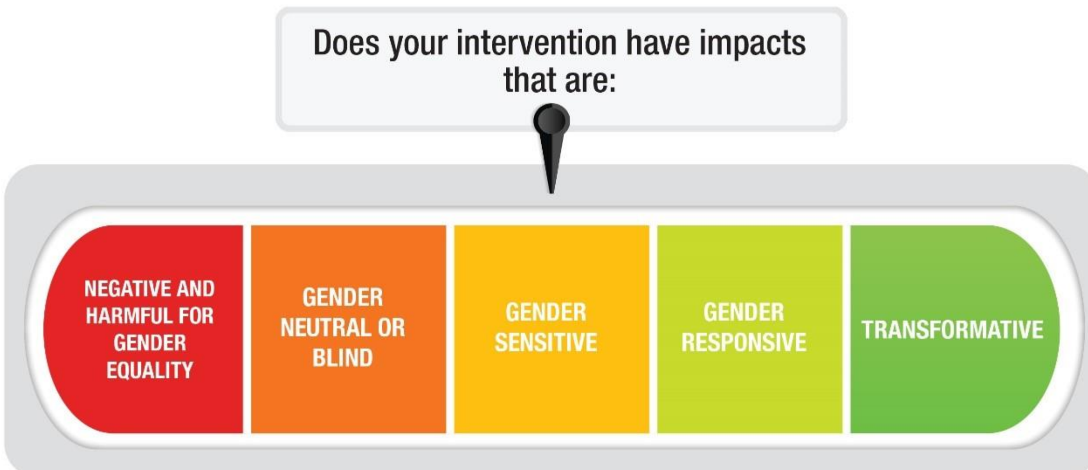
Most DAC members have a twin-track approach of mainstreaming gender equality throughout their development frameworks, while also implementing dedicated programmes for gender equality. Gender equality needs to be included in all stages of development and humanitarian interventions – from the design phase, throughout implementation and financing, and in monitoring and evaluation. It is positive that many DAC members are taking a holistic approach to mainstreaming gender, which also encompasses gender equal policies within their own institutions, including in human resources. Using an agreed DAC standard, members are also improving systems to better address sexual exploitation, abuse and harassment within institutions and when implementing humanitarian and development assistance (OECD, 2022[22]).

Many DAC members are recognising the importance of identifying context-specific thematic areas that can maximise results on gender equality (OECD, 2022[22]). Several are also understanding the interlinked and mutually reinforcing nature between gender equality and other development priorities, such as climate change (OECD, 2021[24]) (Chapter 5). Due to socio-economic and discriminatory reasons, women and girls face disproportionate adversity and vulnerability to the impacts of climate change – which in turn exacerbate pre-existing vulnerabilities and inequalities (OECD, 2022[25]). At the same time, gender equality and the empowerment of women and girls is critical to delivering positive climate action. To address these connections, 57% of the USD 33.1 billion on average per year in 2018-19 of bilateral climate ODA integrated gender equality objectives. However, only USD 778 million of climate ODA went to programmes with gender equality as the principal objective, corresponding to less than 1% of climate-related ODA (OECD, 2022[25]).

DAC members are increasingly supporting transformative change for gender equality

DAC members are also increasingly recognising transformative change as the pathway to achieving gender equality and the empowerment of all women and girls. Working within existing social and cultural systems can not only inhibit change; it can also be harmful. The gender equality continuum tool (Figure 2.3) helps identify transformative change and what type of impact a development intervention may have.

Figure 2.3. Gender equality continuum



Source: OECD (2022[22]), *Gender equality and the empowerment of women and girls: Guidance for development partners*, https://doi.org/10.1787/0bddfa8f-en.

DAC members are increasingly employing approaches to transform unequal power relations, systemic barriers, and the harmful structures that uphold them:

- Through their development co-operation policy commitments. For example, USAID uses the design phase of an intervention to identify actions that will alter the pre-existing power dynamics between women and men in that area, then create mechanisms and opportunities to amplify the voices of women throughout it. The EU has embedded a transformative approach within its Gender Action Plan III by committing to gender-balanced management and ensuring that gender advisers or focal points are in place and adequately trained (OECD, 2022[22]).
- Through intersectional strategies, considering how gender and other social identifiers intersect and result in compounding dimensions of vulnerability and discrimination. This also means providing resources and removing barriers in the design and implementation of policies and programmes.
- Through the identification and support of local women's rights organisation and feminist movements as critical actors in addressing the structural drivers of gender inequality. However, an average of only USD 707 million per year in 2019-20 of ODA went directly to women's right organisations and movements (OECD, 2022[1]).

The multilateral development system has a crucial role in addressing global challenges such as gender inequality

At the policy level, multilateral organisations and development banks are often regarded with political legitimacy and neutrality, thereby giving them credibility and enabling good working relations with governments, which can help to bring political attention to gender equality issues. They also generally have the reporting and accountability systems in place that are requested and agreed to by DAC members sitting on governing bodies (OECD, 2022[26]). At the same time, multilaterals can act at the grassroots level through their partnerships with local organisations. Additionally, academic and research-based institutions are important sources of emerging ideas and new knowledge and play an important role in providing statistics and gender analyses that can form the basis for policy making.

Multilateral organisations and banks can absorb and allocate high volumes of funding. Banks and financial institutions are also important partners in leveraging development finance beyond aid. By attracting large volumes of private capital, they can mobilise financial resources for gender equality and the empowerment of women and girls. However, a recent OECD survey showed that only 1% of financial assets under management by blended finance funds and facilities were dedicated to gender equality as the main objective, with significant missed opportunities to fill in gaps in gender financing (OECD, 2022[26]).

Private philanthropies and foundations are playing a large and growing role in supporting gender equality through multiple channels

Some DAC members are engaging in partnerships with private sector actors to leverage both private capital and influence, accelerate funding and mobilise resources in the pursuit of gender equality. Free from the constraints of political cycles, the flexibility of private philanthropies make them uniquely positioned to harness innovative opportunities (OECD, 2022[22]). According to statistics from the OECD DAC Creditor Reporting System (CRS) database, using the DAC gender marker, 45 private philanthropies integrated or dedicated USD 2.7 billion of their bilateral flows to gender equality on average in 2019-20, corresponding to 26% of total flows reported. Much of this went to reproductive health and family planning.

Additionally, a larger sample of 205 large philanthropic organisations shows that close to 8% of all funding between 2016-19, approximately USD 3.5 billion, were allocated to reproductive health, family planning, supporting organisations that advocate for women’s rights and towards ending violence against women and girls (OECD, 2021[27]). Foundations from emerging markets such as Colombia (OECD, 2021[28]), India (OECD, 2019[29]) and South Africa (OECD, 2021[30]) are advancing gender equality in different ways: some are closing the financing gap to higher education while others provide microfinance loans to women and support women-led groups that advocate for equal rights.

Key policy messages

- OECD DAC members need to make gender equality and the empowerment of women and girls a policy priority in strategic frameworks on development co-operation and/or in legislation, along with addressing gender equality throughout the programme cycle and through transformative actions. This also involves increasing their financial allocations dedicated to gender equality as the primary objective.
- Development partners should take a holistic approach to mainstreaming gender, both within their own institution and in their co-operation efforts across all sectors, including in climate adaptation and mitigation programmes. It is key to ensure the right expertise to support the integration of gender equality, as well as to co-operate with multilateral institutions and the private sector to secure additional financial, innovation and implementation support.
- Countries should support transformative change for gender equality, including by addressing harmful social norms and developing an enabling environment where power imbalances are identified and levelled. This includes working with local women’s rights organisations and feminist movements, with men and masculinities, and employing an intersectional lens to leave no one behind.

References

IPU Parline (2022), *Global and regional averages of women in national parliaments*, https://data.ipu.org/women-averages. [18]

IPU Parline (2022), *Monthly ranking of women in national parliaments*, https://data.ipu.org/women-ranking?month=7&year=2022. [21]

Jayachandran, S. (2015), "The Roots of Gender Inequality in Developing Countries", *Annual Review of Economics*, Vol. 7/1, pp. 63-88, https://doi.org/10.1146/annurev-economics-080614-115404. [3]

Krook, M. (2017), "Violence Against Women in Politics", *Journal of Democracy*, Vol. 28/1, pp. 74-88, https://doi.org/10.1353/jod.2017.0007. [17]

McKinsey Global Institute (2020), *COVID-19 and gender equality: Countering the regressive effects*, https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects. [4]

OECD (2023), *Official development assistance for gender equality and women's empowerment: A snapshot*, OECD, Paris, https://www.oecd.org/dac/snapshot-oda-gender-2023.pdf. [23]

OECD (2023), *Social Institutions & Gender Index*, https://www.oecd.org/stories/gender/social-norms-and-gender-discrimination/sigi. [8]

OECD (2022), *Blended finance for gender equality and the empowerment of women and girls*, OECD, Paris, https://www.oecd.org/dac/2022-blended-finance-gender-equality.pdf. [26]

OECD (2022), *Development finance for gender equality and women's empowerment: A snapshot*, OECD, Paris, https://www.oecd.org/dac/Gender_ODA_2022.pdf. [1]

OECD (2022), *Development Finance for Gender-Responsive Climate Action*, OECD, Paris, https://www.oecd.org/dac/development-finance-gender-climate-action.pdf. [25]

OECD (2022), *Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners*, OECD Publishing, Paris, https://doi.org/10.1787/0bddfa8f-en. [22]

OECD (2022), *Institutions sociales et égalité femmes-hommes en Côte d'Ivoire: Rapport pays SIGI*, OECD Publishing, Paris, https://doi.org/10.1787/c798990a-fr. [12]

OECD (2022), *SIGI Country Report for Tanzania*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/06621e57-en. [15]

OECD (2021), *Domestic Philanthropy for Development and Gender Equality in Colombia*, OECD, Paris, https://www.oecd.org/development/philanthropy-centre/researchprojects/countrystudies/OECD_CoP_DomesticPhilanthropyColombia.pdf. [28]

OECD (2021), *Gender and the Environment: Building Evidence and Policies to Achieve the SDGs*, OECD Publishing, Paris, https://doi.org/10.1787/3d32ca39-en. [24]

OECD (2021), *Philanthropy and Gender Equality - Domestic Philanthropy for Development and Gender Equality in South Africa*, OECD Development Centre, Paris, https://www.oecd.org/development/philanthropy-centre/researchprojects/countrystudies/OECD_CoP_DomesticPhilanthropySouthAfrica.pdf. [30]

OECD (2021), *Private Philanthropy for Development – Second Edition: Data for Action*, The Development Dimension, OECD Publishing, Paris, https://doi.org/10.1787/cdf37f1e-en. [27]

OECD (2020), *SIGI 2020 Regional Report for Latin America and the Caribbean*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/cb7d45d1-en. [20]

OECD (2020), *Tackling discriminatory social institutions to pave the way towards women's full inclusion and gender equality in G20 countries, Report prepared by the OECD Development Centre for the W20 Saudi Arabian presidency*, OECD, Paris, https://www.oecd.org/development/gender-development/W20_OECD_Final_Report.pdf. [19]

OECD (2019), *India's Private Giving: Unpacking Domestic Philanthropy and Corporate Social Responsibility*, OECD Development Centre, Paris, https://www.oecd.org/development/philanthropy-centre/researchprojects/OECD_India_Private_Giving_2019.pdf. [29]

OECD Development Centre/OECD (2023), "Gender, Institutions and Development (Edition 2023)", *OECD International Development Statistics* (database), https://doi.org/10.1787/7b0af638-en (accessed on 3 April 2023). [7]

UN Women (2022), *COVID-19 and gender data resources*, https://data.unwomen.org/COVID19. [5]

UN Women (2020), *From insights to action: Gender equality in the wake of COVID-19*, https://www.unwomen.org/en/digital-library/publications/2020/09/gender-equality-in-the-wake-of-covid-19. [6]

UN Women (2020), *Why addressing women's income and time poverty matters for sustainable development*, https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2019/World-survey-on-the-role-of-women-in-development-2019.pdf. [2]

UNDP and UN Women (2021), *COVID-19 Global Gender Response Tracker: Global Factsheet*, https://www.undp.org/publications/covid-19-global-gender-response-tracker-fact-sheets. [9]

United Nations (2022), *Sustainable Development Goal 10*, https://sdgs.un.org/goals/goal10. [16]

United Nations (2022), *Sustainable Development Goal 4*, https://sdgs.un.org/goals/goal4. [10]

United Nations (2022), *Sustainable Development Goal 5*, https://sdgs.un.org/goals/goal5. [14]

United Nations (2022), *Sustainable Development Goal 8*, https://sdgs.un.org/goals/goal8. [13]

World Bank (2022), *World Development Indicators*, The World Bank, https://databank.worldbank.org/source/world-development-indicators. [11]

3 Legal frameworks, institutional design and strategic planning for gender mainstreaming

Giulia Morando

This chapter discusses how governments in OECD countries have shown commitment to improving gender equality by integrating gender considerations in key government documents and legal frameworks. It then gives an overview of institutional arrangements for gender mainstreaming across OECD countries, highlighting recent trends and related challenges. The chapter also provides details on governments' use of strategic planning for gender equality purposes in recent years, including in support of an inclusive economic recovery in the aftermath of the COVID-19 pandemic.

Key findings

- Governments are increasingly integrating gender equality and gender mainstreaming requirements into strategic policy documents and legal frameworks. A growing number of OECD countries report having some legal bases or binding decisions in place to ground their gender mainstreaming efforts and have expressed leadership commitment by integrating gender equality priorities in government programmes and development plans.
- Over the past five years, units within the "Centre-of-Government" have progressively become the most common arrangement for central gender equality institutions in OECD countries. This choice may be explained by countries' recognition of gender equality as a priority that goes across government departments and their intention to steer and co-ordinate it from the centre at the highest political level, in line with the 2015 OECD Recommendation on Gender Equality in Public Life.
- Since 2017, a growing number of OECD countries have adopted strategic frameworks to develop clear objectives, targets and outcomes for gender equality. Several countries have also integrated gender equality considerations in other strategic planning documents to support an inclusive economic recovery from the COVID-19 crisis. Yet, challenges remain when it comes to implementing these frameworks, including their limited enforceability, a lack of resources and data, limited involvement from line ministries, and funding shortfalls.

Integrating gender considerations in policy making can help underpin more equitable policy outcomes for all

The COVID-19 pandemic has exacerbated gender inequalities across OECD countries and further reinforced the importance of understanding the differential policy impacts on various population groups (OECD, 2021[1]). Rising inequalities, a potential economic recession looming large and declined levels of citizens' trust in public institutions are all putting pressure on governments to provide the best policy responses, while considering difficult trade-offs. Countries are also facing new global challenges that span across multiple policy domains such as the climate transition, the digital transformation and the recovery from the COVID-19 pandemic (OECD, 2022[2]) (Chapter 18). Targeted policies to tackle gender inequalities can help address specific forms of gender-based discrimination. But in order to fully realise gender equality in key areas such as professional life, green and digital governance, the care economy, leadership, as well as to eliminate gender-based violence, it is important to ensure that policies, regulations and other strategic tools of public governance do not embed structural and systemic biases and stereotypes. Gender mainstreaming, as a strategy integrating a gender lens in policy making, helps governments make more inclusive decisions and achieve better outcomes for all. When gender equality awareness is built within all government institutions and consequently all policies and policy processes integrate gender considerations, better and more equitable outcomes are more likely to be achieved, thus contributing to good governance (OECD, 2018[3]). In turn, good governance improves the fairness and responsiveness of policy delivery and outcomes, which are strong predictors of people's trust in governments (OECD, 2017[4]), and helps reinforce democratic institutions and norms (OECD, 2022[5]).

Sound legal frameworks and leadership commitment provide the basis for integrating gender perspectives in government action

Ensuring a strong political leadership's commitment to gender equality at the highest levels of government is critical to make the topic a priority for the government's agenda (OECD, 2016[6]). Incorporating a medium- to long-term whole-of-government vision for gender equality into key strategic documents and legal frameworks can convey a country's goal for a gender-equal society and act as a measurement of its leader's commitment to those values.

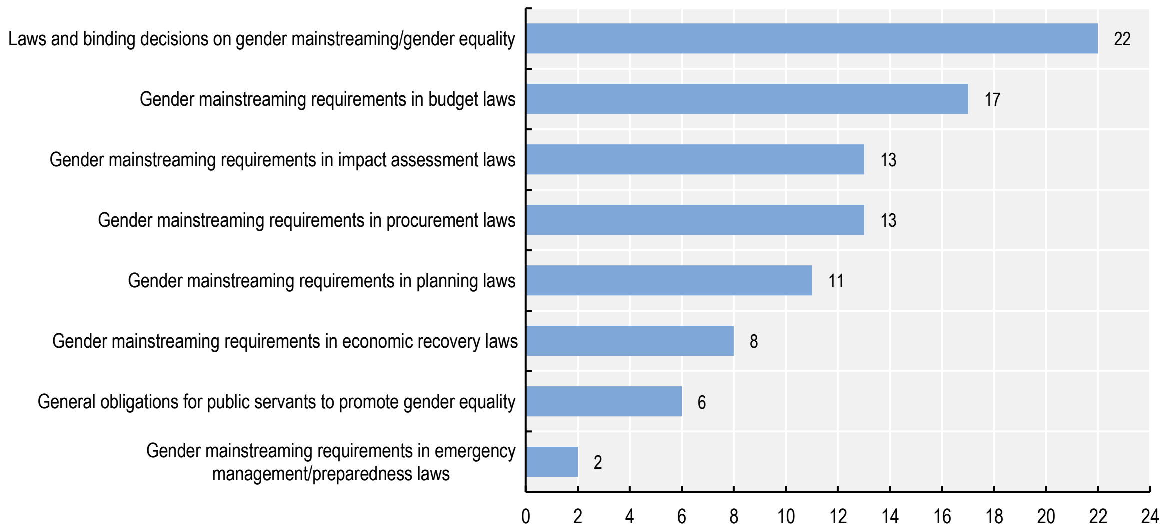
OECD governments are increasingly integrating gender equality and gender mainstreaming requirements into key strategic documents to advance the gender equality agenda. As confirmed by responses to the 2021 OECD Survey on Gender Mainstreaming and Governance (2021 GMG Survey), there has been a growing leadership commitment to gender equality by governments over the past years (OECD, 2021[7]; 2022[2]). Several OECD countries have introduced specific requirements to advance gender equality priorities in government programmes (e.g. Austria, Denmark, Iceland, Lithuania, Luxembourg and the Netherlands) or in national development plans (e.g. Canada, Colombia, Costa Rica, the Czech Republic, Lithuania and Mexico) since 2017. In addition, the COVID-19 pandemic has further evidenced the importance of gender equality and gender-sensitive policy making for an inclusive and sustainable recovery (OECD, 2022[2]), offering an opportunity for countries to mainstream policies that promote gender equality and women's economic empowerment as part of their recovery efforts (OECD, 2021[7]).

The same survey showed that an increasing number of countries have integrated gender equality and mainstreaming requirements in legal frameworks and other statutory obligations (OECD, 2022[2]). Since 2017, at least nine OECD countries have enacted new legislation, regulation or directive to promote gender mainstreaming, making it a total of 29 OECD countries that reported having some form of legal basis or a binding decision in place underpinning gender mainstreaming in 2021.

Figure 3.1 shows that across the OECD, provisions to promote gender mainstreaming can take various forms, including laws and binding decisions on gender equality and mainstreaming; general obligations for public servants to advance gender equality in all actions; and gender mainstreaming requirements enshrined in other legislation (e.g. budget, impact assessment, procurement, planning, economic recovery, and emergency management laws). Some countries have also set gender mainstreaming requirements in legislations focusing on specific policy fields (not reflected in the figure due to the lack of systematic data). For example, Canada's Immigration and Refugee Protection Act includes a requirement to provide Gender-based Analysis (GBA) Plus in the reporting to Parliament on immigration (Chapter 4).

Figure 3.1. Law and binding decisions on gender mainstreaming and equality are the most common type of provision to promote gender mainstreaming

Number of respondents indicating having gender mainstreaming-related requirements in government processes



Note: Total number of respondents is 33 OECD countries, multiple responses possible.
Source: 2021 OECD Survey on Gender Mainstreaming and Governance (2021 GMG Survey).

StatLink https://stat.link/zhju2l

However, enactment of laws on their own is not a sufficient indicator of the actual implementation of gender mainstreaming, since this also requires a strong institutional set-up, adequate resources and capacities, effective co-ordination mechanisms and whole-of-government strategic planning (OECD, 2016[6]). OECD Gender Reviews show that the implementation of legal requirements for gender mainstreaming has been relatively uneven in the absence of a clear allocation of responsibilities, resources and accountability mechanisms. For example, in Iceland, gender mainstreaming has been a legal requirement for over three decades, but it started being implemented only when gender budgeting was introduced in the country thanks to *ad hoc* interventions following the 2008 global financial crisis (OECD, 2019[8]). Other elements can also indicate strong government commitment to improve gender equality, including requirements to advance gender equality and remove implicit and explicit barriers in key government documents (e.g. policies and laws), the existence of cabinet committees to lead the gender equality agenda, and the allocation of the responsibility to promote gender equality at the highest level of office.

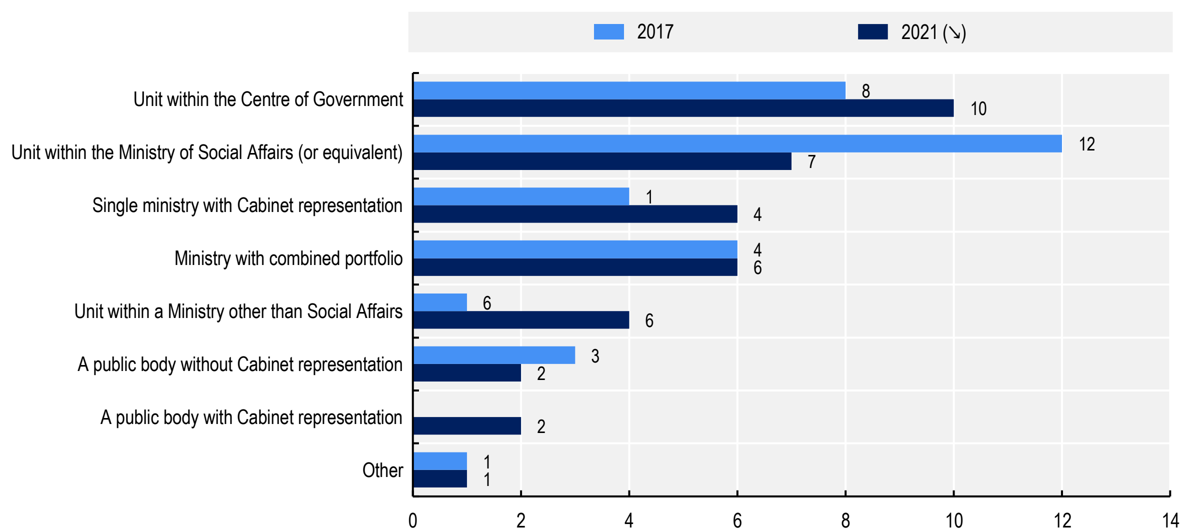
A robust institutional design can facilitate the implementation of gender mainstreaming

By requiring strong institutional and co-ordination mechanisms to overcome silos, cross-cutting work and data-sharing, gender mainstreaming can facilitate an administrative culture and institutional infrastructure that help manage other horizontal and global challenges (e.g. pandemic preparedness and climate change) which also involve a variety of domains, actors and interests (OECD, 2021[1]; 2022[9]).

Across the OECD, there is no standard blueprint for the institutional set-up to implement, co-ordinate and advance the government's gender equality agenda. Conventionally, a central gender institution (CGI) or body is responsible for the co-ordination and implementation of gender equality at the central or federal level. CGIs can be a separate ministry, paired with other portfolios within a single ministry, or located at the Centre of Government within the office of the head of government or state. Figure 3.2 shows the institutional arrangements commonly used in OECD countries. Since the first collection of data on this topic in 2011, units located within the Centre of Government have progressively become the most common institutional arrangement in the OECD area (ten countries). This may be explained by the countries' recognition of the gender equality agenda as a cross-cutting priority, and by their willingness to steer and co-ordinate it from the centre and at the highest political level, in line with the 2015 OECD Recommendation on Gender Equality in Public Life (OECD, 2016[6]). As of 2022, seven OECD countries have units on gender equality in ministries of social affairs (or equivalent). Other arrangements include having a single ministry with Cabinet representation, a ministry with combined portfolio, units within a ministry other that social affairs, and public bodies with or without Cabinet representation.

Figure 3.2. Units located within the Centre of Government have progressively become the most common institutional arrangement for gender equality in the OECD area

Number of respondents indicating that their country has a Central Gender Equality Institution, 2017 and 2021



Note: 2021 data provided by 38 respondents, 2017 data provided by 36 respondents.
Source: Information collected by OECD based on desk research and data from the 2021 OECD Survey on Gender Mainstreaming and Governance (2021 GMG Survey).

StatLink https://stat.link/n8upbs

The lack of adequate resources, mandate and capacities limits CGIs' ability to facilitate gender mainstreaming across the government (OECD, 2019[8]; 2022[2]). These challenges, which were reemphasised during the COVID-19 crisis (OECD, 2020[10]), have prompted some governments to allocate increased resources to gender equality institutions. At least 21 OECD countries have expanded the budgetary allocation for CGIs or gender equality measures in the past five years. In seven of these countries, the increased budget came in the context of the COVID-19 crisis and was earmarked for interventions addressing gender-based violence, among others. At the same time, one OECD country did not report any change, while four reported a decrease in resource allocation.

A whole-of-government effort for gender equality engages the Centre of Government, line ministries and agencies – including in policy areas not traditionally associated with gender (e.g. environment, economic affairs and defence), data-collecting and producing bodies, and independent oversight institutions. Twenty-one out of 24 OECD countries that responded to the 2021 GMG Survey reported having formal mechanisms or formalised practices for co-ordination across the central/federal government, while

12 countries reported having established systems to promote co-ordination with sub-national governments. Box 3.1 provides country examples of both horizontal and vertical co-ordination mechanisms for gender equality.

Box 3.1. Co-ordination mechanisms for gender equality in OECD countries

In **Costa Rica**, Decree N° 41115 of 2018 sets out the structures and mechanisms for the co-ordination and implementation of the National Policy for the Effective Equality between Women and Men (PIEG 2018-30). At the national level, it establishes the High-level Commission for the Equal Participation of Women in the country's economic processes as the co-ordination body for gender equality. At the territorial level, the Decree states that the Regional Development Councils (COREDES) shall implement local and regional plans and actions linked to PIEG 2018-30 through their Regional Social Intersectoral Committees.

In **Switzerland**, the Swiss Conference of the Delegates for Equality contributes to sustainable and coherent gender equality policy in the country by promoting exchanges on the issue between the Confederation, the cantons and the municipalities. Horizontal co-ordination within the federal administration is instead ensured by the Inter-departmental committee for the 2030 Gender Equality Strategy, led by the Federal office for the equality between women and men (BFEG). The committee, which meets twice a year, is composed of representatives of the federal offices concerned.

Source: Information provided by Governments of Costa Rica and Switzerland in 2021.

However, several gaps remain. Competing priorities and lack of interest at the central level, limited funding, and insufficient capacities and expertise of policy makers represent the most commonly reported challenges for horizontal co-ordination. Insufficient funding is also one of the main reported obstacles for vertical co-ordination, together with the lack of appropriate structures and frameworks for the engagement of subnational governments (OECD, 2022[2]). Reinforcing institutions with sufficient resources, capacities and co-ordination mechanisms is vital to make progress in the area of gender equality.

Strategic planning frames governments' gender equality objectives to facilitate implementation and track progress

Strategic planning is a key tool to implement a government's gender equality policy, as it guides every step of the policy making process through a systematic, structured and co-ordinated approach (OECD, 2021[1]).

Since 2017, a growing number of OECD countries have adopted strategic frameworks to set clear objectives, targets and outcomes for gender equality, recognising their potential contribution to advance society-wide goals for gender equality and facilitate accountability. In 2021, 30 OECD countries reported having an active strategic framework for gender equality in place, either in the form of an overarching strategy or in that of a strategy addressing specific gender equality issues, such as violence against women. In particular, since 2020, France, Germany, Italy, Switzerland and the United States have adopted their first-ever strategies for gender equality, while other 19 countries have renewed or expanded their commitments since 2017.

However, challenges remain when it comes to their effective implementation. In 2021, OECD countries reported the limited enforceability of strategic frameworks for gender equality as the most common barrier, paired with the absence of data and resources, the limited involvement from line ministries, and funding shortfalls against the approved action plan or strategy (OECD, 2022[2]).

In addition, in the COVID-19 crisis context, several countries integrated gender equality considerations in other strategic planning documents to support an inclusive economic recovery. Twenty-two out of 27 OECD countries that reported having a strategic plan to respond to the COVID-19 crisis that integrated a gender equality lens, through targeted actions or by setting gender equality as a cross-cutting pillar. Other countries, such as Japan, have instead included dedicated sections in their national gender strategies, outlining actions to uphold gender equality in emergency and crisis situations (OECD, 2022[2]). Countries can also consider integrating gender equality considerations in recovery and resilience strategies by taking into account potential gender-specific impacts and gender-disaggregated data as well as linking these to broader national gender equality objectives.

Key policy messages

- Leadership commitment to the gender equality agenda should be further strengthened by introducing requirements to advance gender equality in key government documents, establishing cabinet committees to lead the gender equality agenda, and assigning the responsibility to promote gender equality at the highest level of office. Efforts should be made to remove all overt and implicit barriers from legal and policy frameworks with the aim of closing gender gaps and addressing compounding inequalities and stereotypes.
- Governments should consider establishing adequate capabilities, expertise and capacities within public institutions to close persistent gender gaps.
- Institutional co-ordination should be reinforced through mechanisms for reporting to the Centre of Government, as appropriate, on the implementation of gender equality objectives, including those outlined in gender equality strategies and in other horizontal or sectoral strategic documents.

References

OECD (2022), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, https://doi.org/10.1787/b407f99c-en. [5]

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [2]

OECD (2022), *Stronger Open Democracies in a Globalised World: Embracing the Global Responsibilities of Governments and Building Resilience to Foreign Influence. Background note for the Meeting of the Public Governance Committee at Ministerial level*, OECD, Paris, https://one.oecd.org/document/GOV/PGC(2022)17/REV1/en/pdf. [9]

OECD (2021), *2021 Survey on Gender Mainstreaming and Governance*. [7]

OECD (2021), *Policy Framework on Gender-sensitive Public Governance*, OECD, Paris, https://www.oecd.org/mcm/Policy-Framework-for-Gender-Sensitive-Public-Governance.pdf. [1]

OECD (2020), *Mapping good practices and challenges faced by the National Gender Equality Institutions*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/women-at-the-core-of-the-fight-against-covid-19-crisis-553a8269/. [10]

OECD (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, https://doi.org/10.1787/g2g9faa5-en. [8]

OECD (2018), *OECD Toolkit on Mainstreaming and Implementing Gender Equality*, OECD, Paris, https://www.oecd.org/gov/toolkit-for-mainstreaming-and-implementing-gender-equality.pdf. [3]

OECD (2017), *Trust and Public Policy: How Better Governance Can Help Rebuild Public Trust*, OECD Public Governance Reviews, OECD Publishing, Paris, https://doi.org/10.1787/9789264268920-en. [4]

OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, https://doi.org/10.1787/9789264252820-en. [6]

4 Governance tools and evidence to promote inclusive decision making

Jacobo Garcia Villarreal, Erin Kelleher, Giulia Morando and Scherie Nicol

This chapter provides an overview of recent developments in the application of gender analysis in policy making across the OECD, while illustrating current practices and the main challenges in the collection and use of gender-sensitive data and evidence. It also explores how OECD countries are adopting a gender-sensitive perspective in areas such as regulations, budgets, infrastructure and procurement to improve gender equality as well as using these tools strategically to redress structural inequalities and promote more gender-equal and inclusive societies, including by anticipating and monitoring their gender-specific impacts.

Key findings

- An increasing number of OECD countries report having governance tools and requirements for gender impact assessments (GIAs). GIAs are one of the most widely used gender mainstreaming tools across the OECD, but their integration in routine policy making remains limited. Challenges to GIA implementation further emerged during the COVID-19 pandemic, with a limited number of OECD countries reporting applying practices to rapidly assess gender impacts during the crisis and undertaking assessments of gender impacts of their recovery and resilience plans.
- Gender budgeting is increasingly recognised as a tool that supports transformational change and is now commonly used across OECD countries. In 2022, 23 OECD countries had introduced gender budgeting measures, compared to 17 in 2018 and 12 in 2016. The implementation of gender budgeting varies across OECD countries, yet common challenges exist – including a lack of resources, relevant knowledge, technical expertise, and limited impact on budget decisions.
- Gender-related considerations are increasingly included in public procurement and infrastructure decisions, although more efforts are needed to promote coherence among policies and reforms in these areas. Gender-sensitive public procurement was particularly relevant to the COVID-19 recovery, since it plays a large role in investments and spending in recovery plans. Similarly, the COVID-19 crisis has helped highlight the critical role of several infrastructure systems and services and their role in supporting resilience and greater inclusiveness.

Using government tools to strategically advance gender equality objectives

The OECD 2015 Recommendation on Gender Equality in Public Life highlights that it is important to integrate evidence-based assessments of gender impacts and considerations into various dimensions of public governance and in all phases of the policy cycle, from early stages onward (OECD, 2016[1]). Structural policies, budgets, regulations and procurement processes, when accompanied by a gender-sensitive lens, can contribute to redressing existing inequalities, promoting more gender-equal and inclusive societies (OECD, 2019[2]) and achieving better policy outcomes. Yes, challenges remain in practice. OECD (2021[3]) showed that policy instruments are not always neutral in their application and impact, while OECD (2019[2]) illustrated how potential gender bias may be hiding in government decision-making, with the risk of exacerbating inequality and discrimination.

Gender impact assessments and intersectional analysis

Gender Impact Assessments (GIAs) are a tool used to identify and assess potential gender-specific impacts of policy or funding decisions. GIAs are increasingly being viewed as a key policy making tool for promoting gender equality and are one of the most widely used tools for gender mainstreaming in OECD countries. 26 out of 34 countries that responded to the 2021 OECD Survey on Gender Mainstreaming and Governance (hereinafter, the 2021 GMG Survey) have a formal requirement for GIAs in place as of 2021, and at least six of them (Canada, Ireland, Latvia, the Netherlands, Portugal and Spain) have introduced or revised the scope of GIA requirements since 2017 (OECD, 2022[4]). There is no one-size-fits-all approach to GIAs across the OECD area. In some countries, GIAs are undertaken as a part of a broader regulatory impact assessment, while they exist as a standalone exercise in others (OECD, 2022[4]). Box 4.1 provides examples of GIA practices in OECD countries.

Box 4.1. GIA practices in some OECD countries

In **Belgium**, GIAs are embedded into the Regulatory Impact Assessment (RIA) law, which establishes the preliminary assessment of regulatory projects in the social, economic and environment fields as well as on public authority. The analyses included in the RIAs touch upon 21 transversal themes, 4 of which are analysed more in depth: gender equality; policy coherence for development; administrative expenses; and SMEs. The assessment of the gender impact of regulation proposals is carried out through a "gender test", which consists of five open questions on the impact of the proposal on women and men grouped in three phases (situation analysis, identification of foreseen impacts, and compensatory measures). Following the assessment, the draft proposal has to be adjusted to minimise any negative impacts, as in the provisions of the 2007 Gender Mainstreaming Law.

In 2016, **Canada** introduced requirements for programme officials and evaluators to include government-wide policy considerations, such as Gender-based Analysis Plus (GBA+), in key evaluation processes and documents dealing with performance information for programmes. GBA+ was introduced in 1995 but had never been applied to policy evaluation before. Following this, in 2019, the Government of Canada launched guidance for integrating GBA+ into the continuum of evaluation of policy, programme and service delivery, and considering a range of intersectional factors.

Source: Information provided by the Government of Belgium in 2021; Government of Canada (2019[5]), *Integrating Gender-Based Analysis Plus into Evaluation – A Primer*, https://www.canada.ca/en/treasury-board-secretariat/services/audit-evaluation/evaluation-government-canada/gba-primer.html.

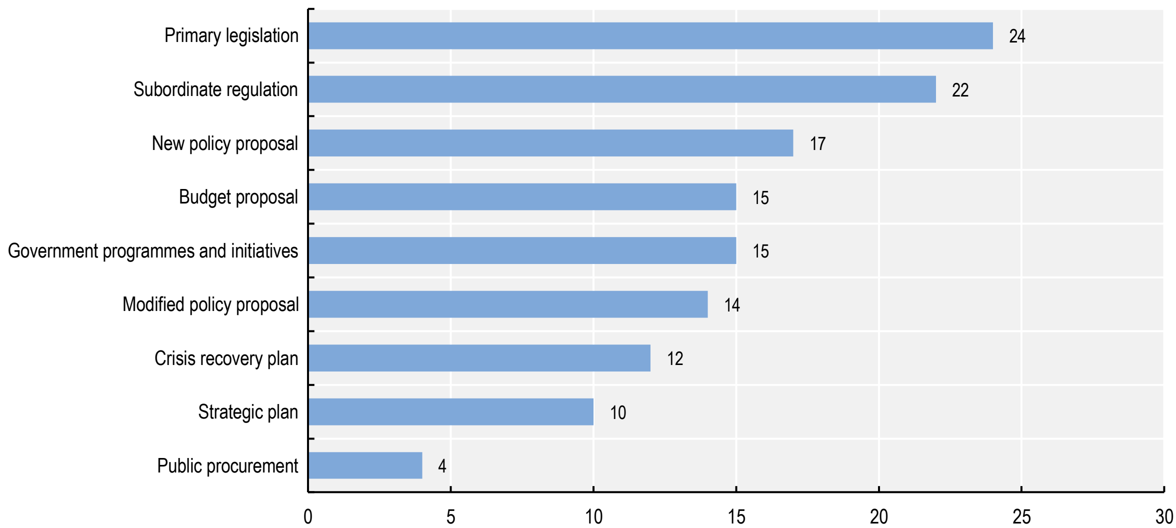
GIAs are most effective when they are performed at multiple points throughout the policy process: *ex-ante*, by considering possible gender impacts of policies during the design and decision-making stage; throughout the implementation, by monitoring the performance and results of policies; and *ex-post*, by evaluating the gender impact of policy outcomes. Figure 4.1 shows the range of decisions that are subject to GIA across the OECD.

As of 2021, 20 out of 26 respondents to the 2021 GMG Survey have formal requirements to conduct *ex-ante* assessments, while just four (Austria, Italy, Korea, and Spain) perform *ex-post* GIAs. Only four countries reported having requirements to undertake continuous GIAs throughout the policy cycle (Canada, Estonia, Israel, and the United Kingdom). This shows that, despite recent progress, integration of GIAs into routine policy making remains limited and that further improvement is needed.

The most cited challenges to implementation of GIAs by countries that responded to the 2021 GMG Survey were the perception of gender impact assessments as a "tick box exercise", the absence of binding requirements, a lack of gender expertise of policy makers and a lack of available gender-disaggregated data (OECD, 2022[4]). In 2021, only 11 out of 34 countries (32%) reported having practices in place to conduct rapid assessments of gender impacts during emergencies and other urgent policy making situations, of which six reported applying them to policies adopted during the COVID-19 pandemic. Moreover, only eight OECD countries reported conducting a GIA of their recovery and resilience plans developed in response to the health crisis (OECD, 2022[4]). GIAs require quality data, evidence and analysis to guide them. Some countries have introduced measures to ensure standards for quality of their GIAs, including training for civil servants and verification of the application of GIAs by a central gender institution.

Figure 4.1. Across OECD countries, the most common GIA requirements are for laws and regulations

Number of respondents indicating the existence of GIA requirement in their country, by type of document



Note: Total number of respondents is 27 OECD countries.
Source: 2021 OECD Survey on Gender Mainstreaming and Governance (2021 GMG Survey).

StatLink https://stat.link/9c15nu

Countries have increasingly recognised the need to understand the multiple forms of discrimination that can affect individuals, depending on their identities and how these interact. Intersectional analysis takes these interactions into account, producing a more holistic picture of the various discriminations that can affect individuals. 9 out of 26 respondents to the 2021 GMG Survey reported having developed practices for intersectional impact assessment (OECD, 2022[4]). The Canadian GBA+ tool (Box 4.1) does not only assess gender differences, but also incorporates analyses of other factors including race, ethnicity, religion, and disability. Beyond this example, the application of an intersectional lens in gender equality policy remains a new area of practice in most countries and more evidence is needed to identify the best approaches.

Gender budgeting

Government tax and spending decisions have powerful social, environmental, and economic implications for a country, shaping people's choices regarding work and economic participation. Gender budgeting is a way for governments to ensure that decision-makers have information on how tax and spend choices impact gender equality. Gender budgeting can support governments in defining and selecting policies to ensure an inclusive recovery from the COVID-19 crisis as well as other crises.

The 2022 OECD Survey on Gender Budgeting showed that more and more OECD countries are adopting gender budgeting as a tool to drive transformational change. In 2022, 23 OECD countries had introduced gender budgeting measures (61%), compared to 17 in 2018 (50%) and 12 in 2016 (35%) (OECD, forthcoming[6]).

There is no one way to implement gender budgeting. Countries tend to choose an approach that builds on the key features of their existing budgeting system. The most common tools of gender budgeting are a gender dimension in performance setting (used by 52% of OECD countries practising gender budgeting), *ex-ante* gender impact assessments (48%), *ex-post* gender impact assessments (43%), and gender budget tagging (43%) (OECD, 2020[7]; forthcoming[6]). Examples of country approaches to gender budgeting are provided in Box 4.2.

Box 4.2. Examples of gender budgeting approaches in OECD countries

Iceland introduced gender budgeting gradually as part of the budget reforms instigated in the aftermath of the global financial crisis. Between 2011 and 2016, line ministries focused on one policy area under their remit, undertaking analysis of its gender impact, and then planning and implementing policy changes to improve gender equality. Gender budgeting was then incorporated into the new Public Finances Act 2016. The Act also introduced "performance budgeting", aiming to promote the consideration of performance information in budget decision-making, giving new opportunities for the approach to gender budgeting to evolve. An annual Gender Baseline Report mapping gender perspectives in different policy areas is used as a basis for policy development and to help set performance objectives with a gender perspective. The introduction of spending reviews has also provided an opportunity to further develop gender budgeting. The Ministry of Finance is currently experimenting with integrating a gender lens in the spending review process using gender impact assessments of policies.

In **Italy**, gender budgeting was introduced by the Public Finance and Accounting Law (196/2009) and performed for the first time on the 2016 State final accounts. The legislation required analysis of the country's revenues and expenditures to evaluate the differential impacts of budget policies on men and women across various indicators. A gender budget report published at the end-of-year includes information on the main gender gaps in the economy and society, an analysis of how tax policy impacts gender equality, and a reclassification of expenditure into three categories according to its impact on gender (expenditure aimed at reducing gender disparities, gender sensitive expenditure and gender neutral expenditure).

Source: Information provided by the Governments of Iceland and Italy in 2022.

The COVID-19 pandemic, its economic consequences and policy responses inflicted a severe shock on government finances everywhere. Russia's war against Ukraine has also put new pressures on spending, as well as greatly adding to overall economic uncertainty. In a tighter fiscal context, there is a risk that government objectives, such as those relating to gender equality, become a lower priority. However, closing certain gender gaps can help alleviate fiscal pressures. Integrating a gender perspective into spending reviews could help ensure that government objectives relating to gender equality continue to be prioritised through the budget process, even in times of fiscal constraint (Nicol, 2022[8]).

Some challenges remain in implementing and ensuring the effectiveness of gender budgeting, including lack of resources (e.g. time, staff) (reported by 70% of OECD countries implementing gender budgeting), lack of relevant knowledge or technical expertise (57%) and lack of impact on budget decisions (52%) (OECD, forthcoming[6]).

The OECD Best Practices for Gender Budgeting (OECD, 2023[9]) help countries develop a more effective approach to gender budgeting through identifying elements that contribute to the sustainability and impact of gender budgeting, namely:

- strengthening the link between budgeting and key gender equality objectives
- ensuring gender budgeting is sustainable beyond political cycles
- incorporating gender budgeting into the overarching budget framework, with leadership from the central budget authority
- embedding gender budgeting tools at all stages of the budget cycle
- underpinning gender budgeting with strong data and analysis

- supporting gender budgeting implementation through capacity building
- using gender budgeting to reinforce government transparency and accountability.

Gender-sensitive public procurement

Public procurement makes up a large portion of GDP across OECD countries (13% of GDP in 2019) and is therefore often used strategically to support broader policy objectives including sustainability, SMEs development and gender equality and mainstreaming (OECD, 2021[10]). Purchasing power offers governments a strong lever to encourage more responsible production and consumption of goods and services (OECD, 2020[7]), and an opportunity to lead by example and create wider impacts on the private sector and on citizens (OECD, 2019[11]).

Gender-sensitive public procurement integrates gender considerations into public procurement policies and practices. It represents a powerful tool for gender mainstreaming within government processes, as well as an opportunity for governments to lead by example in mainstreaming gender equality.

Public procurement is used to deliver public services to citizens, so it follows that women's needs should be reflected in procurement outcomes. Meanwhile, public procurement processes should also incorporate requirements for suppliers to be aligned with national and international commitments on gender equality and mainstreaming (Box 4.3 for an example on Chile). Governments can use different mechanisms ranging from needs assessment to *ex-post* evaluations of contracts (OECD, 2021[12]). This is particularly relevant in the context of COVID-19 recovery strategies as a significant part of public investments and spending would happen through public procurement.

Box 4.3. Gender-sensitive procurement in Chile

In Chile, the Central Purchasing Body, ChileCompra, introduced an electronic registry to determine which companies were led or owned by women. This registry certifies "female enterprises" (sole proprietors) and includes this data in the civil registry. The requirements for this registry are: for natural persons, having a female owner in the Civil Registry; and for legal persons, more than 50% of the shares of the company have to be owned by one or more women, and the CEO must be a woman. This registry is free of costs and is valid for a year. It is visible in the supplier's electronic file and public purchasers can use it as an evaluation standard or criterion in the bidding documents. This initiative supports a programme to promote the participation of women-led companies in the public procurement market. There are training and mentorship programmes for women and guidelines to help officials include gender considerations in their tenders by incorporating gender-specific evaluation criteria.

Source: OECD (2021[13]), "Promoting gender equality through public procurement: Challenges and good practices", https://doi.org/10.1787/5d8f6f76-en.

In 2020, 15 out of 26 countries who responded to the 2020 OECD Survey on Leveraging Responsible Business Conduct through Public Procurement reported having developed a strategic or regulatory framework that includes gender-related considerations in public procurement (OECD, 2020[7]). Countries adhering to the OECD Recommendation on Public Procurement are called to consider social inclusiveness (including gender considerations) in the tendering process (OECD, 2019[11]).

However, ample progress can still be made to make an effective use of public procurement with the aim of advancing gender equality in OECD countries and to tackle challenges such as the limited reach of gender-related requirements, the lack of policy coherence, the scarcity of data with key gender-based information, the limited capacity of the procurement workforce, and limited understanding of how to implement gender-related considerations into public procurement policies and practices (OECD, 2020[7]). For instance, when strategic or regulatory frameworks include gender-related considerations or requirements on public procurement, the provisions are unlikely to apply to sub-contractors or the full supply chain in a mandatory way (OECD, 2020[7]). This shows the need to provide public entities (and suppliers) with capacity building activities, supporting tools and clear guidance on how to effectively incorporate gender considerations into procurement.

Additionally, public procurement officers have to decide on trade-offs between multiple policy objectives. For public procurement to be used as a strategic tool to promote gender equality, a clear dialogue on policy priorities should be encouraged between policy makers and procurement practitioners. Opportunities for more coherence amongst different policy areas should be also further explored, while reducing the data gap on the outcomes of gender-inclusive public procurement to facilitate evaluation and decision making.

Leveraging infrastructure planning and delivery to pursue inclusiveness objectives

Incorporating gender considerations into infrastructure governance frameworks and involving more women in decision-making processes can enable governments to identify the gender impacts of infrastructure decisions (OECD, 2021[12]). Infrastructure investments, including through digital technologies, can improve women's economic empowerment by addressing barriers to female employment and economic opportunities (De Henau and Himmelweit, 2020[14]). Better infrastructure also plays an important part in reducing gender-based violence, harassment, safety and security risks, as well as environmental and health risks (OECD, 2021[12]) (Chapters 2 and 21).

Over the past five years, OECD countries have progressively mainstreamed gender in infrastructure planning, decision-making and delivery. Canada, Colombia, Chile and Iceland, for example, have adopted a long-term vision for gender-responsive infrastructure. Others have included gender considerations in project appraisal and selection. Other tools include the integration of women's voices and agency in infrastructure decision-making (Austria, France, the Netherlands, Sweden and the United Kingdom), gender-sensitive infrastructure procurement and delivery (Canada, Chile, Iceland, New South Wales in Australia, and Switzerland), and tagging infrastructure investments related to gender equality in Mexico (see Box 4.4) (OECD, 2021[10]; 2021[12]).

Box 4.4. Mexico's approach to mainstreaming gender in infrastructure

In 2008, **Mexico** adopted a tagging and monitoring system by which all federal spending, including infrastructure investment, allocated to progress gender equality should be clearly identified and visualised in an annex to the budget bill. Entities must also identify sex-disaggregated indicators to evaluate the impact of spending programmes on gender equality, eradication of gender-based violence and harassment as well as any form of gender discrimination. The federal budgetary law also establishes that the resource allocations aimed to progress gender equality cannot be reduced or reallocated to different programmes or projects, ensuring that the budget allocations that go towards gender equality are sustainable across time.

Source: OECD (2021[12]), "Women in infrastructure: Selected stocktaking of good practices for inclusion of women in infrastructure", https://doi.org/10.1787/9eab66a8-en; Honorable Cámara de Diputados (n.d.[15]), *Anexo Erogaciones para la Igualdad entre Mujeres y Hombres, Presupuesto de Egresos de la Federación* [Annex Expenditures for Equality between Women and Men, Expenditure Budget of the Federation], https://web.diputados.gob.mx/.

Common challenges identified by OECD countries when mainstreaming gender considerations throughout the infrastructure public investment include a lack of full alignment between long-term infrastructure plans and gender equality objectives; weak gender diversity in the infrastructure sector; absence of tools to assess gender impacts; lack of adequate capacity and capabilities of procurement officials; and unavailability of gender equality targets or indicators causing weak oversight.

Improving gender-sensitive data and evidence

OECD countries are taking steps to produce more gender-disaggregated data (Box 4.5). 19 out of 33 responding countries to the 2021 GMG Survey reported having legal or binding requirements for the collection and dissemination of gender-disaggregated data. However, of 17 countries with a strategic framework for data and statistics at the central/federal level, only 7 include explicit commitments/actions on data disaggregated by gender and/or other relevant characteristics (OECD, 2022[4]).

Box 4.5. Country practices to improve availability and use of gender-sensitive data

In 2019, Statistics **Portugal** launched the National Statistics System on Gender Equality project, to review, update and enhance the content and coverage of its Gender Database (including a set of gender related indicators and currently available on Statistics Portugal's website) with a more comprehensive system of gender statistics and information on various dimensions of (in)equality between women and men.

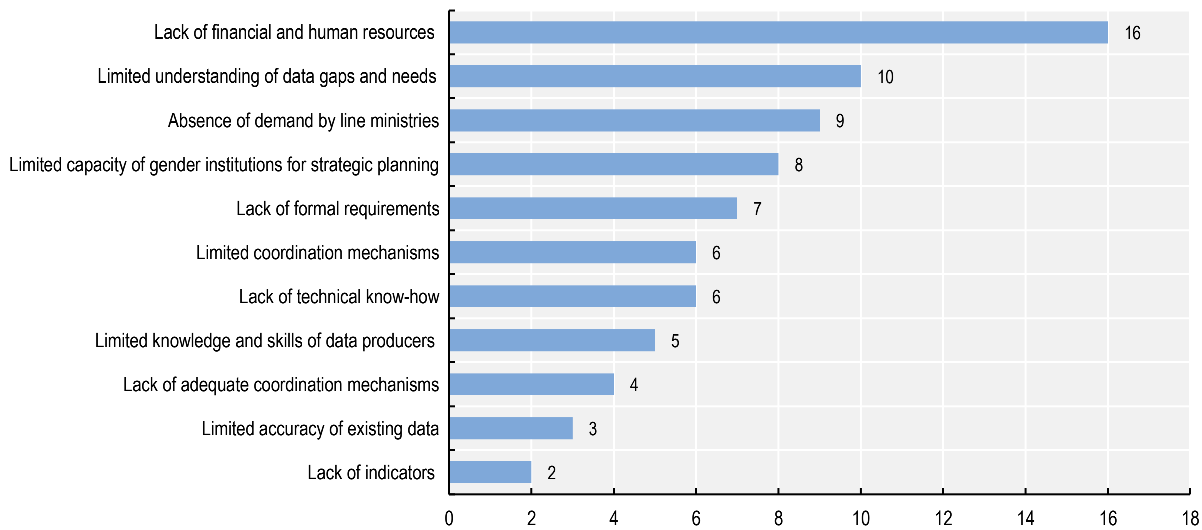
In 2017, the **United Kingdom**'s Office for National Statistics initiated an audit of data sources and publications that are available to understand inequalities in the country, including outcomes for age, sex, race and ethnicity, religion or belief, disability, sexual orientation, gender reassignment, marriage and civil partnership, as well as pregnancy and maternity, as covered by the Equality Act 2010. The audit highlighted the need to improve transparency and accessibility, coverage, granularity, harmonisation and comparability of data, as well as the inclusiveness of the collection and reporting processes.

Source: Information provided by the Government of Portugal in 2021; United Kingdom's Office for National Statistics (2018[16]), *Equalities Data Audit: Final Report,* https://www.ons.gov.uk/methodology/methodologicalpublications/generalmethodology/onsworkingpaperseries/equalitiesdataauditfinalreport.

Yet, a lack of gender-sensitive and intersectional data has been highlighted by countries responding to the 2021 GMG Survey as a key barrier to gender mainstreaming and inclusive decision-making, and as a barrier to effectively taking into account the needs of various groups of the population in the context of COVID-19 pandemic and in the recovery phase (OECD, 2021[17]). Figure 4.2. displays the main barriers faced by countries in the collection of gender-sensitive data.

Figure 4.2. Lack of financial and human resources is a key barrier for statistics disaggregated by gender

Barriers reported for statistics disaggregated by gender, number of respondents



Note: Total number of respondents is 33 OECD countries.
Source: 2021 OECD Survey on Gender Mainstreaming and Governance (2021 GMG Survey).

StatLink https://stat.link/zdp7y0

In light of these challenges, the three most common measures adopted by countries to improve the collection of gender-sensitive statistics are online portals to facilitate easy public access to all gender statistics; dedicated teams/units/centres on gender statistics in the National Statistics Offices; and Advisory Committees/Councils/Task Forces to determine data gaps and needs (OECD, 2022[4]). Digital transformation also offers opportunities to expand the availability, accessibility and use of gender-disaggregated data, while securing data privacy. In the context of the COVID-19 pandemic, countries opted for innovative mechanisms to produce gender-disaggregated data rapidly to inform policy making, such as expanding the use of experimental statistics by Switzerland's Federal Statistics Office or the introduction of gender equality indicators within the state budget across policy areas in Portugal (OECD, 2022[4]).

For progress to be made in all areas of gender mainstreaming, countries should improve methods for measuring, monitoring, evaluating and reporting on gender gaps, and increase efforts to collect gender-disaggregated data across all policy fields. The move towards data-driven, innovative, and digital governments, offers a window of opportunity to expand the availability of reliable and timely data on gender equality in different policy fields. Governments should also anticipate the risks posed by new technologies and artificial intelligence to gender equality, such as the transfer of existing gender biases from the analogue to the digital world and the emergence of new forms of digital divides and algorithmic discrimination against women. The capacity of governments should be supported to ensure the effective collection and use of gender-sensitive data and improve the quality of gender impact assessments, stakeholder engagement tools, and accountability and transparency mechanisms.

Key policy messages

- Governments should strengthen the use of tools or policy instruments to support gender equality. Quality GIAs should be performed throughout the policy making cycle, including policy evaluation, to better understand gender-specific impacts of public interventions. Gender budgeting should be fostered across administrations, together with strategic frameworks to institutionalise these practices and tools to improve the understanding of gender impacts of budgetary decisions. Public procurement should be increasingly used as a strategic instrument for achieving gender equality. Continued efforts should also be made to improve a co-ordinated implementation of infrastructure programmes with a gender lens.
- Governments should improve the collection, accessibility and use of both quantitative data disaggregated by gender and other identify factors and qualitative evidence to support gender-sensitive policy making, including by identifying targets and performance indicators linked to national gender equality objectives.
- All above actions require investments in capacity building for staff. For instance, strengthening governments' capacities for collecting and using gender-sensitive data and evidence would require advancing co-ordination among different government units and agencies while ensuring its quality, interoperability and securing privacy to create a sound data governance ecosystem.

References

De Henau, J. and S. Himmelweit (2020), "Developing a Macro-Micro Model for Analyzing Gender Impacts of Public Policy". [14]

Government of Canada (2019), *Integrating Gender-Based Analysis Plus into Evaluation – A Primer*, https://www.canada.ca/en/treasury-board-secretariat/services/audit-evaluation/evaluation-government-canada/gba-primer.html. [5]

Honorable Cámara de Diputados (n.d.), *Anexo Erogaciones para la Igualdad entre Mujeres y Hombres, Presupuesto de Egresos de la Federación [Annex Expenditures for Equality between Women and Men, Expenditure Budget of the Federation]*, https://web.diputados.gob.mx/. [15]

Nicol, S. (2022), "Gender perspectives in spending review", *OECD Journal on Budgeting*, No. 22/3, OECD Publishing, Paris, https://doi.org/10.1787/4b676369-en. [8]

OECD (2023), "OECD Best Practices for Gender Budgeting", *OECD Journal on Budgeting*, No. 23/1, OECD Publishing, Paris, https://doi.org/10.1787/9574ed6f-en. [9]

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [4]

OECD (2021), *Government at a Glance 2021*, OECD Publishing, Paris, https://doi.org/10.1787/1c258f55-en. [10]

OECD (2021), *Policy Framework on Gender-sensitive Public Governance*, OECD, Paris, https://www.oecd.org/mcm/Policy-Framework-for-Gender-Sensitive-Public-Governance.pdf. [3]

OECD (2021), "Promoting gender equality through public procurement: Challenges and good practices", *OECD Public Governance Policy Papers*, No. 09, OECD Publishing, Paris, https://doi.org/10.1787/5d8f6f76-en. [13]

OECD (2021), "Towards gender-inclusive recovery", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/ab597807-en. [17]

OECD (2021), "Women in infrastructure: Selected stocktaking of good practices for inclusion of women in infrastructure", *OECD Public Governance Policy Papers*, No. 07, OECD Publishing, Paris, https://doi.org/10.1787/9eab66a8-en. [12]

OECD (2020), *Integrating Responsible Business Conduct in Public Procurement*, OECD Publishing, Paris, https://doi.org/10.1787/02682b01-en. [7]

OECD (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, https://doi.org/10.1787/g2g9faa5-en. [2]

OECD (2019), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Publishing, Paris, https://doi.org/10.1787/1de41738-en. [11]

OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, https://doi.org/10.1787/9789264252820-en. [1]

OECD (forthcoming), *Gender Budgeting in OECD Countries - 2023 Update*. [6]

United Kingdom's Office for National Statistics (2018), *Equalities Data Audit: Final Report*, https://www.ons.gov.uk/methodology/methodologicalpublications/generalmethodology/onsworkingpaperseries/equalitiesdataauditfinalreport. [16]

5 Gender mainstreaming in environmental policies

Valentina Bellesi, Sara Ramos Magana and Dimitra Xynou

This chapter presents the interlinkages between gender and environmental policies, highlighting how a coherent approach could lead to mutually reinforcing gender equality and environmental goals and policies. It describes the existing gaps in policy and decision making, including with respect to gender-sensitive data. It concludes by presenting an integrated approach to gender equality and environmental sustainability, which covers issues of governance and sustainable financing.

Key findings

- Gender equality and environmental sustainability are two key policy goals, however countries are overlooking the interlinkages, complementarities and trade-offs between the two, missing benefits from a more coherent policy approach.
- While most OECD countries have a national strategy or action plan on gender equality and/or gender mainstreaming, the level of integration between such a framework and environmental policies varies widely. The gender-environment nexus could help address gender inequalities and environmental deterioration, in line with countries' international commitments.
- Gender data gaps on the environment and environmental policies persist, both in OECD and non-OECD countries. Overcoming gender gaps in environmental leadership could potentially benefit both gender equality and pro-environmental policies.

The intensifying environmental and climate crisis is taking the heaviest toll on vulnerable women and girls

Biodiversity loss, pollution, climate change and related extreme weather events threaten economic opportunities and pose major health and well-being risks. These environmental impacts affect men and women differently, exposing underlying discrimination, resource access inequalities and other factors that determine risks and vulnerabilities.

Due to the social, economic, and political barriers they face, women are more vulnerable to the impacts of environmental disasters or climate change in general (UN WomenWatch, 2009[1]). Especially in poorer areas, women often have the responsibility to secure water, food and fuel for cooking and heating, and are therefore especially exposed to changes in the availability of resources and/or in the shaping of their environment (OECD, 2021[2]).

Gender inequalities have been exacerbated by the COVID-19 pandemic and have become even more evident in developing countries. Furthermore, various environmental risks linked to the COVID-19 pandemic disproportionately affect women. For instance, exposure to indoor air pollution is particularly high among women and young children, who spend the most time at home (WHO, 2021[3]).

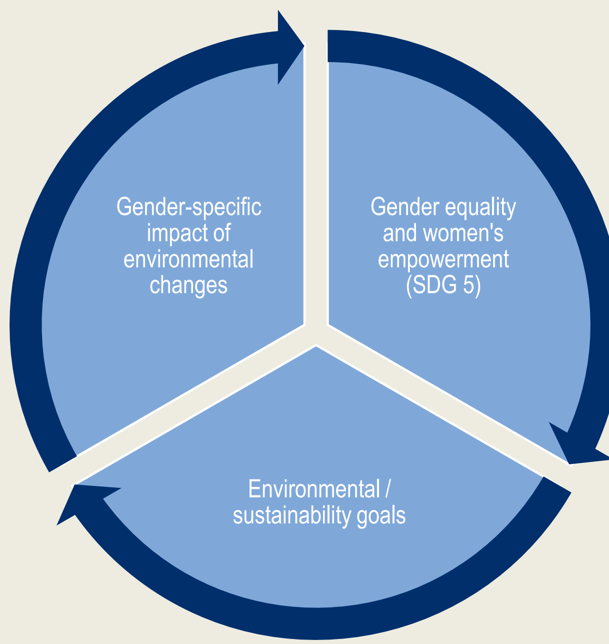
The gender-environment nexus could advance environmental protection and a gender just transition

As countries attempt to recover from the pandemic, addressing gender inequalities and environmental deterioration through the gender and environment nexus will be essential to deliver on the United Nations 2030 Agenda for Sustainable Development (Box 5.1). Gender mainstreaming in environmental policies can help understand environmental impacts on segments of society and create economic opportunities for women in the transition to a more sustainable economy. Promoting women's access to leadership on environmental matters can also help accelerate the Sustainable Development Goals (SDGs) and transition to a more sustainable economy.

Box 5.1. The gender-environment nexus

The gender-environment nexus recognises the interlinkages between gender equality and environmental sustainability that work both ways. On the one hand, slow progress on environmental sustainability and goals can have a differentiated impact on men and women, hampering gender equality. On the other, gender equality and women's empowerment could support the attainment of positive environmental results and achievement of environmental goals.

Figure 5.1. The gender-environment nexus



Source: OECD (2021[2]), *Gender and the Environment: Building Evidence and Policies to Achieve the SDGs*, http://dx.doi.org/10.1787/3d32ca39-en.

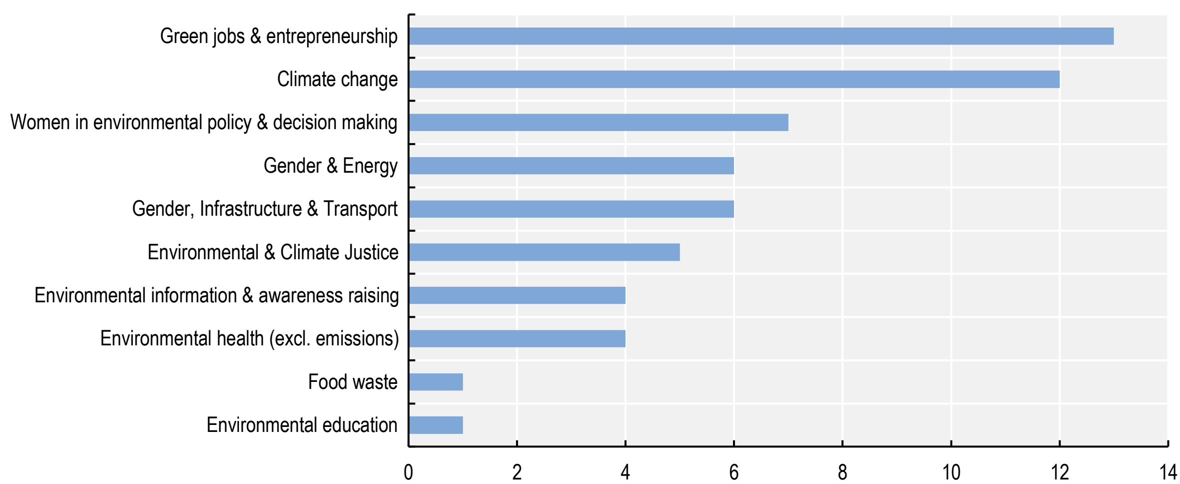
Essential to integrating the gender-environment nexus in policy making is the promotion of environmental leadership amongst women. This can not only contribute to improve women's representation, but also increase the focus on gender-specific environmental impacts, and lead to stronger and more effective environmental action (OECD, 2021[2]). Findings show that women in decision-making put a greater focus on sustainable investments in both the public and the private sectors, ultimately contributing to better environmental outcomes (BloombergNEF and SPF, 2020[4]; D'souza, 2018[5]; Mavisakalyan and Tarverdi, 2019[6]).

Gender equality and women's empowerment is gaining ground in other international frameworks around the environment and climate change. For example, the Gender Action Plan of the United Nations Framework Convention on Climate Change (UNFCCC) aims at advancing gender-responsive climate action and gender mainstreaming as a means to fight climate change and acknowledge its differentiated impacts on women and girls (UNFCCC, 2015[7]; 2019[8]). Initiatives such as the "Action Coalition on Feminist Action for Climate Justice", introduced in March 2021 at the Generation Equality Forum organised by Mexico, France and UN Women show that increasing policy attention is paid to efforts to integrate the gender and climate action agendas (Forum Generation Equality, 2021[9]).

While most OECD countries have a national strategy or action plan on gender equality and/or gender mainstreaming, the level of integration between such a framework and environmental policies varies widely. According to responses to the 2019 OECD survey on integrating gender in environmental policies, only 5 out of 28 responding countries always consider gender aspects when building environmental policies, 9 do so often, 7 sometimes and another 7 never (OECD, 2020[10]). Gender equality aspects are mostly taken into consideration into policies relating to climate change, green entrepreneurship and green jobs, including in agricultural and forestry sectors. Countries also prioritise women's participation and leadership in environment-related decision-making. Gender equality aspects are least considered in policies regarding food waste and environmental education (Figure 5.2).

Figure 5.2. Gender equality aspects are mostly taken into consideration in policies relating to climate change, green entrepreneurship and green jobs

Mapping of OECD countries' environmental or environment-related policies with integrated gender equality considerations, number of countries selecting each option



Note: Data based on replies received from 19 OECD members that claim to consider gender aspects in environmental policy making. Vertical axis shows policies into which gender equality and women's empowerment are considered. Horizontal axis covers numbers of replies received. Multiple replies per country were possible.
Source: Authors' own research based on replies to OECD (2020[10]), *Survey on integrating gender in environmental policies*.

StatLink https://stat.link/jdp35o

Several barriers hinder the potential of the gender-environment nexus in policy – including the lack of gender-disaggregated data, persistent gender discrimination and biases, unequal representation and barriers to decision-making, as well as a lack of appropriate governance mechanisms, policy frameworks and tools for gender mainstreaming in environmental policies (OECD, 2021[2]).

Gender-data gaps on the environment and environmental policies persist…

The integration of gender aspects to environmental policies and the collection of disaggregated data appear to be two agendas whose pursuit is incomplete (OECD, 2020[10]). Most OECD countries do not have a systematic approach to collect gender-sensitive data with regard to the environment and environmental policies (OECD, 2020[10]).

The type of gender-disaggregated data collected or information on environment-related policies available varies between OECD countries. Data collection varies from exposure to chemicals by vulnerable groups, including pregnant women, to exposure stemming from use of agricultural chemicals and pesticides, or food contaminants. Other data items include levels of pollution (air, noise, industrial), transport modes use and mobility, female participation in the workforce of environment-related sectors or in high level positions of the decision- and policy making (OECD, 2020[10]).

OECD (2020[10]) found that several countries were willing to start collecting gender-disaggregated data to inform policy making. For instance, Finland identified a need to collect data on urban transport planning, energy, housing, and consumption for the implementation of the Government's Midterm Climate Policy Plan. Slovenia works on identifying environment-related data to be collected under the Equality Opportunities for Women and Men Act. Spain is in the process of progressively introducing gender-disaggregated data collection, building upon the national Just Transition Strategy.

A gender-environment nexus is also largely missing from the SDGs and the existing indicators framework. With data availability being the major limitation, the framework does not adequately recognise the interlinkages between environmental and gender goals. There is little data on the very small set of gender-relevant environmental SDG indicators and data availability is scant for many developing countries (UNEP, 2019[11]; UNWomen, 2020[12]). For instance, out of the 231 unique indicators in the SDG framework, 114 have an environmental angle, and only 20 of those are gender-specific and/or disaggregated by sex, constituting a meagre 9% of the total (OECD, 2021[2]). In OECD countries, data are systematically available for only 35 (34%) of the 102 gender-related indicators (Cohen and Shinwell, 2020[13]).

Moreover, gender considerations are often missing in the design and implementation of green recovery measures that countries installed in response to the COVID-19 pandemic. Recent OECD work has mapped Green Recovery Measures implemented by OECD countries that include a gender lens. Only 18 (2.5%) of the about 700 measures assessed were identified as "gender-relevant" (i.e. they have an explicit reference to specific keywords in their description), and even fewer address unpaid care work, women's economic security and/or violence against women (OECD, 2021[14]). Gender-relevant measures are concentrated in sectors such as buildings, energy and surface transport. Such measures cover, for example, sustainable and inclusive infrastructure development, or advancing green skills and training targeting women. More needs to be done to introduce a gender lens in other sectors, such as agriculture, forestry or waste management (OECD, 2021[14]).

The OECD has identified two indicators which will be further developed with a gender component: (i) mortality rates from air pollution, differentiated by pollutant, sex, country, year and age; and (ii) development of green technologies, based on patenting activity, differentiated by domain, sex, country and year. These indicators could support countries to make evidence-based policies to reach targets on gender equality and environmental sustainability.

There is still need for more data on how women are affected by environmental impacts and how differentiated men's and women's attitudes can lead towards a more sustainable world. Indicators under the gender-environment nexus could support women's environmental leadership and impacts, by highlighting the areas where women's experiences need to be represented and those where their representation leads or lacks behind. In this effort, it will be important to understand how behaviours and attitudes might change according to income, race, educational background and other factors.

… as well as discrimination and biases…

Discriminatory social institutions and practices disproportionately affect women and girls (Chapter 2). Such biases and inequalities can lead to an increased exposure to disaster-related risks and losses to their livelihoods, and an impaired ability to adapt to changes in climatic conditions (CEDAW, 2018[15]).

Women and girls are subject to a much higher degree of discrimination compared to men and boys, particularly in low- and middle-income countries. They face more legal constraints, have limited economic opportunities and face greater barriers in accessing assets, especially land assets (OECD, 2019[16]). Even when their participation in certain economic sectors is significant and important – for instance, in agriculture, forestry and fisheries women account for 39% of the workforce – women are rarely owners. Women make up only 14% of agricultural landholders, limiting their ability to cope with the effects of climate change and environmental degradation (UNWomen, 2020[12]).

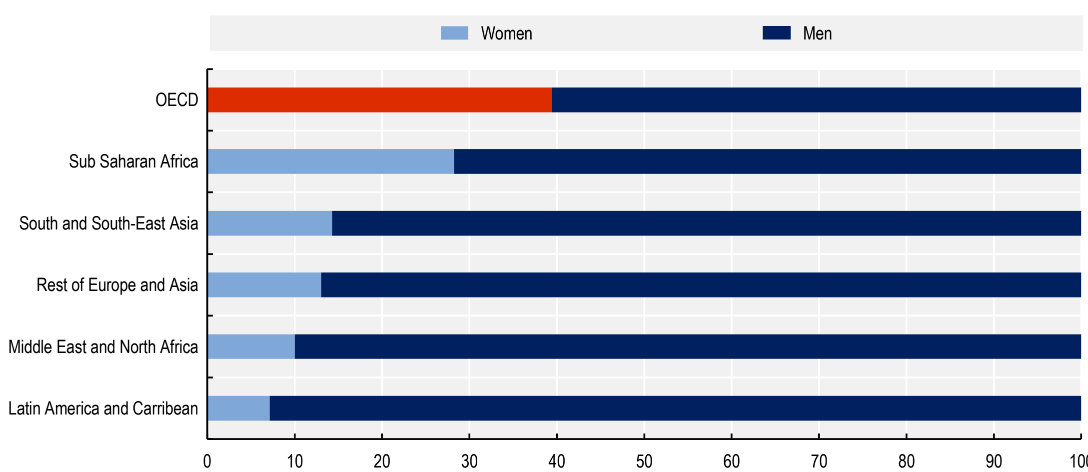
Women also face discrimination in access to non-land assets. According to the 5th edition of the Social Institutions Gender Index (SIGI) in 2023, 164 countries out of 178 (or 92%) guarantee women equal property rights. In particular, 11 countries still entitle husbands solely to administer and dispose of marital property. Furthermore, women's access to formal financial services is limited by varying levels of discriminations as well. Even though women officially have equal access to credit and opening a bank account in 98% of countries, customary laws continue to prevent from opening a bank account or accessing credit in more than 25% of the countries, worldwide (OECD Development Centre/OECD, 2023[17]; OECD, 2023[18]).

... and gaps in environmental leadership

There are large potential benefits of greater female involvement in environmental leadership in the public and private sectors and civil society, as it may contribute to better environmental policy, more stringent climate regulation and lower emissions (Mavisakalyan and Tarverdi, 2019[6]; D'souza, 2018[5]). Yet, women continue to be underrepresented in environmental decision-making, especially in public leadership positions. It is striking that women made up only 28% of environment ministers in Sub-Saharan Africa in 2021, one of the regions projected to be the worst affected by climate change (OECD, 2015[19]; Swiss Re Institute, 2021[20]). The gap among environment ministers is smallest in OECD countries, where women account for 39% of all environment ministers (Strumskyte, Ramos Magaña and Bendig, 2022[21]) (Figure 5.3).

Figure 5.3. Women represent a small share of environment ministers

Share of environment ministers by gender and region, 2021, percentage



Note: Region classification as presented in OECD (2015[19]), *The Economic Consequences of Climate Change*, https://dx.doi.org/10.1787/9789264235410-en.
Source: Strumskyte, Ramos Magaña and Bendig (2022[21]), *Women's leadership in environmental action*, http://dx.doi.org/10.1787/f0038d22-en.

StatLink https://stat.link/d57e8s

There is some evidence from the private sector that suggests that women's presence in corporate boards is associated with better environmental performance and responsible business practices (Hafsi and Turgut, 2013[22]). Furthermore, more female board directors are strong and positive correlated with increased environmental investments and greater commitment to pro-climate strategies (Di Miceli and Donaggio, 2018[23]). Nevertheless, a large gender gap remains: the average percentage of women in corporate boards in OECD countries stood at 28% in 2021 (OECD Gender Data Portal and Chapter 17). Globally, only about one-third of enterprises meet the critical mass of 30% of women on boards to influence outcomes and almost 30% have only between 1% and 10% of women in the boardroom (International Labour Organization, 2019[24]).

Women's leadership is relatively high in civil society organisations. For instance, an analysis of NGOs admitted to COP26 gives an idea of how the agenda of women and the environment is advancing through civil society action. Women's participation was highest as NGO representatives, making up almost half of the designated delegates. Women accounted for 44% of delegates representing environmental NGOs, 42% from Indigenous Peoples Organisations (and 44% of representatives from business and industry NGOs (Strumskyte, Ramos Magaña and Bendig, 2022[21]; UNFCCC, n.d.[25]).

Governance mechanisms and tools for mainstreaming the gender-environment nexus

To overcome the barriers and limitations women face, policy makers need to implement a holistic, whole-of-government approach that brings together goals of gender equality and environmental sustainability. Governments need to adopt gender-sustainability mainstreaming mechanisms and tools to identify differentiated needs and respond to them with appropriate policies, services and budgets (Chapter 4). Necessary mechanisms include political commitment and leadership, institutional and policy co-ordination, local and regional involvement, stakeholder participation as well as monitoring and reporting.

Gender and environmental impact assessments could work as a tool for integrating the gender-environment nexus across policy. A growing number of OECD countries already integrate the impact of proposed policies on gender equality, when conducting regulatory impact assessments (Deighton-Smith, Erbacci and Kauffmann, 2016[26]). Many more already integrate environmental considerations in their regulatory impact assessments, including on climate change (Jacob et al., 2011[27]). Likewise, different tools are being developed to guarantee non-market or subjective well-being valuation, such as environmental cost-benefit analysis, where environmental and social benefits and costs are considered (OECD, 2018[28]). However, there is no evidence of countries that introduced an integrated impact assessment that covers both gender and environment aspects and takes into account all trade-offs and complementarities between them.

When it comes to business practice standards, existing international standards such as the OECD Guidelines on Responsible Business Conduct should be implemented more effectively and enforced with a stronger sanctioning mechanism (OECD, 2021[2]). Companies' activities need stronger monitoring in order to ensure that corporations promote labour practices that respect women's rights and the environment. The implementation of the guidelines' recommendations, such as collecting and assessing gender-data, developing gender-sensitive warning systems and protection of whistle-blowers and/or assessing whether women benefit equitably in compensation payments or other forms of restitution should be monitored and enforced (OECD, 2018[29]). The ultimate goal should be the overall integration of the gender-environment nexus into all business practice standards and activities.

Governments can also mainstream green and gender considerations through budgeting. Gender and green budgeting could be brought together in an "SDG-budgeting" or "well-being budgeting" process, as in New Zealand (New Zealand. Treasury, 2019[30]). As another example, Canada is implementing a Gender-Based Analysis Plus (GBA+) for all government decisions relating to taxation, budgeting and expenditures, domestically and internationally, in all policy sectors (Government of Canada, 2020[31]) (Chapters 4 and 21).

Green Recovery Plans and countries' efforts to build forward better after the COVID-19 crisis are an opportunity for policy makers to introduce measures that align their gender equality and environmental commitments. This can put economies on a path towards green and inclusive growth. A gender lens can be introduced in plans for improving healthcare systems and food security, enhancing sustainable work and entrepreneurial opportunities for women, and supporting sustainable mobility practices as well as more sustainable production and consumption patterns. To account for the differentiated experiences of men and women, gender-relevant measures should be introduced in all sectors (OECD, 2021[14]).

Sustainable finance for gender equality

The need to deliver green and sustainable finance in ways that promote gender equality and women's empowerment is increasingly recognised, with approaches such as gender-lens investing and gender-focused financial instruments gaining traction. Yet, gender-related considerations are not systematically integrated in sustainable finance and Environmental, Social and Governance (ESG) investing (OECD, 2022[32]).

Up until now, green finance and gender finance have largely been considered separately instead of making use of existing synergies. Sustainability-linked instruments represent an opportunity for mainstreaming gender equality in sustainable finance. To fully harness this potential, performance-based financial instruments should be linked to Key Performance Indicators (KPIs) at the intersection of gender and the environment. For example, Schneider Electric issued the first ever sustainability-linked convertible bond with corporate performance targets related to not only emission reductions but also gender diversity (in leadership, management and the workforce) and training of disadvantaged people in energy management (BNP Paribas, 2020[33]).

Sustainable finance should also support women's participation in the labour market and access to green jobs. Women are generally underrepresented in Science, Technology, Engineering, and Mathematics (STEM) fields of study and work (Chapter 9), which are highly valued in the green economy and the financial sector. Tackling these issues is crucial for an effective transition to a green sustainable economy, which is expected to shift jobs within existing sectors and establish new, greener sectors of growth.

Even in the case of development finance, where the urgency of addressing both the climate crisis and gender inequalities is widely recognised, bilateral climate official development assistance (ODA) is far from integrating gender equality objectives. Only USD 778 million – just over 0.04% of all climate-related ODA – was primarily dedicated to gender equality (2018-19 figures) (OECD, 2022[34]) (Chapter 2).

In entrepreneurship, women's role is often limited by barriers such as adverse direct and indirect effects of tax policies, institutional constraints and negative social attitudes towards women's entrepreneurship (OECD, 2021[35]) (Chapters 28 and 29). As women seem to be more engaged and committed than their male counterparts to sustainability goals and tend to display more pro-environmental attitudes (Braun, 2010[36]), enhancing investment and finance into women-led sustainable entrepreneurship would lead to more positive outcomes.

In order to assess the gender performance and gender-differentiated environmental impact of companies, assets and financial instruments, it is important to overcome the lack of data that continues to persist. For instance, the lack of longitudinal data results in a reduced ability to perform predictive modelling in gender-lens investments (Gender Smart Investing, 2021[37]).

Further efforts are needed to better link the green, social and gender objectives of sustainability disclosure standards, taxonomies and ESG ratings and metrics. Gender- and environment-related ESG metrics would need to be better developed and integrated across the three ESG pillars to determine how environmental and gender quality impacts interact in corporate operations, as well as in the supply chains and communities in which companies operate.

Developing an integrated gender and environment policy framework

The integrated pursuit of gender and sustainability goals requires a holistic framework that takes into account conflicting goals, complementarities and spill over effects. Policies promoting gender equality must consider the role women play in protecting the environment and in promoting sustainable patterns of behaviour. Vice versa, sustainability strategies must include gender aspects and pursue gender equality goals. Cross-cutting policies that address gender equality and women's empowerment, domestic environment-related policies as well as transboundary policies with an intergenerational timeframe need to be designed and implemented (OECD, 2021[2]).

Countries can approach the gender-environment nexus when designing/implementing policies by assessing:

- the level of integration of gender equality in national environmental policies and tools
- gender equality policies and the level of support to advance environmental sustainability
- governance mechanisms and tools for gender mainstreaming in environment-related sectors
- women's economic empowerment in environment-related economic activities, and
- women's role in environmental leadership and decision-making.

Key policy messages

- Countries should introduce an integrated gender and environment policy framework to mainstream the gender-environment nexus, by assessing environmental and climate policies with a gender lens, and gender equality policies with an environmental lens. This will allow to map gaps in policy making and lay the foundation for effective policy action.
- Introducing gender-sustainability mainstreaming mechanisms and tools could help both the public and private sector to identify differentiated needs and respond to them appropriately. Necessary political commitment and leadership, policy and institutional co-ordination, and stakeholder participation are key components of such effort.
- It is imperative to set gender-environment indicators and collect gender-sensitive data relating to environmental policies, to support the integration of the gender-environment nexus in policy making. Such data could assist in quantifying the benefits from the integrated approach, as well as improve the quality of policies introduced both for gender equality and environmental sustainability.

References

BloombergNEF and SPF (2020), *Gender Diversity and Climate Innovation*, Bloomberg Finance L.P., https://www.spf.org/en/global-data/BNEF_SPF_Gender_Climate_2.pdf. [4]

BNP Paribas (2020), *Schneider electric issues first sustainability-linked convertible bond*, https://cib.bnpparibas/schneider-electric-issues-first-sustainability-linked-convertible-bond/. [33]

Braun, P. (2010), "Going green: women entrepreneurs and the environment", *International Journal of Gender and Entrepreneurship*, Vol. 2/3, pp. 245-259, https://doi.org/10.1108/17566261011079233. [36]

CEDAW (2018), *General Recommendation No. 37 on Gender-related dimensions of disaster risk reduction in the context of climate change*, https://documents-dds-ny.un.org/doc/UNDOC/GEN/N18/068/98/PDF/N1806898.pdf?OpenElement. [15]

Cohen, G. and M. Shinwell (2020), *How far are OECD countries from achieving SDG targets for women and girls? : Applying a gender lens to measuring distance to SDG targets*, https://www.oecd-ilibrary.org/economics/how-far-are-oecd-countries-from-achieving-sdg-targets-for-women-and-girls_17a25070-en. [13]

Deighton-Smith, R., A. Erbacci and C. Kauffmann (2016), "Promoting inclusive growth through better regulation: The role of regulatory impact assessment", *OECD Regulatory Policy Working Papers*, No. 3, OECD Publishing, Paris, https://doi.org/10.1787/5jm3tqwqp1vj-en. [26]

Di Miceli, A. and A. Donaggio (2018), *Women in Business Leadership Boost ESG Performance: Existing Body of Evidence Makes Compelling Case (IFC Corporate Governance Knowledge Publication)*, https://openknowledge.worldbank.org/bitstream/handle/10986/31057/Women-in-Business-Leadership-Public-Sector-Opinion-42-PUBLIC.pdf?sequence=1&isAllowed=y. [23]

D'souza, D. (2018), *What 1.2 million parliamentary speeches can teach us about gender representation.*, https://pudding.cool/2018/07/women-in-parliament/. [5]

Forum Generation Equality (2021), "Feminist Action for Climate Justice Action Coalition", https://forum.generationequality.org/sites/default/files/2021-10/Feminist%20Action%20for%20Climate%20Justice%20Action%20Coalition%20-%20Collective%20Commitments.pdf. [9]

Gender Smart Investing (2021), "Gender & Climate Investment". [37]

Government of Canada (2020), *Gender-Based Analysis Plus*, https://cfc-swc.gc.ca/gba-acs/index-en.html#what. [31]

Hafsi, T. and G. Turgut (2013), "Boardroom Diversity and its Effect on Social Performance: Conceptualization and Empirical Evidence", *Journal of Business Ethics*, Vol. 112/3, pp. 463-479, https://doi.org/10.1007/s10551-012-1272-z. [22]

International Labour Organization (2019), "Women in Business and Management: The business case for change", http://www.ilo.org/global/publications/books/WCMS_700953/lang--en/index.htm. [24]

Jacob, K. et al. (2011), *Integrating the Environment in Regulatory Impact Assessments*, OECD, Paris, http://www.oecd.org/regreform. [27]

Mavisakalyan, A. and Y. Tarverdi (2019), "Gender and climate change: Do female parliamentarians make difference?", *European Journal of Political Economy*, Vol. 56, pp. 151-164, https://doi.org/10.1016/J.EJPOLECO.2018.08.001. [6]

New Zealand. Treasury (2019), *The Living Standards Framework : Dashboard Update, 12 December 2019*, https://www.treasury.govt.nz/sites/default/files/2019-12/lsf-dashboard-update-dec19.pdf. [30]

OECD (2023), *Social Institutions & Gender Index Dashboard*, OECD, Paris, https://www.oecd.org/stories/gender/social-norms-and-gender-discrimination/sigi. [18]

OECD (2022), *Development Finance for Gender-Responsive Climate Action*, OECD, Paris, https://www.oecd.org/dac/development-finance-gender-climate-action.pdf. [34]

OECD (2022), "Supporting women's empowerment through green policies and finance", *OECD Environment Policy Papers*, No. 33, OECD Publishing, Paris, https://doi.org/10.1787/16771957-en. [32]

OECD (2021), *Entrepreneurship Policies through a Gender Lens*, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, https://doi.org/10.1787/71c8f9c9-en. [35]

OECD (2021), *Gender and the Environment: Building Evidence and Policies to Achieve the SDGs*, OECD Publishing, Paris, https://doi.org/10.1787/3d32ca39-en. [2]

OECD (2021), "Gender-relevance of policies in the OECD Green Recovery Database", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/e6a03378-en. [14]

OECD (2020), *EPOC survey on integrating gender in environmental policies*, OECD, Paris. [10]

OECD (2019), *Gender, Institutions and Development Database (GID-DB)*, OECD, Paris, https://stats.oecd.org/Index.aspx?DataSetCode=GIDDB2019 (accessed on 8 March 2022). [16]

OECD (2018), *Cost-Benefit Analysis and the Environment: Further Developments and Policy Use*, OECD Publishing, Paris, https://doi.org/10.1787/9789264085169-en. [28]

OECD (2018), *OECD Due Diligence Guidance for Responsible Business Conduct*, OECD, Paris, http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf. [29]

OECD (2015), *The Economic Consequences of Climate Change*, OECD Publishing, Paris, https://doi.org/10.1787/9789264235410-en. [19]

OECD Development Centre/OECD (2023), "Gender, Institutions and Development (Edition 2023)", *OECD International Development Statistics* (database), https://doi.org/10.1787/7b0af638-en (accessed on 21 March 2023). [17]

Strumskyte, S., S. Ramos Magaña and H. Bendig (2022), "Women's leadership in environmental action", *OECD Environment Working Papers*, No. 193, OECD Publishing, Paris, https://doi.org/10.1787/f0038d22-en. [21]

Swiss Re Institute (2021), *The economics of climate change: no action not an option*, https://www.swissre.com/dam/jcr:e73ee7c3-7f83-4c17-a2b8-8ef23a8d3312/swiss-re-institute-expertise-publication-economics-of-climate-change.pdf. [20]

UN WomenWatch (2009), *Women, Gender Equality and Climate Change*, https://www.un.org/womenwatch/feature/climate_change/downloads/Women_and_Climate_Change_Factsheet.pdf. [1]

UNEP (2019), *Measuring Progress: Towards Achieving the Environmental Dimension of the SDGS*, https://www.unep.org/resources/report/measuring-progress-towards-achieving-environmental-dimension-sdgs. [11]

UNFCCC (2019), *The Gender Action Plan*, https://unfccc.int/topics/gender/workstreams/the-gender-action-plan. [8]

UNFCCC (2015), *The Paris Agreement*, https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement. [7]

UNFCCC (n.d.), *Admitted NGOs (COP26)*, https://unfccc.int/process/parties-non-party-stakeholders/non-party-stakeholders/admitted-ngos/list-of-admitted-ngos. [25]

UNWomen (2020), *Gender Equality - Women's rights in review 25 years after Beijing*, https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2020/Gender-equality-Womens-rights-in-review-en.pdf. [12]

WHO (2021), *Household air pollution and health*, https://www.who.int/news-room/fact-sheets/detail/household-air-pollution-and-health (accessed on 14 March 2022). [3]

6 Systems and legal frameworks to address gender-based violence

Carolin Beck, Mollie Cretsinger, Valerie Frey, Hyeshin Park and Meeta Tarani

This chapter starts by showing that tackling gender-based violence (GBV) requires an effective effort by all relevant actors in society. It then focuses on the need for well-functioning political and legal systems and structures to adequately address GBV. The chapter presents policy reflections, as well as examples of efforts undertaken by countries in the OECD and beyond, to design well-functioning systems that are rooted in a strategic vision and involve a holistic approach towards both protection and prevention. It also shows that prevention of and protection from GBV requires good data and evidence for the design, monitoring and evaluation of policies and programmes.

Key findings

- Countries have adopted various approaches towards defining a strategic vision to tackle gender-based violence (GBV), such as designing dedicated strategies, integrating GBV as a priority in overarching gender equality strategies, and developing strategic goals to end sexual exploitation, abuse and harassment (SEAH) – also in development assistance and humanitarian aid contexts.
- In recent years, several countries have made efforts to strengthen their laws on GBV on various fronts, but only a limited number of countries provide a comprehensive legal framework that protects victims/survivors from all forms of violence.
- The need for better data on GBV is well-recognised, but all countries face challenges in data availability and collection, including underreporting; limited data comparability across countries and over time; consistency gaps; and lack of capacities for data collection.

Gender-based violence (GBV) is a global issue

GBV against women and girls is a global issue, faced by countries everywhere and across socio-economic groups. Worldwide, nearly one in three women experience physical and/or sexual intimate partner violence or non-partner sexual violence in their lifetime (WHO, 2021[1]; Sardinha et al., 2022[2]). Women and girls also face other forms of GBV, including intimate-partner economic and psychological abuse, technology-facilitated violence, sexual exploitation abuse and harassment (SEAH), human trafficking, female genital mutilation (FGM), and forced marriage. In recent years, OECD countries have increased their awareness, prioritisation, and advocacy efforts to prevent GBV and to protect women's safety. While progress has been made in terms of laws, strategic planning, policy co-ordination and long-term investment, the issue persists: GBV is perpetrated everywhere, in all countries, all societies, and is a systemic issue. GBV was further highlighted during the COVID-19 pandemic, when it was labelled a shadow pandemic (OECD, 2019[3]; 2021[4]; UN Secretary General, 2019[5]; 2020[6]; GREVIO, 2019[7]). Effective government systems including whole-of-government strategies, holistic approaches, co-ordinated government efforts, ample funding and resources, data collection, and comprehensive laws and effective enforcement are critical to tackling GBV.

A whole-of-government approach is essential for an adequate response to GBV

A clear vision of a government's goals to address GBV is key to strategically prioritise policy needs and challenges in government action. With such a strategic framework, governments can delineate their scope of action in terms of the types and forms of GBV to be addressed as well as the range of interventions and stakeholders involved. Countries can take various approaches to develop such frameworks. Some countries have adopted overarching national strategies or action plans to tackle GBV, such as Canada's ten-year "National Action Plan to End Gender-Based Violence" endorsed in 2022 and developed with the collaboration of federal, provincial and territorial governments (Government of Canada, 2022[8]). Another approach adopted by the majority of responding countries (21 OECD members) included the integration of GBV as a priority issue in their overarching national gender strategies (OECD, 2021[9]). Similarly, member countries of the OECD Development Assistance Committee (DAC) have set strategic frameworks on ending SEAH in development assistance and humanitarian aid contexts, and they have also often adopted whole-of-government approaches.

Adopting a holistic approach to deal with GBV against women and girls

GBV is a product of various cross-cutting factors at different levels of life (i.e. individual, interpersonal, community, and societal factors) (OECD, 2021[4]). There is therefore a strong need for a holistic approach to addressing GBV, with actions and result-oriented objectives taken across all levels of government and society. With such an approach, countries can take measured and evidence-informed steps at all stages of addressing GBV. For instance, at the prevention and risk management stage, interventions can include community- and education-based programmes promoting gender equality, non-violence and healthy relationship behaviours in society across all ages, as well as identifying at-risk behaviours to provide counselling and help. In a similar vein, countries can design actions and interventions to deal with the immediate and long-term implications of GBV, including protecting and supporting survivors/victims as well as their children. At this stage, a holistic approach also calls for actions to punish and rehabilitate perpetrators, to counter recidivism.

Adopting a holistic approach also entails recognising the diverse backgrounds, lived realities and contexts of women and girls (to be noted that this chapter focuses on women and girls within the broader framework of GBV, which in OECD's understanding includes broader groups). This suggests that in any given society, various groups of women are at differentiated risks of facing GBV. Many countries in the OECD have adopted an intersectional approach when developing GBV strategies and action plans. An example is *Te Aurorekura*, New Zealand's National Strategy for Eliminating Family Violence and Sexual Violence, launched in 2021. This 25-year strategy and its action plan acknowledge the need for an intersectional approach, underlining the disproportionate impact of family and sexual violence on women, children and young people, *tangata whenua*, Pacific peoples, disabled people, older people, LGBTQIA+ communities, ethnic communities, and people experiencing compounding forms of disadvantage and discrimination.

Co-ordinated government action is needed for GBV prevention and response

Dealing with the cross-cutting challenge of GBV requires co-ordinated government action, involving a wide range of stakeholders. such as central government bodies, parliaments and justice institutions, independent oversight institutions, and development agencies.

In many OECD countries, at the central/national level, the central gender equality institutions (CGI) have the responsibility for the development and implementation of GBV-related strategies, policies and action. In Canada and Mexico, for example, the CGI are respectively responsible for the implementation and monitoring of the country's GBV strategy. Switzerland's Federal Office for Gender Equality works with actors across the government, both horizontally and vertically, to support the implementation of GBV-related policies and actions. Additionally, line ministries and other bodies in relevant policy areas (e.g. health, education, employment, children's affairs, justice and public safety) can also be engaged as part of the whole-of-government response to GBV to ensure policy coherence and co-ordination.

Co-ordination mechanisms and cross-governmental buy-in are prerequisite for an effective whole-of-government approach. Some OECD countries, such as Finland, Norway and Spain have established formal partnerships or co-ordinating bodies among key state actors to ensure a coherent implementation of the strategic goals regarding GBV. In Finland, for example, the Committee for Combating Violence Against Women and Domestic Violence (NAPE) has members from various ministries and public institutions, including the Ministry of Justice, Statistics Finland, and the Ombudsman for Equality, and is responsible for the co-ordination, monitoring, and impact assessment of measures required for the implementation of the Istanbul Convention.

At the subnational levels, governments and legislatures serve as a link with the national/central authorities. In most countries they have an even greater role to play in the fight against GBV (OECD, 2023[10]). Due to their proximity to local communities, devolved responsibilities as part of the national GBV strategy can imply crucial roles for local governments, such as the dispensing of funds, capacity-building and community mobilisation, among others. As such, it becomes necessary to align the actions and goals at local, regional and national levels to sustain a co-ordinated government response to GBV. In development and humanitarian contexts, co-ordination between actors, including OECD Members, international organisations, civil society organisations, and local government authorities (when appropriate and safe), is critical to ensure coherent responses and comprehensive service provision for SEAH victim/survivors and GBV more broadly.

Parliaments and parliamentary committees can strengthen the legal approach to GBV response through reviews of proposed and existing laws. They can also serve as an oversight mechanism to monitor the implementation of government strategies, laws, and policies. Justice institutions, namely national justice ministries (usually responsible for legal, policy and judicial reforms) as well as courts and judges (who administer justice and interpret the law) are key in ensuring that the state's response to GBV incidents is survivor/victim-centred. Similarly, as first responders, the police are usually the first point of contact within the system for victims/survivors and can help through reporting and investigating in a gender-sensitive manner, when an investigative process is sought by the victim/survivor.

The response measures to the COVID-19 pandemic illustrate that government systems, institutions, and strategies to fight GBV need to be prepared for atypical situations and crisis contexts. Several OECD countries recognised the need to address the rising risks of GBV during the pandemic and adopted measures ranging from broad gender-inclusive recovery plans and funds to fight against GBV (e.g. Australia, Canada, Iceland, Italy and Sweden) to specific (emergency) support for the continuation and adaptation of services for survivors. Chile and Spain adopted contingency plans against GBV. For example, Spain outlined strategic and operational measures to prevent, manage, and mitigate the negative consequences of GBV during confinement (Government of Spain, 2018[11]; 2020[12]). Some countries also engaged in data collection, the creation of special taskforces and increased inter-governmental co-operation (e.g. Canada, Greece, Lithuania, Luxembourg, Sweden and Switzerland). (OECD, 2020[13]; 2021[14]). Other countries strengthened judiciary support through the application of more severe criminal punishment for GBV cases (e.g. Costa Rica, the Czech Republic and Korea) (OECD, 2022[15]).

Ensuring adequate human, technical and financial resources is key to establish systems that are well-functioning and can effectively respond to GBV. Targeted support and resources across agencies is key to respond to the multifaceted needs of GBV survivors/victims, including in such areas as shelter and housing, counselling, and healthcare and justice services (OECD, 2023[10]). In the same vein, Box 6.1 stresses the specific issue of funding and resources to combat SEAH in development assistance and humanitarian aid contexts.

Box 6.1. Improving resources for combating SEAH is key

The DAC Recommendation on Ending SEAH in Development Co-operation and Humanitarian Assistance was adopted in 2019 and sets out a first international standard of its kind (OECD, 2019[16]). OECD DAC Members have increased efforts in SEAH prevention and response through the adoption of policy frameworks and systems to address the perpetration of SEAH, both internally and in development and humanitarian contexts; the establishment of reporting procedures and increased investigation capacity; and increased co-ordination of systems to support victim/survivors. International co-ordination has also progressed in this area.

However, support for SEAH prevention and response remains limited in many contexts – e.g. dedicated resources and expertise within governments, support of co-ordination between actors, and support for comprehensive services for SEAH victim/survivors. In development and humanitarian contexts, GBV systems and referral services – if they exist – are often heavily under-resourced.

Tracking of official development assistance (ODA) to gender equality objectives and violence against women and girls highlights the need for greater and targeted resources in this area. OECD DAC members committed USD 458 million per year on average over 2020-21 in support of ending violence against women and girls – only 0.3% of their total ODA. This also aligns with the overall trend of low levels of investment in gender equality through bilateral ODA (Chapter 2). Donors should increase efforts to target prevention and response to SEAH in their development and humanitarian programming decisions, but also align these efforts with prioritisation of gender equality.

Reinforced efforts on GBV data collection are needed

In view of the complex and pervasive nature of GBV, it is important that policies are based on an accurate understanding of trends in the specific socio-economic and political conditions in a country. Such an understanding requires a strong evidence base. Feeding good-quality data and evidence, especially gender-disaggregated data, into the policy making cycle can enhance gender sensitivity greatly. Prevention and risk management efforts around GBV require a good grasp of the situation of GBV within a country: its prevalent forms, rates of incidence, relevant demographics, etc. Data collection efforts should ideally consider the peculiarities of different forms of GBV. For instance, preventing femicides requires understanding the reasons why women and girls face gender-related risks of death, including by their intimate partners.

Achieving holistic action on GBV requires a wide range of quantitative and qualitative methods and tools for data collection. For instance, sources can include population-based surveys; targeted, qualitative interviews and testimonies of survivors/victims, government agents and service providers; and administrative data collected by government and other service providers. Such data are essential to inform policy making and to design appropriate responses.

Data collection efforts should be conducted over time and in a consistent manner to obtain comparable results, which provide a detailed look at the problem and its evolution. For example, in Spain a “Macro Survey on Violence Against Women” has been conducted every four years since 1999, encompassing physical, psychological, sexual and economic violence. Italy’s national statistics office conducted a survey on violence against women in 2006 and in 2014, covering physical, sexual and psychological violence against women over time. In June 2022, Italy’s parliament adopted a law on ensuring statistics related to GBV to inform policy making and monitoring of GBV.

While the need for better data on GBV is well-recognised, all countries face challenges in data collection (OECD Family Database, 2020[17]). Underreporting and non-disclosure due to fear of further violence or retaliation; lack of trust in and knowledge of the police and justice systems; and stigma, are just a few of the reasons why official estimates of GBV present low estimates of the *actual* prevalence of violence. When data do exist, comparability across countries and over time is challenging due to differences in definitions, questions, and survey methods used. When it comes to administrative data, due to the range of actors involved in their collection, there are consistency gaps across levels of governments, sectors, and regions (OECD, 2023[10]). Lack of capacities for data collection among national statistical offices, particularly skills and knowledge specific to GBV data collection, is also a barrier in many countries. Box 6.2 presents a few country practices related to collection and co-ordination of administrative data on GBV.

Box 6.2. Country practices related to better collection and use of administrative data on GBV

Colombia

In 2015, the Colombian Government created an interinstitutional mechanism to build a Co-ordinated Information System on Cases of Violence based on Gender (SIVIGE). This mechanism, composed of the Ministry of Justice, Ministry of Health, Colombian Institute of Forensic Medicine, National Statistics Department and the Presidential Advisor for Gender Equality, brings together technical experts responsible for qualitative data at these institutions. It sets the priorities and technical standards for consolidation of the administrative data related to gender-based violence in SIVIGE. It has identified and developed indicators to begin collecting information from relevant national institutions.

Spain

Located in the Government Office against Gender-Based Violence, Spain's Sub-directorate General for Awareness, Prevention and Studies of Gender-Based Violence acts as the national co-ordination mechanism for administrative data related to violence against women (VAW). It compiles, analyses and reports administrative data (among other data) from VAW services (e.g. shelters hotlines, economic support, etc.) that are funded by the Spanish central gender equality institution, Institute of Women. It has developed provisions for co-ordination of data on VAW across multiple sectors and levels of government, and reporting of this data on the Gender Violence Portal.

Source: OECD (2020[18]), *Gender Equality in Colombia: Access to Justice and Politics at the Local Level*, https://doi.org/10.1787/b956ef57-en; UN Women and WHO (2022[19]), *Improving the collection and use of administrative data on violence against women: global technical guidance*, https://apps.who.int/iris/handle/10665/365692.

Additionally, monitoring and evaluation of interventions and policies can yield crucial information regarding persisting needs, gaps and emerging challenges in eliminating GBV. Institutional mechanisms, systems and interventions established to prevent and address GBV should be regularly evaluated and monitored. In recent years, OECD DAC Members have increased their efforts to improve their monitoring and evaluation of systems to respond to and prevent SEAH. This includes reviewing policy responses, support, and follow-up through methods encompassing independent progress and impact assessments, evaluations, as well as review mechanisms on best practices, lessons learned and common definitions. Part of evaluating effective responses should engage the communities and local actors involved in development and humanitarian programming as well as victim/survivors themselves, on a voluntary basis.

Legal frameworks to address GBV in the OECD and beyond

While legislation alone will not eradicate GBV, comprehensive legal frameworks that protect women and girls from all forms of GBV constitute a vital step to putting an end to impunity and societal acceptance of GBV. The legislation not only sends a strong signal that GBV is a serious crime but also contributes to changing social norms so that victims/survivors enjoy effective protection of their human rights. The OECD's Social Institutions and Gender Index (SIGI) (Box 6.3) assesses how comprehensively a country's legal framework protects girls and women from GBV. In the best case, the law protects women and girls from all the following forms of violence: honour crimes; intimate partner violence; rape, including marital rape; and sexual harassment – without any exceptions or legal loopholes. For instance, this requires that laws on domestic violence define and criminalise all types of abuse (physical, sexual, psychological and economic violence) and that laws on sexual harassment apply in all places (including not only the workplace, but also educational establishments, online settings and the public place).

Box 6.3. The Social Institutions and Gender Index (SIGI)

Since 2009, the OECD Development Centre measures discrimination in social institutions globally. The SIGI assesses the level of discrimination girls and women face in formal and informal laws, social norms and practices. By doing so, the SIGI captures the underlying, often "hidden" drivers of gender inequality. This allows for providing the data necessary for transformative policy and norm change. The SIGI is one of the official data sources for monitoring SDG 5.1.1 "Whether or not legal frameworks are in place to promote, enforce and monitor gender equality and women's empowerment."

Source: OECD (n.d.[20]), *The Social Institutions and Gender Index (SIGI)*, https://www.genderindex.org/.

Several countries have updated or enacted laws that comprehensively protect girls and women from all forms of violence. Malta, Uruguay, Costa Rica and France appear as the countries where women experience the lowest levels of discrimination regarding GBV – as measured by the SIGI, this encompasses to what extent laws effectively protect women and girls from violence; to what extent the population tolerates the use of physical violence by a husband against his wife; and the share of women that experienced intimate-partner violence in their lifetime (OECD Development Centre/OECD, 2023[21]). Canada has implemented several strategies and action plans to address different manifestations of GBV, including SEAH. The strategy to combat GBV mentions the promotion of a responsive legal system that takes into consideration the needs and diverse experiences of survivor/victims of GBV by strengthening family and criminal laws and providing, for instance, gender and diversity trainings for judges (Government of Canada, 2021[22]).

Other countries have recently made progress in strengthening the legislative framework to address GBV. In 2021, the United States of America signed the "STOP FGM Act" (Public Law No. 116-309) into law. It amends the previous legislation on FGM criminalising it with an updated definition of the practice, clarification for accountable parties under the law and reporting requirements for federal agencies (Government of the United States of America, 2021[23]). In 2021, Colombia enacted specific legislation on the creation and role of the family commissioners to provide women, adolescents and girls with better access to justice and protection mechanisms in the context of domestic violence (Government of Colombia, 2021[24]). In 2022, Spain passed the so-called "Only yes means yes" law, removing the distinction between sexual abuse and sexual aggression (rape) and clearly regulating that explicit expression of consent is required for sexual relations (Government of Spain, 2022[25]).

Despite the progress countries made to strengthen their laws on gender-based violence, further efforts are needed to ensure that legal frameworks are fully comprehensive. This also requires accounting for newer forms of violence such as cyber-harassment or cyberstalking, which is currently only covered by 31 countries. Another example is domestic violence: a comprehensive law would explicitly prohibit all types of abuse: physical, sexual, psychological and economic abuse. In 26 countries, the law on domestic violence does not include at least one of the mentioned forms of abuse, leaving victims/survivors without the necessary protection. Legal exceptions continue to undermine girls' and women's rights and safety: in the case of rape, the law in ten countries permits the reduction or removal of legal punishment if the perpetrator marries the victim/survivor (OECD Development Centre/OECD, 2023[21]). Plural legal systems represent a further challenge to ensure that laws on GBV protect all women and girls. In countries where different legal codes apply to different groups of the population – based on e.g. ethnicity, religion, or location – certain groups of women will not enjoy the same rights and legal protection as others. Finally, informal laws could undermine the reach and enforcement of statutory laws. This is particularly the case when such traditional, customary or religious rules and laws protect women and girls to a lesser extent against all forms of violence than the formal legal framework.

Key policy messages

- A holistic approach is fundamental to deal with GBV. Effective protection and prevention from GBV require well-functioning systems rooted in a comprehensive, strategic outlook and adequate engagement and resources across various governmental and non-governmental actors and stakeholders.
- Countries must advance their efforts for data collection. In the absence of robust quantitative and qualitative data related to GBV, collected over time and in a consistent manner, countries cannot ensure adequate prevention, nor carry out effective monitoring and evaluation of efforts undertaken.
- Governments should update or enact laws to effectively protect girls and women from all forms of GBV, notably prohibiting new forms of violence such as online harassment and stalking, in both the private and public spheres.

References

Government of Canada (2022), *National Action Plan to End Gender-Based Violence*, https://femmes-egalite-genres.canada.ca/en/ministers-responsible-status-women/national-action-plan-end-gender-based-violence.html. [8]

Government of Canada (2021), *The Gender-Based Violence Strategy*, https://women-gender-equality.canada.ca/en/gender-based-violence-knowledge-centre/gender-based-violence-strategy.html#what. [22]

Government of Colombia (2021), *Ley 2126 de 2021 [Law 2126 of 2021]*, https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=168066. [24]

Government of Spain (2022), *Ley Orgánica 10/2022, de 6 de septiembre, de garantía integral de la libertad sexual [Organic Law 10/2022, of September 6, on the comprehensive guarantee of sexual freedom]*, https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-14630. [25]

Government of Spain (2020), *Press Release: Ministry of Equality promotes a Contingency Plan against gender violence in the face of the COVID-19 crisis*, https://rm.coe.int/covid-19-spain-document-1/16809e2e40. [12]

Government of Spain (2018), *Brochure on the State Pact against Gender Violence*, https://violenciagenero.igualdad.gob.es/pactoEstado/docs/FolletoPEVGengweb.pdf. [11]

Government of the United States of America (2021), *Department of Justice Recognizes International Day of Zero Tolerance for Female Genital Mutilation | OPA | Department of Justice*, https://www.justice.gov/opa/pr/department-justice-recognizes-international-day-zero-tolerance-female-genital-mutilation. [23]

GREVIO (2019), *1st General Report on GREVIO's Activities*, https://rm.coe.int/1st-general-report-on-grevio-s-activities/16809cd382. [7]

OECD (2023), *Supporting Lives Free from Intimate Partner Violence: Towards Better Integration of Services for Victims/Survivors*, OECD Publishing, Paris, https://doi.org/10.1787/d61633e7-en. [10]

OECD (2022), *Report on the Implementation of OECD Gender Recommendations*, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [15]

OECD (2021), *2021 OECD Survey on Gender Mainstreaming and Governance*. [9]

OECD (2021), *Eliminating Gender-based Violence: Governance and Survivor/Victim-centred Approaches*, OECD Publishing, Paris, https://doi.org/10.1787/42121347-en. [4]

OECD (2021), "Towards gender-inclusive recovery", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/ab597807-en. [14]

OECD (2020), *Gender Equality in Colombia: Access to Justice and Politics at the Local Level*, OECD Publishing, Paris, https://doi.org/10.1787/b956ef57-en. [18]

OECD (2020), *OECD Survey on Mapping Good Practices and Challenges Faced by National Gender Equality Institutions in Tackling the Effects of Covid-19*. [13]

OECD (2019), *DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response*, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5020. [16]

OECD (2019), "Violence against women", in *Society at a Glance 2019: OECD Social Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/008fcef3-en. [3]

OECD (n.d.), *The Social Institutions and Gender Index (SIGI)*, https://www.genderindex.org/. [20]

OECD Development Centre/OECD (2023), "Gender, Institutions and Development (Edition 2023)", *OECD International Development Statistics* (database), https://doi.org/10.1787/7b0af638-en (accessed on 31 March 2023). [21]

OECD Family Database (2020), *SF3.4. Intimate Partner Violence Definitions and methodology Key findings*, OECD, Paris, https://doi.org/10.26633/RPSP.2019.26. [17]

Sardinha, L. et al. (2022), "Global, regional, and national prevalence estimates of physical or sexual, or both, intimate partner violence against women in 2018", *The Lancet*, https://doi.org/10.1016/s0140-6736(21)02664-7. [2]

UN Secretary General (2020), *Intensification of efforts to eliminate all forms of violence against women: Report of the Secretary-General*, https://undocs.org/en/A/75/274. [6]

UN Secretary General (2019), *Review and appraisal of the implementation of the Beijing Declaration and Platform for Action and the outcomes of the 23rd special session of the General Assembly : report of the Secretary-General*, https://digitallibrary.un.org/record/3850087?ln=en. [5]

UN Women and WHO (2022), *Improving the collection and use of administrative data on violence against women: global technical guidance*, https://apps.who.int/iris/handle/10665/365692. [19]

WHO (2021), *Violence Against Women Prevalence Estimates, 2018*, World Health Organization, https://apps.who.int/iris/handle/10665/341337. [1]

7 Improving policy implementation to end gender-based violence

Mollie Cretsinger, Valerie Frey, Estelle Loiseau, Hyeshin Park and Meeta Tarani

This chapter starts by showing the importance of integrating social service delivery to help people who are experiencing violence. It provides examples of integrated delivery in healthcare, housing, and police services. The chapter then focuses on access to justice and accountability in preventing and responding to gender-based violence, acknowledging existing barriers as well as countries' efforts to advance in this field. It concludes with considerations related to the need to promote gender-equitable norms of masculinities through policy to end gender-based violence.

Key findings

- To address the diverse challenges faced by victims/survivors, policy makers are increasingly looking to integrated service delivery (ISD) to provide co-ordinated multi-sectoral solutions and better respond to violence against women.
- Women and girls continue to face several barriers to accessing justice; these became more pronounced during the COVID-19 pandemic. Countries are employing both tried and innovative measures and mechanisms to improve justice delivery.
- Restrictive masculinities are societal expectations around gender roles and behaviours that can lead to higher levels of gender-based violence (GBV). Efforts are being made to include masculinities in prevention policies/programmes and promote those masculinities that are gender equitable.

Integrating social service delivery can help people who are experiencing violence

Women who have experienced gender-based violence (GBV) often require both short- and long-term support from a variety of service providers in order to regain their security and autonomy. They may need to repeatedly appeal for emergency police services, legal services, physical and mental health supports, and social services linked to childcare, income support, employment and housing. This is particularly the case for victims/survivors of intimate partner violence (IPV), a very common form of GBV against women, who often need to completely rebuild their lives to escape an abuser.

When seeking out support, victims/survivors usually must apply for numerous social services, often provided by a patchwork of governmental, non-governmental and/or private sector agencies and institutions. This comes with high costs in terms of time, energy as well as mental, physical and financial resources. Help-seeking individuals are met with jurisdictional, administrative and bureaucratic challenges at the same time as they recover from violence or remain under threat of continued violence (OECD, 2023[1]).

The burden of applying for diverse services, including repeatedly re-sharing personal information, can dissuade women from seeking or pursuing help. These challenges can be exacerbated in development and humanitarian contexts, given their complexity (OECD, 2019[2]).

Reflecting increasing government awareness of the challenges of GBV (Chapter 6), policy makers and professionals have turned their attention to integrated service delivery (ISD) as a means to co-ordinate multi-sectoral solutions and better respond to violence against women. With origins in the healthcare sector, ISD is characterised by co-ordinated strategies to support funding, administration, organisation, and service delivery to connect, align, and foster collaboration within and between different social service sectors (OECD, 2023[1]).

Integrated service delivery (ISD) to address IPV can take a variety of forms

OECD countries are increasingly prioritising ISD to support victims/survivors of IPV in crisis situations and in the long run. ISD can entail the physical co-location of services; case management; formal and informal referral networks; secure data-sharing and training co-ordination across agencies; and close co-operation across agencies, working together on individual cases towards pre-determined and consistent goals, often in the form of local multi-agency risk assessment conferences (MARACs) (OECD, 2023[1]).

Crucially, social services supporting victims/survivors are often chronically underfunded, which complicates even basic service provision – let alone well-co-ordinated service provision (see Box 6.1 in Chapter 6).

In spite of these challenges, many OECD governments report applying ISD practices in healthcare, justice, housing, child-related services, and income support. Most of these ISD practices rely on crisis and case management. ISD is frequently introduced at entry points in healthcare, emergency housing, and police services.

ISD in healthcare

The health sector is one of the most common points of entry to public services for women escaping violence. OECD governments have most frequently implemented integrated IPV-related services deployed from hospitals and targeted mental health supports co-ordinated at the national level.

Hospital emergency rooms are often the first stop when violence occurs. Countries such as Austria, Finland, Ireland, Italy, Korea, Norway and the United Kingdom regularly situate GBV resources at hospitals and other healthcare facilities, using a variety of integration models (OECD, 2023[1]). Austria has widely applied ISD in hospitals: all hospitals are obliged by law to establish "victim protection groups" for survivors of domestic violence. These groups are responsible for facilitating early detection and prevention of domestic violence through awareness raising among hospital colleagues. These groups also establish networks of cross-sectoral actors, including police, shelters, social workers and helpline operators who can then be mobilised to support help-seeking individuals.

Several OECD countries (Costa Rica, Greece, Japan and Korea) have established mental health programmes co-ordinated at the national level, typically in the form of multidisciplinary counselling centres (OECD, 2023[1]). Denmark's approach is more intensive than most: municipal governments are required to offer up to ten hours of free treatment and counselling to women and children who have stayed in a shelter following domestic violence.

ISD in housing

During times of crisis, emergency shelters offer an important resource to facilitate integrated access to social services. Some offer counselling on-site, linkages or referrals to health services, child-related services (like counselling or transportation to school), and legal advocacy. However, formal linkages to longer-term housing should be strengthened. Some countries, such as Chile, Ireland, Japan and the Netherlands, have adopted special provisions within existing (long-term) social housing schemes which prioritise access for women who are exiting emergency shelters, but space constraints in social housing mean that demand often exceeds supply. Only a few countries – including Austria and Hungary – have dedicated transitional housing services to help women transition from emergency shelter to long-term housing (OECD, 2023[1]).

ISD in police services

Police are located on the ground to respond to emergencies, to support administrative processes where civil or criminal charges are pursued or imposed, and to initiate related, inter-disciplinary help-seeking services. In Austria, the Czech Republic, Luxembourg and the Slovak Republic, police are required to contact support services and link them with the women experiencing violence. Some countries (e.g. Australia) frequently co-locate community-based service providers within existing police stations, while others have introduced specialised women's police stations (e.g. Argentina, Brazil, India and Portugal).

Police are just one entryway for women to access the justice system, which can include specialised domestic violence courts and sponsored legal support for victims/survivors. These justice services have the potential to be integrated with counselling centres, healthcare facilities, and other services.

Access to justice and accountability in preventing and responding to GBV

Access to justice, one of the sustainable development goals (SDGs) under the UN 2030 Agenda, is a critical dimension to realising several other SDGs, including attaining gender equality. In the absence of access to justice, women can face a worsening of their social, emotional, and financial outcomes, compounding already existing gender inequalities. Access to justice provided to survivors/victims of GBV thus forms an integral pillar to tackling GBV (OECD, 2021[3]).

Women continue to face several barriers to accessing justice, especially during exceptional circumstances such as the COVID-19 pandemic

Globally, women and girls are more likely to face several and compounded roadblocks in accessing justice, such as:

- financial barriers (e.g. direct cost of services, legal fees, fines, transportation, childcare responsibilities, uncompensated work leaves)
- structural barriers (e.g. lack of awareness or understanding of the justice system, complex procedures, lack of understanding of the legal concepts and language)
- sociocultural barriers (e.g. bias and discrimination due to gender norms and stereotypes held by judicial/law enforcement actors, lack of education and/or literacy).

Certain groups of women – including women and girls with disabilities, trans women and girls, lesbian and bisexual women and girls, migrant women and girls, indigenous women and girls, women and girls who are visible minorities, senior women, women and girls living in remote and rural areas, and women and girls living in poverty – face group-specific and multiple obstacles (OECD, 2021[3]). During the COVID-19 pandemic, the ability of survivors/victims to access justice was further impacted by movement restrictions imposed by governments, as well as the overburdening, reduced activity, or shutdown of GBV response services (e.g. shelters, legal aid centres, etc.). Moreover, the economic impact of the pandemic and subsequent financial insecurities also affected many victims/survivors' ability to report abuse or leave their abusive partners (OECD, 2020[4]; USAID, 2021[5]).

Survivors/victims of GBV are a particularly vulnerable group when interacting with the justice system as they face the risk of revictimisation and stigma throughout the process (OECD, 2020[6]). They also have unique, intersecting, direct and indirect legal needs that may need to be dealt with simultaneously (e.g. civil and criminal proceedings). Moreover, these needs are also linked to other economic, social, and psychological needs that arise from the violence they have faced.

Systemically speaking, access to justice for survivors/victims can effectively be ensured only if laws on GBV encompass its multiple, prevalent forms in a jurisdiction (Chapter 6), and if these laws are backed by sufficient judicial engagement, budgeting, and monitoring. Laws that do not adequately outline the substantial sanctions for perpetrators and guidelines for its interpretation, or laws that are not backed by measures for rehabilitation or restorative justice, pose further challenges to justice and the risk of recidivism.

Due to the specific nature of femicides, it is important to facilitate not only justice but also analysis of the phenomenon, for instance through processes like "fatality reviews" (formal or informal reviews building a summary of each case using the various sources of information available) and gathering statistical data about perpetrators and victims to help recognise warning signs and patterns (OECD, 2021[3]).

Countries are taking a range of steps to improve access to justice in GBV cases

In recent years, access to justice is being increasingly acknowledged as an important dimension to eradicating GBV and gender inequalities. Some countries have taken measures to tackle specific barriers faced by women accessing justice. For example, Canada, Colombia and Spain have introduced spaces for providing free and independent legal advice pertaining to GBV (Government of Canada, 2019[7]; Government of Spain, 2019[8]; OECD, 2020[6]). New Zealand's Domestic Violence – Victims' Protection Act provides specific protections and rights to employees affected by domestic violence, such as ten additional days of paid leave and access to flexible working arrangements (Government of New Zealand, 2020[9]). In light of the lockdowns related to the COVID-19 pandemic, countries adopted measures to ensure continued access to emergency support services. For instance, some countries increased assistance through resource centres, crisis intervention units, drop-in services and direct support provision (e.g. Canada, Costa Rica and Korea), while the Colombian Government issued a decree to ensure continued access to police and justice services virtually, among other services (OECD, 2022[10]; UN Women, 2020[11]).

Recognising the interconnectedness among criminal, civil, family, and other legal proceedings regarding GBV, some OECD countries are developing integrated domestic violence courts, practicing the "one family one judge" model. For instance Spain, the United Kingdom (Londonderry) and the United States (New York), among others, offer integrated domestic violence courts (Government of Spain, 2019[12]; New York State Unified Court System, n.d.[13]; OECD, 2016[14]).

The concept of "restorative justice" – referring to survivor/victim-centred, dialogue-based practices that aim to address the harms caused by a crime – is gaining traction in several OECD countries. Some countries have also developed or updated rehabilitation or treatment programmes to reduce the recidivism rates of perpetrators. For instance, Switzerland has introduced changes in the criminal code enabling a stay of proceedings requiring those accused of GBV to follow a prevention programme (OECD, 2021[3]). In some cases, countries have reviewed the use of ancillary orders (e.g. protective mechanisms or removal orders) in order to reduce the risk of harm. For example, authorities in Norway increasingly use restraining orders with electronic monitoring of those accused of violence (Government of Norway, 2020[15]). In Mexico, the Alert Mechanism for Gender Violence Against Women outlines a set of emergency actions for governments to confront potentially homicidal GBV (EuroSocial, 2019[16]). Following the onset of the COVID-19 pandemic, some jurisdictions – such as Western Australia and Austria – developed online tools for securing restraining orders (Government of Western Australia, 2020[17]; OECD, 2020[18]).

Promoting gender-equitable norms to support ending GBV

Truly effective policy implementation to end GBV relies critically on prevention. Effective prevention and response efforts require promoting an organisational culture supportive of gender equality, addressing power imbalances, reducing impunity, and improving accountability.

GBV is an "outcome" of a host of environmental factors linked to social, economic, and political frameworks and of the inequalities and power imbalances that derive from those. These shape social norms in formal and informal institutions and impact organisational cultures and values. The underrepresentation of women (and marginalised groups) within decision-making and power structures is just one of the negative consequences of these imbalances. To ensure effective GBV prevention, governments and key stakeholders will need to understand the underlying culture and norms of their institutions and societies and tackle the existing barriers and inequalities.

Placing gender equality measures at the heart of these efforts remains important. Creating an institutional culture supportive of gender equality, and taking into account other intersecting inequalities, is a key starting point for governments. This can also contribute to create overarching frameworks to respond to and prevent GBV. An approach centred on targeting behavioural change can be supportive of these efforts (OECD, 2022[19]).

In focus: Engaging men and addressing norms around masculinities

There are societal expectations around men’s and women’s behaviours and roles, and such beliefs are shaped by and are part of social institutions – formal and informal laws, social norms and practices. Including a “masculinities” lens in the policy agenda supporting a whole-of-society effort on ending GBV is a fundamental part of the equation.

Defining norms of masculinities

While there are diverse forms of masculinities across cultures, geographical locations and time, there is a common denominator: they can affect women’s empowerment and gender equality either positively or negatively. Restrictive masculinities tend to be rigid and promote non-negotiable notions and expectations of what it means to be a “real” man – such as being the breadwinner or financially dominant in the household, which undermines women’s potential to contribute to the labour market. In contrast, gender-equitable masculinities enable men to take on diverse roles and behaviours that do not limit women’s agency, but rather support women’s broader access to education, the labour market (OECD, 2021[20]).

Restrictive masculinities can lead to gender-based violence

Restrictive masculinities often start within the home where they exert an influence on women’s decision-making power. This can spill into the public sphere, restricting women’s contributions to the economy or hindering their political voice. Beyond this, restrictive masculine norms can be reinforced when men sense a threat to their own masculinity or dominance (OECD, 2021[20]) and they can lead to higher levels of GBV – at home, at work and in public places. This is aligned with research findings showing that women’s relative increasing financial independence can result in men’s use of physical violence to re-establish their dominance at home (OECD, 2021[20]).

GBV not only has disastrous effects on the victim’s/survivor’s health, well-being and ability to participate actively in life, it also entails important economic costs for societies (OECD, 2019[21]; European Institute for Gender Equality, 2021[22]; Schulze and Hurren, 2021[23]). Transforming restrictive masculinities into gender-equitable ones is thus not only a human rights necessity but also beneficial to public welfare in general as well as for the economy (OECD, 2019[24]). Achieving such transformation requires targeted actions for men and women alike (OECD, 2019[24]).

Good practices at the individual, community and institutional levels

Efforts to include a masculinities perspective to address GBV have increasingly gained traction in recent years – both in government policies and frameworks, but also through programmatic approaches. For example, Sweden’s National Strategy to Prevent and Combat Men’s Violence Against Women (2017-27) and Canada’s programme entitled “Shift: The Project to End Domestic Violence” puts the participation and responsibility of men at the heart of this violence prevention strategy (Eriksson, 2018[25]; Government Offices of Sweden, 2016[26]; Shift: The Project to End Domestic Violence, 2018[27]). By working with a wide range of actors and professionals, initiatives like these carry the potential to initiate a shift in mindset both at individual and community levels.

To gain a better understanding of masculinities and provide men with a space to express their emotions or concerns, many countries are also setting up hotlines dedicated to men. This is the case in Colombia: the hotline *Línea Calma* (Calm line) provides men with immediate emotional support and guidance to prevent harmful behaviour (Mayor's Office of Bogotá, 2021[28]).

Importantly, successfully promoting gender-equitable masculinities in society starts with addressing gender norms early on. Equimundo is a global advocate for the promotion of positive masculinities and has been successful in implementing evidence-informed programmes that increased father’s involvement in childcare and household work, promoted gender-equitable decision between partners or parents, and reduced domestic violence both towards women and children. To ensure sustainable transformation, the Global Boyhood Initiative aims to deconstruct restrictive masculine norms at an early age, with a view to empowering both girls/women and boys/men (Kering Foundation and Equimundo, 2022[29]).

Key policy messages

- To support victims/survivors' complex needs, governments and non-governmental service providers must increase efforts to integrate housing, income, health and other supports through adequately funded tools like co-located service provision, case management, referral pathways, and secure data sharing, while keeping a victim/survivor-centred focus.
- Developing victim/survivor-centred justice requires undertaking measures to understand their economic, social, and psychological needs and reduce complexity of multiple proceedings and services stemming from incidences of GBV, for instance through restorative justice models.
- Governments should increase their focus on norms and behaviour when designing policies and frameworks on GBV prevention, especially related to gender equality. Collection and analysis of data and evidence is essential to recognise warning signs and behavioural patterns that could be addressed via dedicated programmes.

References

Eriksson, E. (2018), *Exploring Best Practices in Combatting Violence Against Women: Sweden*, https://www.europarl.europa.eu/RegData/etudes/IDAN/2018/604958/IPOL_IDA(2018)604958_EN.pdf. [25]

European Institute for Gender Equality (2021), *The costs of gender-based violence in the European Union | European Institute for Gender Equality*, https://eige.europa.eu/publications/costs-gender-based-violence-european-union. [22]

EuroSocial (2019), *Evaluation of the Mexican Alert Mechanism for Gender Violence against Women (AVGM)*, https://eurosocial.eu/wp-content/uploads/2019/09/1_MEXICO_experiencia_ENG.pdf. [16]

Government of Canada (2019), *It's Time: Canada's Strategy to Prevent and Address Gender-Based Violence 2018-2019*, https://cfc-swc.gc.ca/violence/strategy-strategie/report-rapport2019-en.html. [7]

Government of New Zealand (2020), *Domestic violence leave*, https://www.employment.govt.nz/leave-and-holidays/domestic-violence-leave/. [9]

Government of Norway (2020), *Report submitted by Norway pursuant to Article 68, paragraph 1 of the Council of Europe Convention on preventing and combating violence against women and domestic violence (Baseline Report)*, https://rm.coe.int/grevio-inf-2020-15/16809f9e09. [15]

Government of Spain (2019), *Guide to the System of Action and Coordination in Cases of Gender Violence in Spain*, https://violenciagenero.igualdad.gob.es/informacionUtil/guia/docs/GUIADEACCIONESINGLES.pdf. [12]

Government of Spain (2019), *Report Submitted by Spain Pursuant to Article 68, Paragraph 1 of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic violence (Baseline Report)*, https://rm.coe.int/state-report-from-spain/16809313e0. [8]

Government of Western Australia (2020), *Media Statement: New laws to protect family violence victims during COVID-19 pandemic*, https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/04/New-laws-to-protect-family-violence-victims-during-COVID-19-pandemic.aspx?utm_source=miragenews&utm_medium=miragenews&utm_campaign=news. [17]

Government Offices of Sweden (2016), *National strategy to prevent and combat men's violence against women*, https://www.government.se/4ac3ba/contentassets/4bbb1643e427432682464d4559c41027/fact-sheet_national-strategy-to-prevent-and-combat.pdf. [26]

Kering Foundation and Equimundo (2022), *Global Boyhood Initiative*, https://boyhoodinitiative.org/. [29]

Mayor's Office of Bogotá (2021), *¡Regresa la Línea Calma exclusiva para hombres! Conoce los nuevos beneficios [The exclusive Calma Line for men is back! Learn about the new benefits]*, https://bogota.gov.co/mi-ciudad/cultura-recreacion-y-deporte/linea-calma-bogota-para-hombres-que-es-beneficios-telefonos-y-mas. [28]

New York State Unified Court System (n.d.), *Integrated Domestic Violence (IDV) Courts*, https://ww2.nycourts.gov/COURTS/8jd/idv.shtml. [13]

OECD (2023), *Supporting Lives Free from Intimate Partner Violence: Towards Better Integration of Services for Victims/Survivors*, OECD Publishing, Paris, https://doi.org/10.1787/d61633e7-en. [1]

OECD (2022), *Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners*, OECD Publishing, Paris, https://doi.org/10.1787/0bddfa8f-en. [19]

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [10]

OECD (2021), *Eliminating Gender-based Violence: Governance and Survivor/Victim-centred Approaches*, OECD Publishing, Paris, https://doi.org/10.1787/42121347-en. [3]

OECD (2021), *Man Enough? Measuring Masculine Norms to Promote Women's Empowerment*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/6ffd1936-en. [20]

OECD (2020), *Gender Equality in Colombia: Access to Justice and Politics at the Local Level*, OECD Publishing, Paris, https://doi.org/10.1787/b956ef57-en. [6]

OECD (2020), *OECD Survey on Mapping Good Practices and Challenges Faced by National Gender Equality Institutions in Tackling the Effects of Covid-19*. [18]

OECD (2020), “Women at the core of the fight against COVID-19 crisis”*, OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/553a8269-en. [4]

OECD (2019), *DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response*, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5020. [2]

OECD (2019), *Gender, Institutions and Development Database (GID-DB) 2019*, https://oe.cd/ds/GIDDB2019. [24]

OECD (2019), *SIGI 2019 Global Report: Transforming Challenges into Opportunities*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/bc56d212-en. [21]

OECD (2016), *Northern Ireland (United Kingdom): Implementing Joined-up Governance for a Common Purpose*, OECD Publishing, Paris, https://doi.org/10.1787/9789264260016-en. [14]

Schulze, H. and K. Hurren (2021), *Estimate of the total economic costs of sexual violence in New Zealand*, https://berl.co.nz/sites/default/files/2021-10/BERL%20Estimate%20of%20the%20total%20economic%20costs%20of%20sexual%20violence%20in%20New%20Zealand%20final%20report.pdf. [23]

Shift: The Project to End Domestic Violence (2018), *Engaging Men Learning Collaborative*, https://preventdomesticviolence.ca/our-work/men-and-boys/engaging-men-learning-collaborative/. [27]

UN Women (2020), *COVID-19 and Ending Violence Against Women and Girls*, https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/issue-brief-covid-19-and-ending-violence-against-women-and-girls-en.pdf?la=en&vs=5006. [11]

USAID (2021), *Issues and Recommendations on Gender-Based Violence Prevention and Response in Covid-19 Programming*, https://www.usaid.gov/sites/default/files/documents/COVID_and_GBV_guidance_March_2021.pdf. [5]

8 Participation and performance of girls and boys in education

Marta Encinas-Martín

This chapter starts by presenting an overview of the gender gaps in educational attainment in tertiary education. It then analyses existing gender gaps in reading, science and mathematics at school, and focuses on how gender differences in performance vary by students' proficiency level. It concludes with reflections on policy responses that are needed to address gender gaps in school performance.

Key findings

- Over the past years, women's participation in and completion of higher education has significantly expanded in the OECD and partner countries, and a gender gap in educational attainment in favour of women is opening up among 25-34 year-olds. Women make up at least half of all 25-34 year-olds with bachelor's, masters or doctoral or equivalent attainment in every OECD country except Japan.
- Girls tend to perform better than boys in reading and science at school, and their disadvantage in mathematics is diminishing. 15-year-old boys are more likely than girls of the same age to be low achievers; in contrast, boys perform slightly better than girls in mathematics, particularly among the highest-achieving students.
- The average performance of boys and girls masks wide variations amongst students at the extreme ends of the performance distribution.

A gender gap in educational attainment is opening up in tertiary education

Tertiary attainment has increased strongly in most OECD countries among 25-34 year-olds. The average share of younger adults with a tertiary degree has increased from 27% in 2000 to 48% in 2021. Over the last decade, women's participation in and completion of higher education has significantly expanded in the OECD and partner countries, and a gender gap in educational attainment is opening up among 25-34 year-olds, compared with a more balanced gender ratio among older adults (55-64 year-olds). Women make up at least half of all 25-34 year-olds with bachelor's, master's or doctoral or equivalent attainment in every OECD country except Japan. Yet, the share of women tends to decrease at the highest level of tertiary education. On average across the OECD, women account for 58% of recent graduates with a bachelor's or equivalent degree, 58% of recent graduates with a master's or equivalent degree, and 48% of those with doctoral or equivalent degree (OECD, 2022[1]).

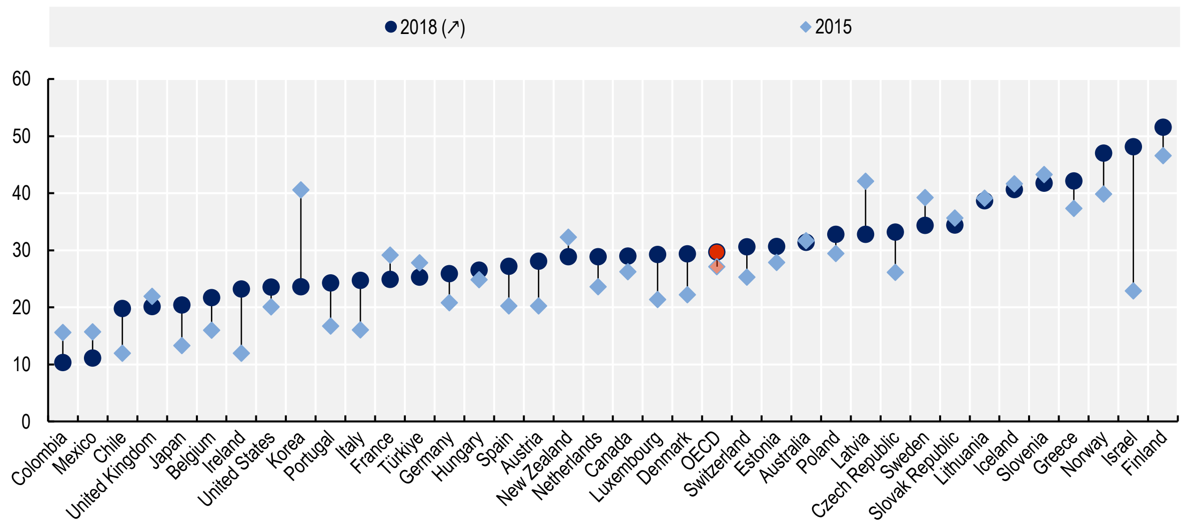
The reasons for women outnumbering men at bachelor's and master's level include that men and women tend to choose different fields of study (see below) with men being more likely to have career goals that do not require tertiary education (OECD, 2021[2]). Men are also more likely to work while studying, and therefore less likely to complete their tertiary education within the expected time required (Quintini, 2015[3]). Much of the remaining gap is likely due to differences in foundation skills (including reading, as discussed below) and in personal traits such as self-regulation, perseverance and motivation, which are important for succeeding in tertiary education where external supervision is limited (OECD, 2021[2]; 2021[4]) (Chapter 10). Looking outside the OECD, existing research shows that the long trend of increasing proportions of women among tertiary education students continued across Asia and Northern Africa and, albeit at a slower rate, in Sub-Saharan Africa (Global Education Monitoring Report Team, 2020[5]; OECD, 2022[6]).

Girls tend to perform better than boys in reading and science at school, and their disadvantage in mathematics is narrowing

Girls are also outperforming boys in reading at school. In OECD PISA 2018, girls outperformed boys in reading by almost 30 score points on average across OECD countries and in every participating country and economy. Also, in many countries the gender gap in reading literacy increased slightly over the past years (Figure 8.1). The size of the reading literacy gap varies across countries. The narrowest gender gaps (less than 20 score points) were observed in Argentina, Beijing, Shanghai, Jiangsu and Zhejiang (China) (hereafter "B-S-J-Z [China]"), Chile, Colombia, Costa Rica, Mexico, Panama and Peru; the widest (more than 50 score points) were observed in Finland, Jordan, the Republic of North Macedonia (hereafter "North Macedonia"), Qatar, Saudi Arabia and the United Arab Emirates (OECD, 2019[7]).

Figure 8.1. The gender gap in reading increased slightly between 2015 and 2018 across the OECD

Point score gender gap (girls minus boys) in OECD PISA reading literacy scores, around age 15, 2015 and 2018



Notes: International Average (OECD) includes all OECD countries for which data are available for the corresponding subject and year.
Source: OECD PISA 2015 and 2018, *Reading performance (PISA),* https://data.oecd.org/pisa/reading-performance-pisa.htm.

StatLink https://stat.link/jlot4k

While boys have historically registered better performance in mathematics, girls have advanced in recent years. In OECD PISA 2018, boys outperformed girls in mathematics by a much smaller margin than girls outperformed boys in reading. The average gender gap in mathematics amounted to only five score points in favour of boys, on average across OECD countries. Despite the stereotype that boys are better than girls at mathematics, boys significantly outperformed girls in mathematics in only 32 of the 79 countries and economies that participated in OECD PISA 2018. The largest difference in scores in favour of boys was seen in Colombia, where boys scored around 20 points higher than girls. In Argentina, Costa Rica, Italy and Peru, the difference amounted to between 15 and 18 points. In many other countries, there is no significant difference. However, in 14 countries and economies (Brunei Darussalam, Finland, Iceland, Indonesia, Malaysia, Malta, North Macedonia, Norway, the Philippines, Qatar, Saudi Arabia, Thailand and the United Arab Emirates), girls significantly outperformed boys in mathematics (OECD, 2019[7]).

In science, girls outperformed boys by two score points in OECD PISA 2018; and in around half of the countries/economies assessed, the gender gap in science performance was not statistically significant. In only six countries/economies was boys' performance in science significantly higher than that of girls; the opposite was observed in 35 countries and economies. The widest gender gaps in science performance, in favour of girls, were observed in Qatar (a gap of 39 points), Jordan (29 points), Saudi Arabia (29 points) and the United Arab Emirates (26 points) (OECD, 2019[7]).

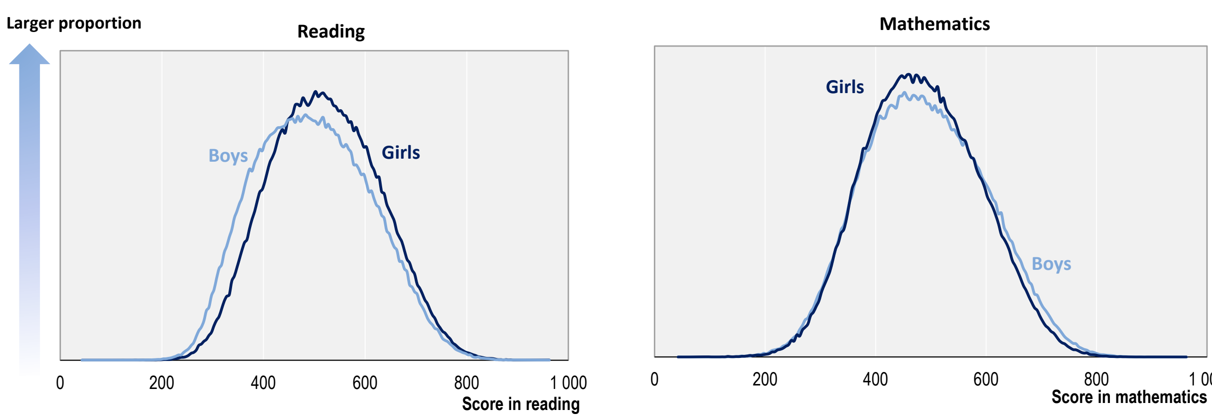
Gender differences in performance vary largely by students' proficiency level

The average performance of boys and girls masks wide variations amongst students at different proficiency levels. Using data from several large-scale international surveys, including previous cycles of OECD PISA (from 2000 to 2012), Baye and Monseur (2016[8]) show that gender differences vary largely by students' proficiency level, and that the gender differences at the extreme ends of the performance distribution are often more substantial than gender differences at the mean (OECD, 2019[7]).

OECD PISA 2018 results also show variability in boys' and girls' performance. In most participating countries and economies, the variation in performance in reading, mathematics and science was larger amongst boys. A larger standard deviation and lower mean reading performance amongst boys strongly implies that more boys than girls would be expected to score towards the bottom of the performance scale. As shown in Figure 8.2), boys are over-represented amongst students who scored below 450 points, while the opposite is observed amongst students who scored higher (OECD, 2019[7]).

Figure 8.2. Distribution of proficiency in reading and mathematics by gender

Average of all PISA countries and economies



Note: This figure is a histogram of performance using an interval size of five score points.
Source: OECD (2018[9]), *PISA 2018 Database*, https://www.oecd.org/pisa/data/2018database.

StatLink https://stat.link/czohpb

OECD PISA found that 15-year-old boys are more likely than girls of the same age to be low achievers. On average across OECD countries, 28% of boys and only 18% of girls did not reach Level 2 proficiency in reading, which is considered a "minimum" proficiency level. In 26 PISA-participating countries and economies, more than one in two boys did not reach Level 2 proficiency in reading. Only in B-S-J-Z (China), Canada, Estonia, Finland, Hong Kong (China), Ireland, Korea, Macao (China), Poland and Singapore did more than four in five boys attain Level 2 proficiency in reading. By contrast, in 36 countries and economies, more than four in five girls attained at least this level of proficiency in reading. Reading proficiency is the foundation upon which all other learning is built; when boys and girls do not read well, their performance in other school subjects suffers too (OECD, 2019[7]).

Given these results, the weak reading performance amongst boys, also observed in previous OECD PISA assessments, should be a matter of considerable concern in several countries.

The sizeable number of boys who fail to make the grade in all three core OECD PISA subjects is a major challenge for education systems. Students who perform poorly in all subjects are hard to motivate and keep in school (Chapter 10). Because of their very low levels of skills, these students may also feel disconnected from and disengaged with school. It may then become easier for these students to build an identity based on rebellion against school and formal education than to engage and invest the effort needed to break the vicious cycle of low performance and low motivation (OECD, 2015[10]).

There are many possible reasons for boys' poor performance in school, and many of them relate to differences in behaviour between boys and girls. Previous analyses of OECD PISA data suggest that girls tend to spend more time than boys doing homework. This is important because in several countries and economies that participated in OECD PISA 2012, homework time was positively correlated with student performance (OECD, 2014[11]). In a subset of 32 countries and economies that participated in OECD PISA 2018, students were also asked how long they studied before going to school and after school on the most recent day prior to the PISA test. On average across OECD countries where this optional questionnaire was distributed, 64% of boys and 73% of girls reported that they had studied at home for more than one hour on the day immediately prior to the PISA test (OECD, 2019[7]). Moreover, outside of school, boys spend more time playing video games than girls and less time reading for enjoyment, particularly complex texts, like fiction (OECD, 2015[10]).

The picture is quite different when looking at high-performing students, especially for mathematics. OECD PISA results show that boys perform better than on average across OECD countries, 12.3% of boys and 9.5% of girls attained the highest levels of mathematics performance (Level 5 or 6), while 7.3% of boys and 6.2% of girls were top performers in science (OECD, 2019[7]).

As in the case of low performance of boys, there could be many possible reasons for the underachievement of high-performing girls in mathematics. In general, girls have less self-confidence than boys in their ability to solve mathematics or science problems. Girls – even high-achieving girls – are also more likely to express strong feelings of anxiety towards mathematics. In 70 countries and economies that participated in OECD PISA 2018, girls reported more often, and to a larger extent, than boys that they fear failure (OECD, 2019[7]). OECD PISA revealed that self-efficacy (the extent to which students believe in their own ability to solve specific mathematics tasks) and self-concept (students' beliefs in their own mathematics abilities) are much more strongly associated with performance among high-achieving than low-achieving students; but at every level of performance, girls tend to have much lower levels of self-efficacy and self-concept in mathematics and science. At the same time, girls tend to be highly motivated to do well in school and to believe that doing well at school is important. They also tend to fear negative evaluations by others more than boys do and are eager to meet others' expectations for them. Given girls' keen desire to succeed in school and to please others, their fear of negative evaluations, and their lower self-confidence in mathematics and science, it is hardly surprising that high-achieving girls choke under (often self-imposed) pressure (OECD, 2015[10]).

The COVID-19 pandemic and the related school closures and home schooling have likely contributed to gendered differences in education outcomes and experiences (Box 8.1).

Box 8.1. During the COVID-19 pandemic, education systems struggled between school closures and home schooling

The COVID-19 pandemic and ensuing lockdowns and school closures have meant a shift to online or distance learning with students having to spend more time at home. There is widespread evidence that this shift contributes to raising inequalities between income groups (OECD, 2020[12]). Academic progress is slower compared to years before the pandemic, with larger learning losses among students from disadvantaged backgrounds (Engzell, Frey and Verhagen, 2021[13]).

Initial research on gender differences in COVID-19 related learning outcomes is scattered, but indications of gendered impacts exist. First, it is likely that the gaps in reading and mathematics between boys and girls have grown since the COVID-19 outbreak. Research based on UK surveys of children aged 8-18 has found that the gender reading gap had increased from just over 2 percentage points (p.p.) in favour of girls at the start of 2020 to 11.5 percentage points after the first lockdown in spring 2020 (Clark and Picton, 2020[14]). On the other hand, a comparison of learning outcomes among 10- to 15-year-olds in Mexico indicates that the gender mathematics gap, with girls falling behind, has widened among students with low socio-economic backgrounds (Hevia et al., 2022[15]).

Home schooling and digital learning settings can work differently for boys and girls. Because schools are places that provide daily structure, social interaction and emotional support, COVID-19 school closures have had adverse effects on child well-being. While both girls and boys reported decreased mental health, girls reported higher levels of stress, anxiety and depression than boys. School closures also meant a higher exposure to the risk of gender-based violence (OECD, 2020[12]). In addition, there may be gender differences in the access to digital tools, and especially in various non-OECD countries, where girls' use of internet devices is more monitored and restricted due to cultural norms (UNESCO, 2021[16]). Many girls may also choose to spend less time on the internet due to fear of being harassed. According to a recent survey, girls who report having experienced online harassment are also more likely to report experiencing difficulties at school (Plan International, 2020[17]).

Source: OECD (2022[6]), *Report on the Implementation of the OECD Gender Recommendations*, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf.

Different policy responses are needed to address gender gaps in school performance

The nature and implications of gender gaps in skills change over time. Gender gaps in reading skills have shown to shrink with age. The gender gaps in reading performance observed amongst 15-year-olds in PISA virtually disappears amongst the 16-29 year-olds who were assessed by the OECD Survey of Adult Skills (PIAAC). To some extent this may have to do with differences in the cohorts; but another explanation is that literacy is a transversal skill that is necessary to develop in order to succeed in the modern labour market. It is possible that this encourages men to develop and catch up with their female counterparts as they enter the labour market. This means that narrowing gender gaps in reading does not necessarily require expensive reform, but it needs to be supported (Box 8.2).

Box 8.2. Encouraging boys to read

Finding ways to improve schools' disciplinary climate and teachers' relationships with students (boys in particular) and instilling a culture of assessment both for students and teachers can help bridge the gap in reading performance between girls and boys

TALIS-PISA link data allows to identify various reason behind the reading gap between boys and girls. When there are classroom disciplinary problems, boys seem to be more disturbed by this than girls are Also, boys tend to benefit more from positive relationships with their teachers than girls: in schools where teachers consider their relationships with students to be positive, gender disparities in reading performance are smaller, in favour of boys. Moreover, boys are more likely to perform as well as (or even better) than girls in reading in schools that have a culture of student assessment, and teacher accountability and appraisal. The more often teachers evaluate their students by administering their own assessment, the smaller the difference in reading performance between girls and boys, in favour of boys (OECD, 2021[18]; 2021[19]).

Countries have been promoting specific initiatives to foster better reading habits among students, particularly boys. The "Lesestart" programme in Germany distributes books and reading guides to children aged one to three, in co-operation with paediatricians and local libraries (OECD, 2015[10]). In 2021, the United Kingdom launched a GBP 10 million scheme to help pupils starting primary and secondary school boost core skills. Specialist training and materials will be provided to support focused sessions to boost numeracy and literacy; schools with high proportions of children from disadvantaged backgrounds will be prioritised (UK Government, 2021[20]).

By contrast, in mathematics, the advantage of men increases steadily in an almost linear way (Borgonovi, Choi and Paccagnella, 2021[21]). A plausible reason is that men tend to specialise in fields that use numeracy skills more intensively. Advanced mathematics is less commonly used and not an imperative to succeed, so women who are not in Science, Technology, Engineering and Mathematics (STEM) sectors have little reason to catch up with their male counterparts (Borgonovi, Choi and Paccagnella, 2021[21]).

Students' beliefs about their own competence in mathematics are related to how well they perform compared to their classmates, and also to how well they perform in mathematics compared to their own performance in other subjects. Because girls tend to perform so well in reading, they may, unconsciously, believe that they are underperforming in other subjects. As a result, they have less confidence in other subjects, like mathematics, which, in turn, could undermine their performance. Teachers and parents can stop the corrosive effects of these comparisons and help girls to build their confidence by evaluating girls' actual abilities – noting the tasks they can accomplish relatively easily and those with which they struggle (Encinas-Martin and Cherian, 2023[22]). They can provide positive reinforcement for the work girls do well and offer girls opportunities to "think like scientists" in low-stakes situations, where making mistakes does not have consequences for their marks.

This means that narrowing gender gaps in mathematics requires early and life-long interventions. For instance, certain methods of teaching mathematics can also help narrow the gender gap in performance. For example, OECD PISA reveals that girls benefit the most when teachers ask students questions that make them reflect on a given problem; give them problems that require the students to think for an extended time; ask students to decide, on their own, on which procedures to use to solve complex problems; present problems in different contexts so that students know whether they have understood the concepts; help them learn from the mistakes they have made; ask them to explain how they solved a problem; present problems that require students to apply what they have learned in new contexts; and assign problems that can be solved in different ways (OECD, 2015[10]).

Overall, the above actions require concerted efforts by parents, teachers and employers to become more aware of their own conscious or unconscious biases so that they give boys and girls equal chances for success at school and beyond (Schleicher, 2019[23]).

Key policy messages

- Finding ways to improve schools' disciplinary climate and teachers' relationships with students (boys in particular) and instilling a culture of assessment both for students and teachers can help bridge the gap in reading performance between boys and girls.
- Policy should also foster approaches to narrow the gender gaps in mathematics with early and life-long interventions. For instance, certain methods of teaching mathematics can help narrow the gender gap in performance. Moreover, teachers and parents can stop the corrosive effects of these comparisons and help girls to build their confidence by evaluating girls' actual abilities.

- Overall, the above actions require concerted efforts by parents, teachers and employers to become more aware of their own conscious or unconscious biases so that they give girls and boys equal chances for success at school and beyond.

References

Baye, A. and C. Monseur (2016), "Gender differences in variability and extreme scores in an international context", *Large-scale Assessments in Education*, Vol. 4/1, https://doi.org/10.1186/s40536-015-0015-x. [8]

Borgonovi, F., A. Choi and M. Paccagnella (2021), "The evolution of gender gaps in numeracy and literacy between childhood and young adulthood", *Economics of Education Review*, Vol. 82, p. 102119, https://doi.org/10.1016/j.econedurev.2021.102119. [21]

Clark, C. and I. Picton (2020), *Children and young people's reading in 2020 before and during the COVID-19 lockdown*, https://literacytrust.org.uk/research-services/research-reports/children-and-young-peoples-reading-in-2020-before-and-during-the-covid-19-lockdown/. [14]

Encinas-Martin, M. and M. Cherian (2023), *Gender, Education and Skills: The Persistence of Gender Gaps in Education and Skills*, OECD Skills Studies, OECD Publishing, Paris, https://doi.org/10.1787/34680dd5-en. [22]

Engzell, P., A. Frey and M. Verhagen (2021), "Learning loss due to school closures during the COVID-19 pandemic", *Proceedings of the National Academy of Sciences*, Vol. 118/17, https://doi.org/10.1073/pnas.2022376118. [13]

Global Education Monitoring Report Team (2020), *Global education monitoring report 2020: gender report, A new generation: 25 years of efforts for gender equality in education*, United Nations Educational, Scientific and Cultural Organization, https://unesdoc.unesco.org/ark:/48223/pf0000374514. [5]

Hevia, F. et al. (2022), "Estimation of the fundamental learning loss and learning poverty related to COVID-19 pandemic in Mexico", *International Journal of Educational Development*, Vol. 88, p. 102515, https://doi.org/10.1016/j.ijedudev.2021.102515. [15]

OECD (2022), *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/3197152b-en. [1]

OECD (2022), *Report on the Implementation of OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [6]

OECD (2021), "How can schools and teachers help boys perform better in reading?", *OECD Education and Skills Today*, OECD, Paris, https://oecdedutoday.com/how-schools-teachers-help-boys-perform-better-reading/. [4]

OECD (2021), *Positive, High-achieving Students? What Schools and Teachers Can Do*, TALIS, OECD Publishing, Paris, https://doi.org/10.1787/3b9551db-en. [18]

OECD (2021), “What can schools and teachers do to help boys close the gap in reading performance?”, *Teaching in Focus*, No. 39, OECD Publishing, Paris, https://doi.org/10.1787/bcbf795e-en. [19]

OECD (2021), “Why do more young women than men go on to tertiary education?”, *Education Indicators in Focus*, No. 79, OECD Publishing, Paris, https://doi.org/10.1787/6f7209d1-en. [2]

OECD (2020), “The impact of COVID-19 on student equity and inclusion: Supporting vulnerable students during school closures and school re-openings”, *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/d593b5c8-en. [12]

OECD (2019), *PISA 2018 Results (Volume II): Where All Students Can Succeed*, PISA, OECD Publishing, Paris, https://doi.org/10.1787/b5fd1b8f-en. [7]

OECD (2018), *PISA 2018 Database*, https://www.oecd.org/pisa/data/2018database/. [9]

OECD (2015), *The ABC of Gender Equality in Education: Aptitude, Behaviour, Confidence*, PISA, OECD Publishing, Paris, https://doi.org/10.1787/9789264229945-en. [10]

OECD (2014), *“Does Homework Perpetuate Inequities in Education?”, PISA in Focus, No. 46*, OECD Publishing, Paris, https://doi.org/10.1787/5jxrhqhtx2xt-en. [11]

Plan International (2020), *Free to Be Online?*, https://plan-international.org/file/46061/download?token=pH3r4scC. [17]

Quintini, G. (2015), “Working and learning: A diversity of patterns”, *OECD Social, Employment and Migration Working Papers*, No. 169, OECD Publishing, Paris, https://doi.org/10.1787/5jrw4bz6hl43-en. [3]

Schleicher, A. (2019), *PISA 2018: Insights and Interpretations*, OECD, Paris, https://www.oecd.org/pisa/PISA%202018%20Insights%20and%20Interpretations%20FINAL%20PDF.pdf. [23]

UK Government (2021), *£10 million scheme to help pupils boost core skills*, https://www.gov.uk/government/news/10-million-scheme-to-help-pupils-boost-core-skills. [20]

UNESCO (2021), *When schools shut: Gendered impacts of COVID-19 school closures*, https://unesdoc.unesco.org/ark:/48223/pf0000379270. [16]

9 Gender differences in career expectations and feminisation of the teaching profession

Marta Encinas-Martín

This chapter starts with an analysis of gender differences in career choices and expectations, focusing on men's and women's field of study choices at the tertiary education level. It then examines the issue of gender stereotypes as a key reason for gender differences in educational choices and provides examples of policy measures adopted to fight gender stereotypes in education. The chapter then analyses the issues of the feminisation of the teaching profession and concludes with policy messages on how to address gender gaps in career choices.

Key findings

- Gender stereotypes at home, in the class and in society as well as the absence of role models play a key role in determining both boys' and girls' field of study choices and career expectations.
- Girls are less likely than their male peers to choose the pathways through education and fields of studies that lead to the highest-paid professions, such as science, mathematics or computing, while they are far more likely than men to study subjects relating to education, and health and welfare. Under-representation of women in Science, Technology, Engineering and Mathematics (STEM) fields also indicates under-representation of men in the health and education sectors, which is a matter of equal concern.
- OECD countries have made important efforts in promoting gender equality in school curricula, teaching practices and in supporting a better representation of girls in STEM. On the other hand, despite some efforts, the teaching profession remains highly feminised.

Gender equality in career choices and expectations is far from being achieved

Despite improved academic performance and positive trends in women's overall participation in higher education (Chapter 8), gender gaps persist and remain wide as ever in the labour market. Gender stereotyping of jobs and occupations along with gendered roles in personal and professional life may lead to different career expectations for girls and boys and influence the decisions that perpetuate gender-related differences in the choice of studies and careers (OECD, 2016[1]).

On average across OECD countries, only 14% of girls who were top performers in science or mathematics reported that they expect to work as professionals in science or engineering while 26% of top-performing boys so reported. Such decisions can have negative consequences for women's labour market prospects (OECD, 2019[2]).

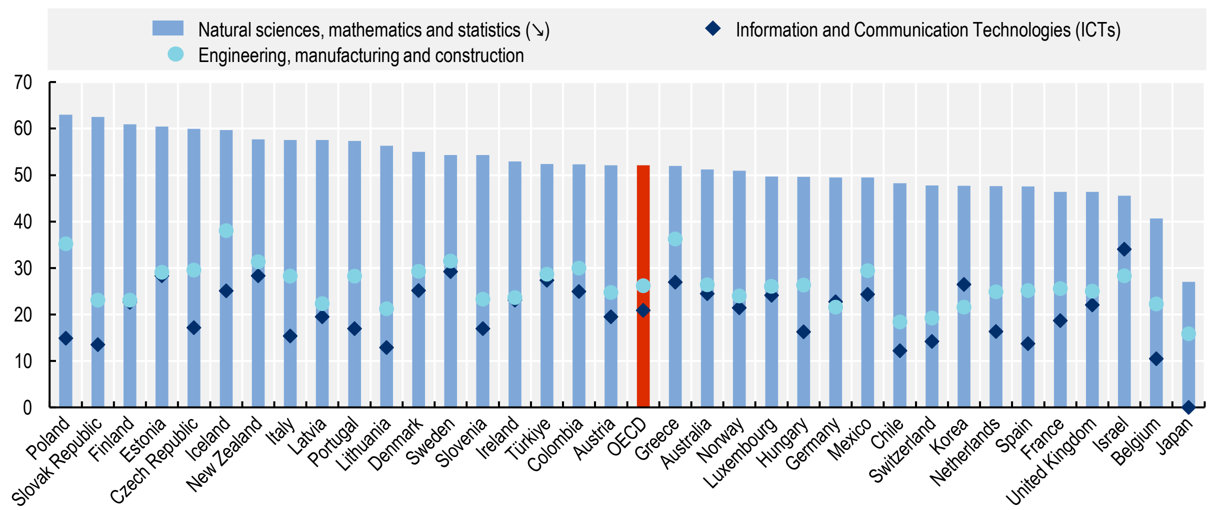
Gender differences in career expectations of 15-year-old students are further mirrored in men's and women's field of study choices at the tertiary education level. Women's under-representation in STEM fields is an issue of high policy relevance as countries seek to enhance skills for technological innovation. "Natural sciences, mathematics and statistics" is the only STEM field that has achieved gender parity: on average across OECD countries in 2020 women represented 52% of new entrants to that field in tertiary education, but there is considerable cross-country variation ranging from 27% in Japan to 63% in Poland (Figure 9.1). However, young men still dominate engineering and ICT fields of study, constituting 79% of new entrants in ICT and 74% in engineering, manufacturing and construction on average across OECD countries (OECD, 2022[3]).

In contrast, the gender imbalance reverses when it comes to care professions such as teaching and nursing. In 2020, women were still largely over-represented among new entrants in the fields of education or health and welfare (78% of new entrants on average across OECD countries). In some countries, more than four out of five new entrants to these fields are women. For example, in Italy and Latvia, women represent 90% or more of new entrants into the field of education and in Estonia, Finland, Iceland, Latvia and Lithuania, women represent at least 82% of new entrants in the fields of health and welfare (OECD, 2022[3]).

Marked gender differences in the choices of the fields of study also inevitably shape the distribution patterns of those who graduate from these fields of study. While STEM is the predominant field of study for male graduates in 32 out of 37 countries with data available, women are more likely to graduate from the field of business, administration and law (23 out of 37 countries). Health and welfare is the second most common field of study for female graduates (predominant field of study in nine countries) (OECD, 2022[3]).

Figure 9.1. Women are under-represented in most STEM fields of education

Share of female new entrants into tertiary education by STEM field of education, in 2020



Note: Countries are ranked in descending order of female new entrants into tertiary education in STEM fields of study in 2020.
Source: OECD (2022[3]), *Education at a Glance*, https://doi.org/10.1787/3197152b-en.

StatLink https://stat.link/0q2yde

Gender stereotypes are a key reason for gender differences in educational choices

Already in their first years of life, children become affected by stereotypical expectations and norms based on their gender, which are passed down by parents, schools, teachers and other social institutions, such as the media, from early childhood until adolescence, and even later into adulthood (Brussino and McBrien, 2022[4]).

Gender norms and stereotypes that influence perceptions about the appropriate roles that men and women should play in society, and in the economic sphere, typically originate from home: parents harbour different expectations from their sons and daughters in terms of subject choices and careers (OECD, 2017[5]). Data from earlier PISA assessments (2012) shows that parents were more likely to expect their sons, rather than their daughters, to work in a STEM field – even when boys and girls performed equally well in mathematics and science (Schleicher, 2019[6]).

The existence of these gender stereotypes at home are carried forward in the classroom and are often related to teachers' conscious or unconscious biases about girls' and boys' strengths and weaknesses in various subjects, which are invariably reflected in student performance (OECD, 2019[7]). This bias can also manifest itself in teaching methods, extracurricular activities, textbook choices. The role played by education systems in creating this bias further extends to areas such as media and culture.

Additionally, girls' lack of confidence in their abilities in mathematics and science and their resultant low expectations to work in STEM careers could also be due to an absence of role models. The paucity of women scientists means that young girls have little in the way of tangible evidence to disprove the stereotypical notion that mathematics and science are somehow more "masculine" disciplines. PISA results show that few mothers of 15-year-olds, worldwide, work in STEM occupations; indeed, in all countries and economies there are far fewer women than men employed in these sectors (Encinas-Martín and Cherian, 2023[8]).

Over the past years and decades, countries have made important strides to make teachers more gender aware, teaching materials more gender neutral, and more girls motivated to study STEM subjects (Box 9.1). Career guidance is another relevant approach, as explained in Chapter 11.

Box 9.1. Policy efforts to fight gender stereotypes in education

Supporting gender-neutral school curricula and course materials

Already since the years 2000s, many OECD countries have had policies in place to promote gender balanced representation in school curricula and course materials. For example, in 2018, Sweden promoted a revision in the preschool curriculum, explicitly stating that preschools have a responsibility to counteract gender patterns that limit children's development, choices and learning. In Finland, the Equality Act requires authorities, educational institutions, employers and other stakeholders providing education and training to promote gender equality in a systematic manner (Brussino and McBrien, 2022[4]). OECD (2022[9]) discusses the Estonian approach to reduce gender stereotyping. Internationally, among others, the Council of Europe recommends that textbooks and the materials used to teach students at all school levels should be assessed for "sexist language, illustrations and gender stereotypes, and revise them so that they actively promote gender equality" (Council of Europe, 2019[10]). There have been similar developments in OECD partner countries. For example, existing research shows that the Kerala state Government in India announced in 2021 that Kerala's school textbooks will be revised and audited to sieve out words and phrases disparaging women (Rakesh, 2021[11]; OECD, 2022[12]).

Providing capacity building to teachers and supporting gender-neutral teaching practices

Training tools and programmes have also been developed to help teachers eliminate gender stereotypes in their teaching practices. For instance, Sweden provides training on gender-awareness for teachers and educators to reflect the gender equality objective included in its national curriculum. Similarly, since 2021, gender equality has been included in the curriculum of teacher training colleges in Korea (OECD, 2022[12]). Cross-nationally, "Mind the Gap" is a project run in Belgium, Italy, Portugal and Spain to prepare practitioners and educators to address gender stereotypes in education and includes training on unconscious gender biases (Brussino and McBrien, 2022[4]).

Eradicating stereotypes related to STEM subjects

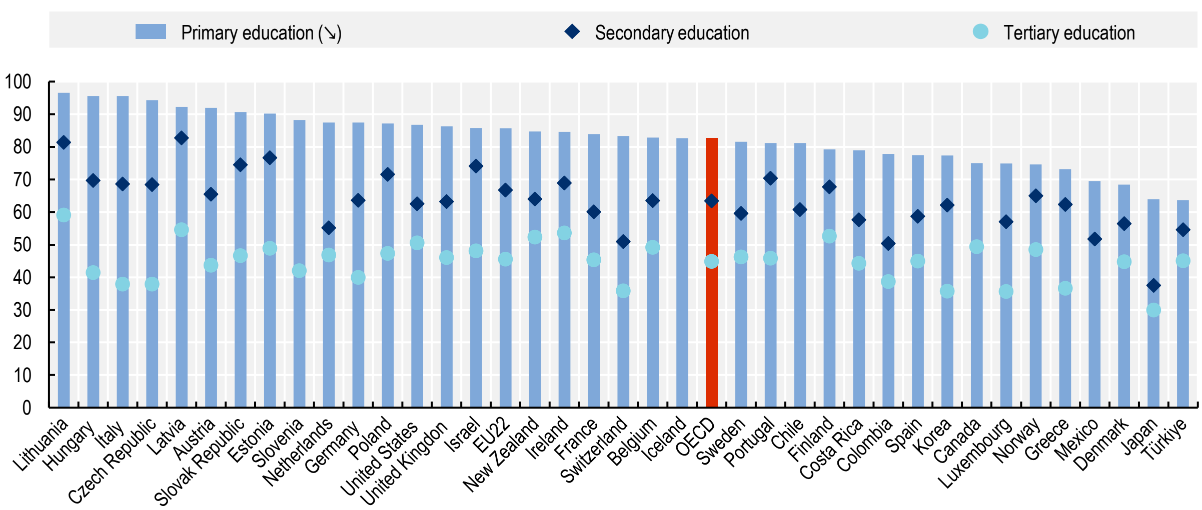
Specifically on STEM, a pillar of the Chilean "National policy for gender equality in STEM" focuses on eradicating gender stereotypes in education from an early age, while in 2022 Ireland published "Recommendations on Gender Balance in STEM Education". Several OECD countries have actively involved teachers in encouraging more girls to study STEM subjects. In 2019, Luxembourg launched the "Gender4STEM Teaching Assistant" training tool, providing teachers with a self-assessment tool that evaluates their gendered education practices. Depending on each teacher's profile, the tool recommends learning content to better manage gender diversity in the classrooms (Gender4STEM, 2019[13]). Examples of actions encouraging more girls to study STEM subjects also include highlighting female role models in the sector and providing girls with practical experience in the field. For example, "GirlsInSTEM", a collaboration of organisations from Belgium, France, Spain and Poland, was launched in 2020 to organise bootcamps for girls to engage with STEM and provide toolkits for educators (GirlsInSTEM, 2020[14]; OECD, 2022[12]).

Feminisation of the teaching profession

While the under-representation of women in STEM fields is a matter of concern, it is also important to note that men are under-represented in the health and education sectors. For example, TALIS 2018 data show that, on average across OECD countries, the proportion of female teachers reaches 70%, with large differences across levels of education. Female teachers are especially overrepresented at lower levels of education. In 2020, 82% of primary teachers were women, compared to 63% at secondary level and 45% at tertiary level on average across OECD countries. The share of female primary teachers ranges from 64% in Japan and Türkiye to 97% in Lithuania (OECD, 2022[3]) (Figure 9.2).

Figure 9.2. The teaching profession is highly feminised

Percentage of female teachers, by level of education, in 2020



Note: Countries are ranked in the descending order of the share of female teachers at the primary level.
Source: OECD (2022[3]), *Education at a Glance*, https://doi.org/10.1787/3197152b-en.

StatLink https://stat.link/gk5f3b

Between 2010 and 2020, the share of female teachers has stagnated at primary and secondary levels on average across OECD countries (83% in 2010 and 2020 at primary level and about 64% in 2010 to 63% in 2020 at secondary level). Thus, the gender balance has not improved between 2010 and 2020. The share of female teachers has continued to grow also at the tertiary level (from 42% in 2010 to 45% in 2020), still far from a gender-equal representation. As of 2020, female teachers made up more than 50% of teachers in only six out of the 36 countries with available data (Finland, Ireland, Latvia, Lithuania, New Zealand and the United States) (OECD, 2022[3]).

Imbalanced gender ratios among primary and secondary teachers are due to several factors. Historically, teaching has been one of the few skilled professions that has been accessible for women because it closely fitted the traditional stereotype of women as caregivers of children. While such gender stereotypes are less prevalent today than they were a few decades ago in many OECD countries, they might still be an important reason for the high share of female teachers, particularly at lower levels of education.

Teaching is also an attractive career option for working mothers because it provides the flexibility to combine working and parenting responsibilities. Teachers in many countries have considerable flexibility in organising their non-teaching working hours. For example, in 24 out of 31 OECD countries and economies with available data, teachers at the lower secondary level can spend part or all of their non-teaching working time outside of school premises (OECD, 2019[15]). Ideally, this should make teaching similarly attractive to working fathers, but in many countries child rearing responsibilities still fall predominantly on women's shoulders (Craig and Mullan, 2011[16]). Teaching also lends itself to part-time work, which can equally help to combine working and parenting duties. One in five lower secondary teachers in OECD countries are employed part-time (OECD, 2020[17]).

TALIS 2018 data reveals a widespread disillusionment among teachers with the perception of teaching in society. On average across the OECD, only one in four teachers (25.8%) considers their profession as valued by society (OECD, 2020[17]). This contributes to difficulties in hiring and retaining teachers. One in three teachers (33.8%) considers that it would have been better to choose another profession than teaching (OECD, 2020[17]). More than one in eight teachers aged 50 or below (14.1%) expresses the intention to leave teaching within the next five years (OECD, 2020[17]), with no major differences between male and female teachers. However, the attrition rate, which measures the proportion of teachers permanently leaving the teaching profession, is lower for female teachers (in pre-primary to upper secondary) than for their male colleagues in 10 out of 11 countries with available data (OECD, 2021[18]).

Differences in relative wage levels between men and women are another factor contributing to imbalanced gender ratios among teachers. Teaching is one of the few professions where women do not face wage discrimination. On average across OECD countries, most of the primary (87%) and lower secondary (84%) teachers teach in public schools (OECD, 2021[19]), where salaries are determined by statutory salary scales or are agreed through collective bargaining in most OECD countries. Within each country, salaries differ across teachers by a number of factors (e.g. the level of education taught, the qualification level, and the level of experience or career stage), but they are not affected by gender. Because of these standardised wage setting processes, actual salaries of male and female teachers are nearly identical on average across OECD countries (OECD, 2021[18]). However, this implies that career tracks outside of teaching are financially more attractive for men – reinforcing already existing horizontal segregation (OECD, 2022[12]).

A better balance between female and male staff in education could benefit all students, for instance by contributing to students developing positive gender identities and challenging biased views. Moreover, it could contribute to tackle labour shortages. Some countries have made efforts to promote diversity in the teaching workforce (see Box 9.2).

Box 9.2. Promoting diversity in the teaching workforce

Increasing diversity of the teaching workforce is a key to eradicating gender stereotypes in teaching staff and education more broadly. Among others, this entails encouraging men to pursue a teaching career in pre-primary and primary education and promoting women to leadership roles more frequently (OECD, 2019[20]). An example of an intervention is the *Mehr Männer in Kitas* ("More Men in Early Childhood Education and Care") project in Germany, which aims to attract boys and men in the teaching profession by making career choices based on personal interest instead of gender stereotypes. The project also supports policy makers in developing strategies to achieve this (OECD, 2015[21]). As another example, as part of its Lifelong Learning Strategy 2014-20, Estonia has set an increase in the starting wages for education, health and welfare jobs, in order to both retain more females and attract more males in those sectors (OECD, 2022[12]).

Advancing policies to address gender gaps in career choices

While advancing STEM education appears to be a common objective in many countries, it remains unclear what approach is best suited to promoting STEM skills to further economic growth. Generally, proposals for reform of STEM education maintain that, because STEM subjects are so important, every student should be given the best-quality education in those subjects (Atkinson and Mayo, 2010[22]). Greater exposure to them, it is assumed, will prompt more young people to choose STEM careers. However, unless serious efforts are made to help students, particularly girls, overcome their anxiety about mathematics and their lack of confidence in their own science and mathematics abilities, then even the best STEM teaching will do nothing to narrow the gender gap in STEM studies and careers. Teachers and parents can help build girls' confidence in their abilities in mathematics and science by evaluating their actual abilities – noting the tasks they can accomplish relatively easily and those with which they struggle. They can offer positive feedback on work well done and offer girls opportunities to "think like scientists" in low-stakes situations, where making mistakes does not affect marks (OECD, 2015[21]). Training teachers to recognise and address any biases they may hold about boys and girls will help them to teach more effectively so that students make the most of their potential.

In contrast, with respect to increasing male representation in the teaching profession, recognising teachers' contribution to society could bring in more talent regardless of gender. Compensating teachers adequately is an obvious way of acknowledging the importance of the teaching profession, but it is not the only one. Other important mechanisms include the public recognition of the long hours that teachers work beyond their teaching time and the often-challenging work environments that they face. Giving teachers the means to do their job well, for example by providing well-equipped classrooms, is another important way of recognising the importance of the profession and of motivating teachers. These measures are important and should be implemented irrespective of gender considerations. However, they have the added benefit that they help to attract the best qualified candidates regardless of gender to the teaching profession and can thereby contribute to improving the gender balance among teachers.

Key policy messages

- In order to ensure gender-equal opportunities in schools, including in field of study choices and career expectations, policy efforts should focus on further eliminating gender stereotypes at home, in school and in society.
- Ensuring a higher representation of girls in STEM education and careers requires a combination of approaches, including ensuring greater exposure to STEM subjects at school, helping students – particularly girls – overcome their anxiety about mathematics and their lack of confidence in their own science and mathematics abilities, and training teachers to recognise and address any biases they may hold about boys and girls.
- To increase the proportion of men and the gender balance in the teaching profession, it is important to provide an adequate compensation to teachers and improve their status, publicly recognising the long hours beyond their teaching time and the often challenging work environments that they face, giving teachers the means to do their job well, and overall attracting the best qualified candidates to the profession.

References

Atkinson, R. and M. Mayo (2010), *Refuelling the U.S. Innovation Economy: Fresh Approaches to Science, technology, Engineering and Mathematics (STEM) Education*, Information Technology & Innovation Foundation, https://itif.org/files/2010-refueling-innovation-economy.pdf. [22]

Brussino, O. and J. McBrien (2022), "Gender stereotypes in education: Policies and practices to address gender stereotyping across OECD education systems", *OECD Education Working Papers*, No. 271, OECD Publishing, Paris, https://doi.org/10.1787/a46ae056-en. [4]

Council of Europe (2019), *Recommendation CM/Rec(2019)1 of the Committee of Ministers to member States*, https://rm.coe.int/cm-rec-2019-1e-sexism/1680a217ca. [10]

Craig, L. and K. Mullan (2011), "How Mothers and Fathers Share Childcare: A Cross-National Time-Use Comparison", *American Sociological Review*, Vol. 76/6, pp. 834-861, https://doi.org/10.1177/0003122411427673. [16]

Encinas-Martín, M. and M. Cherian (2023), *Gender, Education and Skills: The Persistence of Gender Gaps in Education and Skills*, OECD Skills Studies, OECD Publishing, Paris, https://doi.org/10.1787/34680dd5-en. [8]

Gender4STEM (2019), *The learning by doing approach in the spotlight of Gender4STEM teaching assistant*, https://www.gender4stem-project.eu/events/gender4stem-training-for-teachers/. [13]

GirlsInSTEM (2020), *GirlsInSTEM*, https://girlsinstem.eu/. [14]

OECD (2022), *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/3197152b-en. [3]

OECD (2022), *Report on the Implementation of OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [12]

OECD (2022), *The Economic Case for More Gender Equality in Estonia*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/299d93b1-en. [9]

OECD (2021), *Education at a Glance 2021: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/b35a14e5-en. [18]

OECD (2021), *Education at a Glance Database - Educational personnel by institution*, http://stats.oecd.org/Index.aspx?datasetcode=EDU_PERS_INST (accessed on 18 February 2022). [19]

OECD (2020), *TALIS 2018 Results (Volume II): Teachers and School Leaders as Valued Professionals*, OECD Publishing, Paris, https://doi.org/10.1787/19cf08df-en. [17]

OECD (2019), *Education at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/f8d7880d-en. [15]

OECD (2019), *Good Practice for Good Jobs in Early Childhood Education and Care*, OECD Publishing, Paris, https://doi.org/10.1787/64562be6-en. [20]

OECD (2019), *PISA 2018 Results (Volume II): Where All Students Can Succeed*, OECD Publishing, Paris, https://doi.org/10.1787/b5fd1b8f-en. [2]

OECD (2019), *Women are well-represented in health and long-term care professions, but often in jobs with poor working conditions*, OECD, Paris, https://www.oecd.org/gender/data/women-are-well-represented-in-health-and-long-term-care-professions-but-often-in-jobs-with-poor-working-conditions.htm. [7]

OECD (2017), *The Pursuit of Gender Equality: An Uphill Battle*, OECD Publishing, Paris, https://doi.org/10.1787/9789264281318-en. [5]

OECD (2016), *Fields of education, gender and the labour market, Education Indicators in Focus, No. 45*, OECD Publishing, Paris, https://doi.org/10.1787/5jlpgh1ppm30-en. [1]

OECD (2015), *The ABC of Gender Equality in Education: Aptitude, Behaviour, Confidence*, OECD Publishing, Paris, https://doi.org/10.1787/9789264229945-en. [21]

Rakesh, K. (2021), *Kerala government to make school textbooks gender-neutral*, https://www.telegraphindia.com/india/kerala-government-has-decided-to-audit-and-revise-school-textbooks-to-make-them-gender-neutral/cid/1820221. [11]

Schleicher, A. (2019), *PISA 2018: Insights and Interpretations*, OECD, Paris, https://www.oecd.org/pisa/PISA%202018%20Insights%20and%20Interpretations%20FINAL%20PDF.pdf. [6]

10 The gender gap in school engagement and retention

Francesca Borgonovi, Marta Cignetti and Mario Piacentini

This chapter starts by discussing gender differences in early school leaving, showing that boys are more at risk of early school leaving than girls. This gap might be related to gender differences in identification and engagement with school. Using data on disengaged behaviour in the OECD PISA 2018 test (leaving questions blank or fast-guessing), the chapter provides evidence that boys tend indeed to put less effort into academic work than girls. The analysis shows that low effort on the PISA test is associated with at-risk behaviours, such as being late or skipping classes, and with the level of education students will attain. The chapter concludes with reflections on policies and strategies to raise boys' engagement at school.

Key findings

- Early school leaving is more frequent among boys than girls. The share of young people, and particularly of boys, leaving school with only a lower education degree remains high in many countries and it is over 14% on average across OECD countries.
- Boys report being less capable to finish tasks and put less effort in completing the OECD PISA tests than girls.
- Students who put limited effort in the OECD PISA test are more likely to skip or be late for class. Disengagement at age 15 also predicts what level of education students will attain.

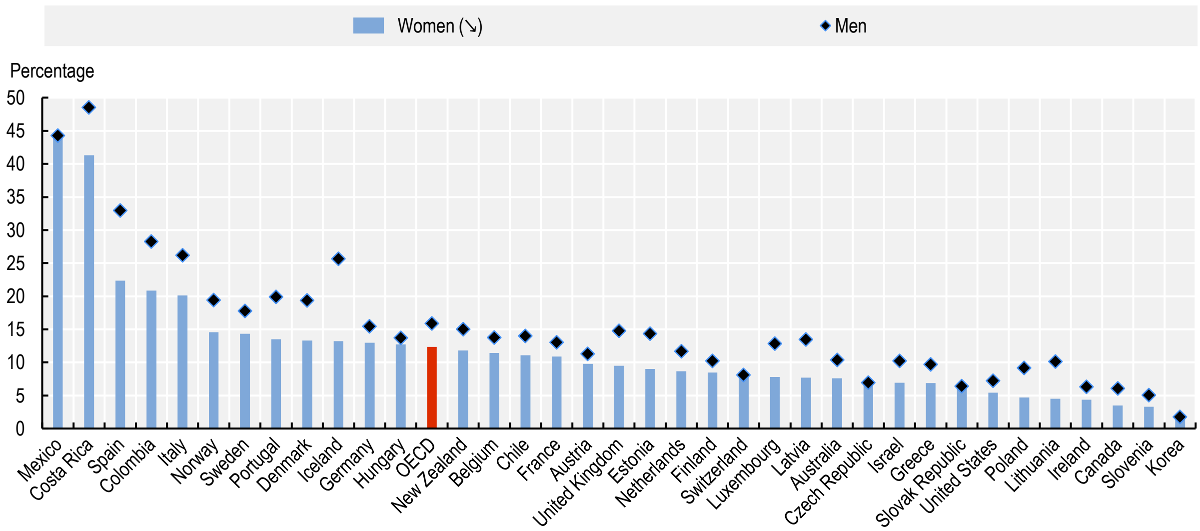
Boys are more at risk of early school leaving than girls

Early school leaving, i.e. leaving formal education without having obtained an upper secondary degree, is one of the major risk factors for unemployment, poverty and social exclusion (Brunello and Paola, 2014[1]). In labour markets where routine tasks are increasingly taken over by artificial intelligence, early school leavers risk getting trapped in low-paying occupations or unemployment (OECD, 2016[2]). Students who enter the labour market without an upper-secondary qualification tend also to experience more health problems (Oreopoulos, 2007[3]), and miss opportunities to acquire the knowledge and skills they need for civic and social participation. Additionally, early school leaving contributes to magnifying pre-existing social inequalities, since students from disadvantaged background are more likely to drop out than their advantaged peers (OECD, 2021[4]).

Significant gender differences in the likelihood of early school leaving exist in OECD countries. On average, across OECD countries, around 16% of 25 to 34-year-old men and 12% of 25 to 34-year-old women left formal education without having completed an upper secondary degree. With the exception of a few countries (the Czech Republic, Korea, Mexico, the Slovak Republic and Switzerland), 25 to 34-year-old men are more likely to have left school without having obtained an upper secondary qualification than women. The share of men with lower-than-upper-secondary education is highest in Costa Rica (49%) and Mexico (44%), followed by Spain (33%), Colombia (28%) and Italy (26%) (Figure 10.1). Gender differences in the share of men and women who leave formal education without having completed an upper secondary degree are particularly pronounced in Iceland (12 percentage point difference), Spain (11 percentage point difference) and Colombia (7 percentage point difference) (OECD, 2021[4]).

Figure 10.1. Young men are more likely than young women to have left school without having obtained an upper secondary qualification

Percentage of 25-34 year-olds that attained an education level lower than upper-secondary, by gender and country



Note: The graph only features OECD countries. Data are missing for Japan and Türkiye. Data for Chile refer to 2020. Data for all other OECD countries refer to 2021.
Source: OECD (2022[5]), "Source, methodology and technical notes", *Education at a Glance 2022: OECD Indicators*, https://www.oecd.org/education/EAG2022_X3.pdf.

StatLink https://stat.link/p328or

Research on drivers of early school leaving points to a combination of pull and push factors. Pull factors, such as the need to earn an income or take care of family, tend to vary substantially across countries and mostly affect students from a low socio-economic status. Research conducted in the United States indicates that when boys and girls are asked about reasons for leaving school early, boys are more likely to report leaving schools because they wanted to get a job, while girls are more likely to be pulled out because of early pregnancy or other family obligations (Doll, Eslami and Walters, 2013[6]). Push-factors, such as dissatisfaction with school, lack of motivation and engagement, are also important drivers of early school leaving. During the school years, boys more frequently engage in behaviours that demonstrate a low sense of identification with school than girls. Lack of engagement and identification tends to persist across grades, and can, in the long run, lead to dropping out of education altogether (Finn and Zimmer, 2012[7]). According to data from OECD PISA 2018, on average across OECD countries, 51% of boys and 44% of girls reported arriving late for school at least once in the two weeks prior to when the OECD PISA test took place. Gender differences in lateness are particularly marked (above 12 percentage points) in Finland, Iceland and Lithuania. Similar gender differences are observed also in truancy: on average across OECD countries, 23% of boys and 20% of girls reported skipping a whole day of schooling in the weeks preceding the OECD PISA test (OECD, 2019[8]). Gender differences in the identification with school arise early. For example, boys in primary school are consistently more likely than girls to report disagreeing or strongly disagreeing that they like being in school, are less likely to agree or strongly agree that trying hard at school is important and are more likely to agree or strongly agree that school has been a waste of time (Borgonovi, Ferrara and Maghnouj, 2018[9]).

Boys put in less effort than girls in academic work

Expectancy value theory (Eccles and Wigfield, 2002[10]) argues that the level of a student's motivation and engagement in an activity is a function of the value he or she attributes to the activity and of the performance he or she expects to have. Therefore, students who enjoy working on school assignments and perceive them as useful find more value in schooling and thus invest themselves more. At the same time, students generally do not spend much effort in an academic activity when they expect they will fail. Students' beliefs about their own ability are, at least in part, shaped by their history of success or failure at school, and by the interactions they have with teachers and peers. Engagement and achievement at school are tied by a mutually reinforcing relationship, in that low achievement may lead to increasing disengagement and vice versa, up to the point of driving decisions to leave school.

Data from OECD PISA 2018 shed light on gender differences in engagement with academic work through information collected with dedicated questionnaires as well as participants' response behaviour during the OECD PISA test and questionnaire. Measures that are derived from what the students report about themselves in the questionnaires (i.e. self-reported measures) include work mastery and the effort thermometer. "Work mastery" reflects the desire to work hard to master tasks and is assessed by asking students if statements such as "I find satisfaction in working as hard as I can", "Once I start a task, I persist until it is finished" and "Part of the enjoyment I get from doing things is when I improve on my past performance" reflect their typical behaviour (OECD, 2019[8]). Girls report having higher work mastery than boys across all OECD countries, with the exception of Hungary, Iceland, the Netherlands, Korea and Sweden. At the end of the OECD PISA test, students are also asked how much effort they put in answering the questions correctly. This "Effort thermometer" shows results that are consistent with the more general reports on work mastery: in all OECD countries, with the exceptions of Korea and Slovenia, girls reported having invested more effort in the OECD PISA test than boys did. The gender gap in self-reported effort on the PISA test is particularly marked in Germany and in Portugal.

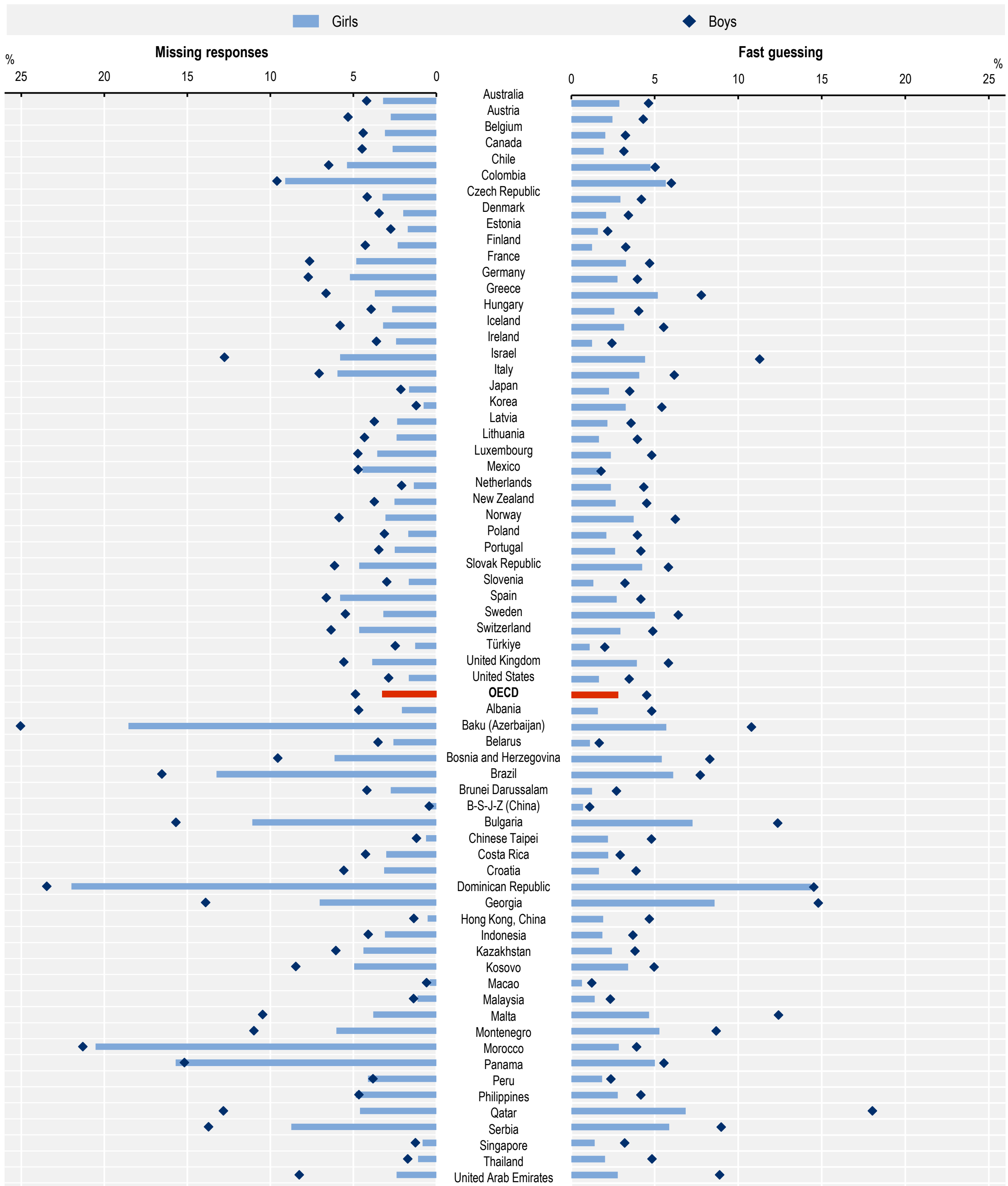
These self-reported data on engagement should be interpreted with some caution. Some students might report that they put effort because they believe this is what they are expected to say in a questionnaire. Other students might instead wish to present themselves as disengaged because caring too much about school work is not considered to be "cool" by their peer group (Jamison, Wilson and Ryan, 2015[11]). Data on how students engage with questions in a low-stakes setting can yield insights on how boys and girls engage in and approach academic work. OECD PISA has low-stakes for participating students: it does not affect their school grades, and students' results are not communicated to the schools or to parents. Students who do not put effort in OECD PISA are likely to also disengage with similar academic work in their regular classes, whenever stakes are also low.

Another set of measures are obtained by observing and coding students' behaviour on the test and on the questionnaire (i.e. behavioural measures). Two measures of effortful behaviour in OECD PISA are the share of missing responses in the questionnaires and the percentage of test items on which students spent less than five seconds before providing an answer (most likely trying to guess the response). Students who quickly scroll through the pages of the questionnaires without answering, or who randomly tick a box in a multiple-choice item without reading the prompt, reveal that it is not worthy for them to spend effort on the OECD PISA test and questionnaire.

Figure 10.2 shows that boys were more likely than girls to leave questionnaire items blank, as well as to engage in rapid-guessing on the test, across the overall majority of the countries participating in the computer-based version of OECD PISA in 2018. For example, in Israel, boys left almost 13% of the questionnaire items unanswered, while this was only around 6% for girls; boys also fast guessed 11% of the reading items, while girls only 4%. On average, across OECD countries, 5% of boys and 3% of girls left questions unanswered and similar percentages engaged in fast guessing behaviour.

Figure 10.2. Boys were more likely than girls to leave questionnaire items blank and to engage in rapid-guessing on the OECD PISA 2018 test

Percentage of missing responses (PISA questionnaire) and of fast-guessed reading items (OECD PISA test), by gender and country, 2018



Note: The graph only features countries that administered the computer-based version of the PISA test, so as to avoid mode-effect on the selected measures of (dis)engagement. Estimates for fast-guessing are based on reading items only.
Source: Graph elaborated on the basis of data from OECD PISA 2018.

StatLink https://stat.link/awjio4

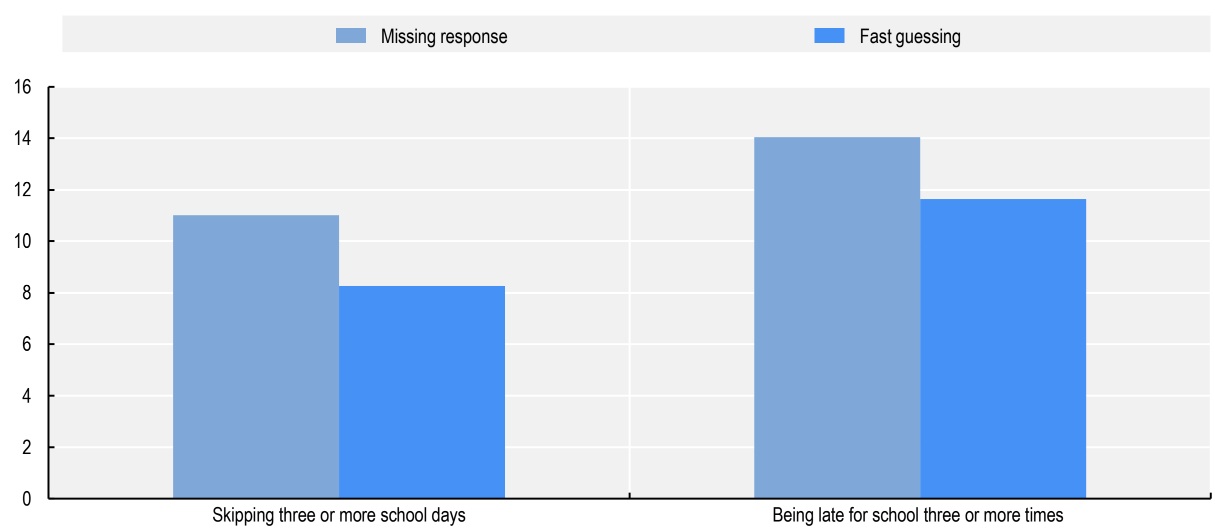
Lower engagement predicts truancy and educational attainment

Low effort on school assignments leads to low grades and insufficient mastery of essential knowledge and skills. Indeed, there is a strong relationship between disengaged behaviour (leaving questions blank, or fast-guessing) and performance on the OECD PISA test. Data from PISA 2018 suggest that, on average across OECD countries, the more questions are skipped and left blank when students complete the OECD PISA background questionnaire, the lower they score in the OECD PISA reading test. Performance in OECD PISA is also strongly related to the other measures of test engagement – for example, students who are more likely to engage in fast guessing of reading questions in the OECD PISA test perform less well than their more engaged peers (Buchholz, Cignetti and Piacentini, 2022[12]). A significant percentage of the gender gap in reading performance between boys and girls can thus be explained by gender differences in the effort they put in the OECD PISA session.

Does effort on assignment also predict the likelihood of students to disengage from school, starting from missing classes during compulsory grades and then leaving school when they can? Evidence from OECD PISA 2018 (Figure 10.3) suggests that students who skip more items in the questionnaires and engage in more fast guessing on the test were more likely to frequently skip three or more school days in the two weeks prior to sitting the PISA test. Similarly, they were also more likely to be frequently late for class (three or more times).

Figure 10.3. Engagement, truancy and lateness

Percentage point increase



Notes: The bars show the percentage point change in reporting skipping school or being late three or more times in the two weeks prior to PISA associated to a standard deviation change in missing responses in the PISA 2018 questionnaire, and fast guessing in the PISA 2018 reading test, on average across OECD countries. Controls include grade, age, gender, performance in the three core domains, whether the student speaks the same language as the test at home or not, socio-economic status and migrant status of the students.
Source: Graphs elaborated on the basis of OECD PISA 2018 data.

StatLink https://stat.link/dqb4sh

Nurturing students' capacity to invest and sustain effort in academic tasks at school can impact what these students will be able to achieve as adults. Follow-ups of participants in the 2000 and 2003 OECD PISA surveys ten years later from Australia, Denmark and Switzerland show that students who exerted more effort in the PISA test were more likely to complete higher education. One-standard deviation difference in performance decline was associated with a 5-6 percentage point difference in the probability of obtaining tertiary-level qualifications among students of equal achievement potential and similar background characteristics (Borgonovi, Ferrara and Piacentini, 2021[13]). Measures of sustained effort in extended performance tasks such PISA can thus capture motivational traits and socio-emotional skills that matter also outside the context of a test and influence students' life outcomes.

Comprehensive strategies are needed to raise boys' engagement at school

A large number of young people, and boys in particular, find it hard to put effort in completing academic tasks. Low engagement with school work leads to low academic achievement and can predict early drop outs, resulting in a waste of talent that hampers economic and social innovation. Yet, most academic and policy work examining gender gaps in education still focuses on the under-representation of girls and women in Science, Technology, Engineering and Mathematics (STEM) (Chapter 9). Just as girls' lack of mathematics self-efficacy and their interest in mathematics activities in school is examined because it is thought to influence later educational and career choice, so boys' lack of engagement with school should be considered as the first early sign in a process leading to early school leaving.

Engagement with school work is malleable and can be stimulated with appropriate education interventions. There are multiple sources of disengagement, and this means that effective strategies need to be multi-layered and involve different actors.

Many students indicate that what they do in class is too disconnected from their reality and not useful for them. They easily get bored with lectures and assignments. Boredom is an important motivational driver. It corresponds to the aversive feeling of wanting but being unable to engage in a satisfying activity (Eastwood et al., 2012, p. 483[14]). When identified early, boredom can alert students and teachers to adapt teaching and learning to ensure that school classes become engaging and satisfying. However, if unaddressed, the prolonged experience of boredom can lead to disengagement with school and learning.

Data from nine countries in which students completed the OECD PISA Well-being questionnaires in 2018 (Bulgaria, Georgia, Hong Kong (China), Ireland, Mexico, Panama, Serbia, Spain and the United Arab Emirates) suggest that, on average, boys report getting more bored in language of instruction classes than girls, while no gender differences in boredom emerge in mathematics classes. On average across those nine countries, around 31% of boys and 30% of girls reported feeling either "Quite a bit bored" or "Extremely bored" during mathematics classes; as for language-of-instruction classes, around 29% for boys and 25% of girls report feeling quite or extremely bored. Research in learning sciences suggests that teachers can address boredom by anticipating for differences in interest and preparation, making the real-life relevance of the tasks more apparent and triggering engagement through novelty or challenge (Järvelä and Renninger K. Ann, 2014[15]). Students should also be provided with tasks that allow for autonomy and make them active participants in the process of knowledge-building (Skinner and Pitzer, 2012[16]). Education technology also has the potential to promote engagement by providing opportunities for exploration, interaction and autonomy. However, many of the current software used in school fall short of providing opportunities for deep and constructive learning, and only add game-like gimmicks to traditional learning activities (D'Mello, 2021[17]).

Some students become disengaged early-on in their school life because of negative feedbacks on their performance. When presented with a demanding task, these students expect they will fail and thus disengage. Teachers can address this problem by providing feedback that emphasises progress rather than incorrect responses, thus making it clear to students that mistakes are a natural part of the learning process (Skinner and Pitzer, 2012[16]). Another measure to reduce feelings of repeated failure consists in providing more personalised instruction and including scaffolds, so that assignments have different "entry points" to students with different abilities.

Socialisation problems at schools can also trigger academic disengagement. Students have to feel personally accepted, respected, included, and supported by others in the school social environment in order to engage with the learning content (Goodenow and Grady, 1993[18]; OECD, 2017[19]). Evidence from PISA 2018 shows that students were more likely to have skipped a whole day of school at least once in the two weeks prior to the PISA test the more frequently they had been bullied (OECD, 2019[8]). Boys were more likely to report being bullied than girls. Children's engagement in learning activities is also influenced by their perceptions of teachers and by teachers' capacity to achieve the right balance between support and autonomy (Jang, Reeve and Deci, 2010[20]). Boys often report lower support from their teacher than girls (Lietaert et al., 2015[21]).

The gender gap in engagement presented in this chapter might also reflect different perceptions of teachers about boys as opposed to girls. Teachers often see the ideal student as "female" due to the perception that girls are more compliant, willing to please and better organised than boys (Younger et al., 2005[22]). More critical reflection on gender differences in education and raising teachers' awareness concerning gender stereotypes could enhance boys' engagement at school (Lietaert et al., 2015[21]).

Key policy messages

- Education systems should tackle issues of disengagement and lack of motivation early on and devote adequate attention and resources to the issue. Promoting engagement and motivation in school requires a profound rethinking of education policies and interventions encompassing classroom level teaching and learning practices adopted by teachers, school level policies as well system level policies.
- Decisions to drop-out early from schools are related to how students engage with academic work. It is possible to detect at-risk students early on by collecting data on the level of effort students put on school assignments.
- The disengagement of boys can be addressed through multiple levers. Academic tasks can be made more engaging and more connected to students' life, for example through the use of education technologies which generally spark boys' interest and motivation. There is also a need for more personalised and targeted support to students who struggle and lose confidence. Moreover, training programmes can teach educators how to address socialisation problems and avoid stereotypical judgements of differences between boys and girls.

References

Borgonovi, F., A. Ferrara and S. Maghnouj (2018), "The gender gap in educational outcomes in Norway", *OECD Education Working Papers*, No. 183, OECD Publishing, Paris, https://doi.org/10.1787/f8ef1489-en. [9]

Borgonovi, F., A. Ferrara and M. Piacentini (2021), "Performance decline in a low-stakes test at age 15 and educational attainment at age 25: Cross-country longitudinal evidence", *Journal of Adolescence*, Vol. 92, pp. 114-125, https://doi.org/10.1016/j.adolescence.2021.08.011. [13]

Brunello, G. and M. Paola (2014), "The costs of early school leaving in Europe", *IZA Journal of Labor Policy*, Vol. 3/1, https://doi.org/10.1186/2193-9004-3-22. [1]

Buchholz, J., M. Cignetti and M. Piacentini (2022), “Developing measures of engagement in PISA”*, OECD Education Working Papers*, No. 279, OECD Publishing, Paris, https://doi.org/10.1787/2d9a73ca-en. [12]

D’Mello, S. (2021), “Improving student engagement in and with digital learning technologies”, in *OECD Digital Education Outlook 2021: Pushing the Frontiers with Artificial Intelligence, Blockchain and Robots*, OECD Publishing, Paris, https://doi.org/10.1787/8a451974-en. [17]

Doll, J., Z. Eslami and L. Walters (2013), “Understanding why students drop out of high school, According to their own reports: Are they pushed or pulled, Or do they fall out? a comparative analysis of seven nationally representative studies”, *SAGE Open*, Vol. 3/4, https://doi.org/10.1177/2158244013503834. [6]

Eastwood, J. et al. (2012), “The Unengaged Mind: Defining Boredom in Terms of Attention”, *Perspectives on Psychological Science*, Vol. 7/5, pp. 482-495, https://doi.org/10.1177/1745691612456044. [14]

Eccles, J. and A. Wigfield (2002), “Motivational beliefs, values, and goals”, *Annual Review of Psychology*, Vol. 53, pp. 109-132, https://doi.org/10.1146/annurev.psych.53.100901.135153. [10]

Finn, J. and K. Zimmer (2012), “Student engagement: What is it? Why does it matter?”, in *Handbook of Research on Student Engagement*, Springer US, https://doi.org/10.1007/978-1-4614-2018-7_5. [7]

Goodenow, C. and K. Grady (1993), “The relationship of school belonging and friends” values to academic motivation among urban adolescent students”, *Journal of Experimental Education*, Vol. 62/1, pp. 60-71, https://doi.org/10.1080/00220973.1993.9943831. [18]

Jamison, R., T. Wilson and A. Ryan (2015), “Too cool for school? The relationship between coolness and academic reputation in early adolescence”, *Social Development*, Vol. 24/2, pp. 384-403, https://doi.org/10.1111/sode.12097. [11]

Jang, H., J. Reeve and E. Deci (2010), “Engaging Students in Learning Activities: It is Not Autonomy Support or Structure but Autonomy Support and Structure”, *Journal of Educational Psychology*, Vol. 102/3, pp. 588-600, https://doi.org/10.1037/a0019682. [20]

Järvelä, S. and Renninger K. Ann (2014), “Designing For Learning: Interest, Motivation, And Engagement”, in Sawyer, R. (ed.), *Cambridge Handbook Of The Learning Sciences*, Cambridge University Press. [15]

Lietaert, S. et al. (2015), “The gender gap in student engagement: The role of teachers’ autonomy support, structure, and involvement”, *British Journal of Educational Psychology*, Vol. 85/4, pp. 498-518, https://doi.org/10.1111/bjep.12095. [21]

OECD (2022), “Source, methodology and technical notes”*, Education at a Glance 2022: OECD Indicators*, OECD, Paris, https://www.oecd.org/education/EAG2022_X3.pdf. [5]

OECD (2021), *Education at a Glance 2021: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/b35a14e5-en. [4]

OECD (2019), *PISA 2018 Results (Volume III): What School Life Means for Students’ Lives*, OECD Publishing, Paris, https://doi.org/10.1787/acd78851-en. [8]

OECD (2017), *PISA 2015 Results (Volume III): Students' Well-Being*, OECD Publishing, Paris, https://doi.org/10.1787/9789264273856-en. [19]

OECD (2016), *Society at a Glance 2016: OECD Social Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/9789264261488-en. [2]

Oreopoulos, P. (2007), "Do dropouts drop out too soon? Wealth, health and happiness from compulsory schooling", *Journal of Public Economics*, Vol. 91/11-12, pp. 2213-2229, https://doi.org/10.1016/j.jpubeco.2007.02.002. [3]

Skinner, E. and J. Pitzer (2012), "Developmental dynamics of student engagement, coping, and everyday resilience", in *Handbook of Research on Student Engagement*, Springer US, https://doi.org/10.1007/978-1-4614-2018-7_2. [16]

Younger, M. et al. (2005), *Raising boys' achievement*, Department for Education and Skills, United Kingdom, https://dera.ioe.ac.uk/5400/1/RR636.pdf. [22]

11 Gender gaps in Vocational Education and Training (VET) and adult learning

Francesca Borgonovi, Glenda Quintini and Marieke Vandeweyer

This chapter starts with an analysis of gender gaps in VET, focusing on gender differences in terms of participation in VET and field-of-study choice. It also provides examples of interventions to encourage all students to pursue studies in the field that interests them. It then focuses on gender differences in VET students' participation in apprenticeship training. The chapter then analyses gender differences in adult learning participation and presents policies approaches to support adult learning.

Key findings

- Gender differences prevail in terms of participation in VET and field-of-study choice. The share of women learners (typically 16 to 18 years of age) is significantly higher in upper secondary general programmes than in vocational programmes.
- Women learners are less likely to pursue technical and engineering VET programmes but more likely to participate in business and administration; and health and welfare programmes than male learners are. They are also less likely to participate in apprenticeship programmes – which in many countries continue to be mostly provided in male-dominated fields of study, which often lead to higher rates of employment.
- Women are less likely to participate in adult education and training among the low-qualified.

Gender gaps in VET persist

VET embraces education, training and skills development in a wide range of occupational fields. VET programmes can include work-based components or be completely school-based, and they typically lead to qualifications that are relevant in the labour market (OECD, 2020[1]). Effective VET systems have a strong connection to the world of work, involving social partners in the design and delivery of VET to ensure that students are equipped with relevant skills and employers find the skills they need. They enhance student engagement in education, resulting in lower school dropout, and facilitate school-to-work transitions.

VET plays a prominent role in education systems in OECD countries. In 2020, on average across OECD countries, 37% of those graduating from upper secondary education for the first-time obtained a vocational qualification, ranging from 5% in Canada to 74% in Austria (OECD, 2022[2]). Short-cycle tertiary education programmes, which are typically vocational in nature and are often two years full-time (e.g. associate degrees in Belgium and the Netherlands, business academy programmes in Denmark, higher technician qualifications in Spain, and higher national diplomas in the United Kingdom), account for 17% of first-time entrants into tertiary education across OECD countries (OECD, 2022[3]).

Young adults with an upper-secondary vocational qualification generally have better labour market outcomes than those with a general qualification at the same level (Vandeweyer and Verhagen, 2020[4]; OECD, 2021[5]). However, this average masks large differences between countries and between VET programmes within countries. Not all fields of study provide the same labour market prospects and not all VET programmes have the same exposure to work-based learning that contributes to smooth school-to-work transitions.

Gender differences prevail in terms of participation in VET and field-of-study choice. The share of women learners tends to be significantly higher in upper secondary general programmes than in vocational programmes. On average across OECD countries, women make up 55% of upper secondary graduates from general programmes, compared to 45% for vocational programmes. Women are under-represented in vocational programmes in almost three-quarters of the OECD countries with available data (OECD, 2022[2]). However, the opposite holds in programmes at the post-secondary non-tertiary level and the short-cycle tertiary level (OECD, 2022[2]).

Two reasons explain the under-representation of women in upper secondary vocational education but not in post-secondary education. First, women have a higher completion rate for upper secondary vocational education than men and therefore are more likely to continue their studies in post-secondary education. Second, the prevalence of fields of study is often different at the short-cycle tertiary level than at the upper secondary level. Men are more likely than women to enter short-cycle tertiary programmes in countries where Science, Technology, Engineering and Mathematics (STEM) fields are more prevalent at this level. In contrast, where health and education fields are more prevalent, then the share of women increases (OECD, 2020[6]).

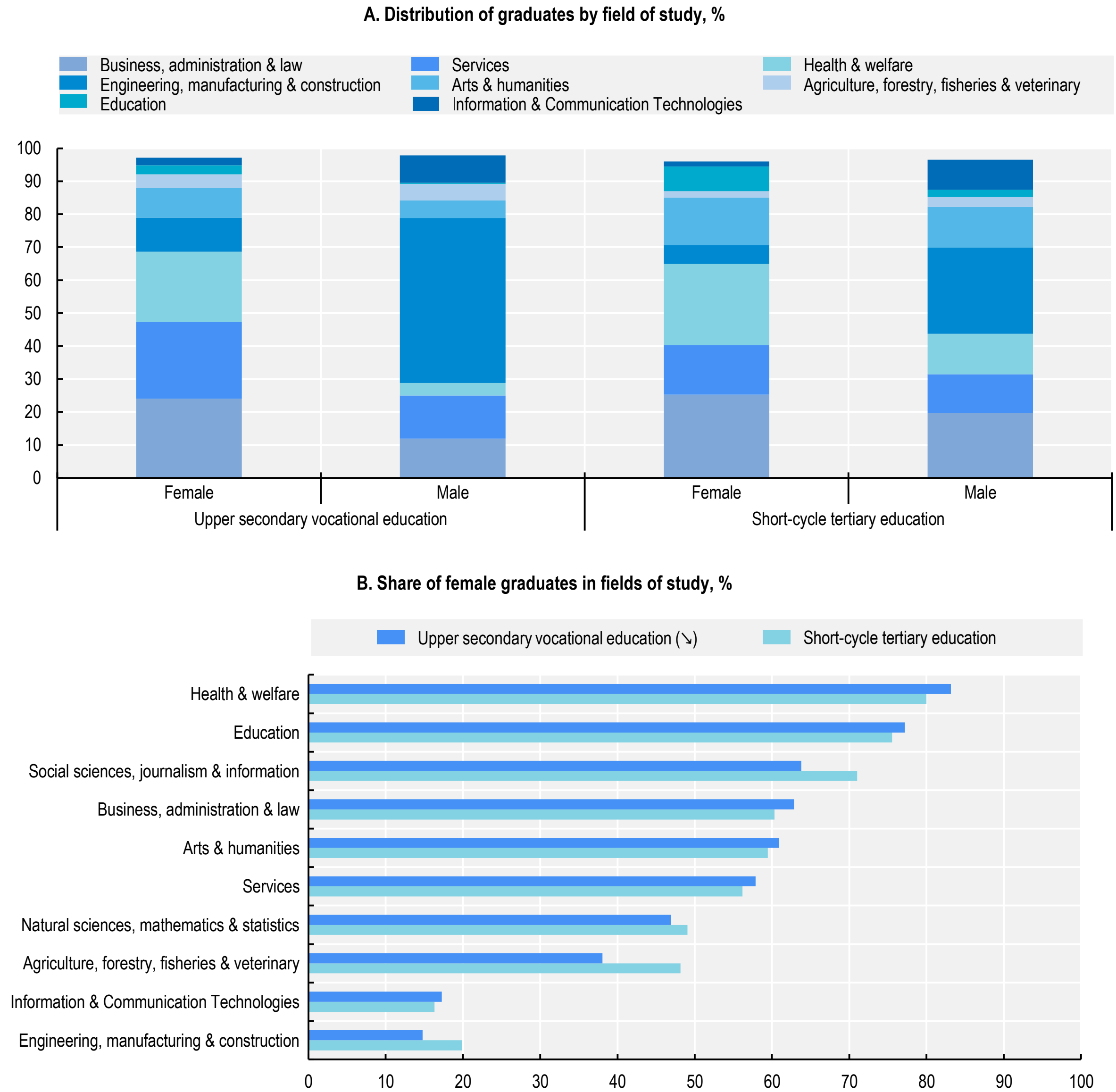
In line with what Chapter 9 showed, gender differences in field-of-study choice in VET are large. Engineering, manufacturing and construction is the most popular field of study among male upper-secondary VET students, but it is much less popular among female students: 50% of male upper-secondary VET graduates come from this field, compared to only 10% of female graduates (Figure 11.1, Panel A). The largest fields of study for women learners are business, administration and law; services; and health and welfare, which jointly account for over two-thirds of female upper-secondary VET graduates – compared to only 30% of their male counterparts. Women learners are heavily underrepresented not only in the field of engineering, manufacturing and construction (where they account for only 15% of upper-secondary VET graduates), but also in information and communication technologies (ICT) fields (17%) (Figure 11.1, Panel B). By contrast, they are strongly overrepresented in the education field (accounting for 77% of upper-secondary graduates) in addition to the health and welfare field (83%). Similar gender differences are found at the short-cycle tertiary education level.

Gender differences in field of study translate into different occupational employment patterns among young adults with a VET qualification. While crafts and related-trades occupations employ on average around one-third of young men with non-tertiary VET qualifications, these occupations only account for 4% of employment of their female counterparts. Sales and service jobs are the most important occupations for young women with a VET qualification, accounting for 44% of employment, compared to only 15% among men. Employment in high-skill occupations is slightly more common for young female than for male adults with a VET qualification (22% versus 19%) (OECD, 2020[1]).

Encouraging all students to pursue studies in the field that interests them and in which they can fully express their potential may result in better labour market and social outcomes. Gender stereotyping can deter both girls and boys from pursuing specific careers, especially so in traditional VET occupations, such as manufacturing (Makarova, Aeschlimann and Herzog, 2019[7]). Schools can help students cultivate a wider perspective on different career options, including in traditional VET fields, through better career information and regular career talks and workplace visits. Stereotypes preventing girls to progress in the same fields as boys (and vice versa) can be countered by improved information and career guidance interventions. Providing career guidance at an early stage can help prevent the emergence of stereotypical perceptions of specific educational and career paths (Howard et al., 2015[8]). Evidence from England (United Kingdom) shows that even primary school-aged pupils are already forming ideas about their future careers, and are coming to see some subjects and career paths as not suitable for them (Archer, DeWitt and Wong, 2014[9]).

As relevant examples, Denmark celebrates girls' day for students from 5th grade by providing information about occupations where women are underrepresented, promoting STEM professions, and offering multiple interactive activities where companies and organisations actively participate. Similarly, in Germany, secondary students celebrate Boy's Days which are aimed at attracting young males into the types of jobs where their gender is underrepresented, such as kindergarten teacher, nurse and florist. Having "role models" can also encourage students to pursue areas that they might otherwise not consider (Hughes et al., 2016[10]; Musset and Mytna Kurekova, 2018[11]). As such, engaging employers of different sizes and sectors, including successful young entrepreneurs, in career guidance programmes will be useful for students. Nonetheless, career guidance interventions have to be designed carefully to be effective, especially when they involve work placements, because if not well designed, they can exacerbate rather than challenge students' gender stereotypical trajectories (Osgood, Francis and Archer, 2006[12]).

Figure 11.1. Gender differences in field-of-study choices in VET are substantial



Note: OECD average based on data from latest available year. Upper secondary vocational education refers to programmes at ISCED Level 3 that are designed for learners to acquire the knowledge, skills and competencies specific to a particular occupation, trade, or class of occupations or trades. Short-cycle tertiary education includes all programmes at ISCED Level 5, irrespective of their orientation – in recognition that the vast majority of programmes at this level are professional at least in some sense (with the exception of the United States where associate degrees include a mix: around 40% of associate degrees are conferred in the field of liberal arts and sciences, general studies and humanities, while the remaining 60% are within applied fields), see OECD (2022[3]) for more details. The fields of "Natural sciences, mathematics and statistics" and "Social sciences, journalism and information" are excluded in Panel A as they represent a very small share of graduates among both genders.
Source: OECD (2022[2]), *OECD Education at a Glance database*, https://doi.org/10.1787/3197152b-en.

StatLink https://stat.link/2vt7ag

Female VET students participate less in apprenticeship training

Gender differences in field-of-study choice shape the opportunities men and women have to benefit from high quality work-based learning opportunities. In many countries, apprenticeships are most common in manufacturing, construction and engineering, fields in which women are under-represented. As a result, women seeking a vocational qualification mostly pursue school-based programmes and do not benefit from the advantages of apprenticeship schemes (OECD, 2018[13]). According to data from the 2016 European Labour Force Survey (EU-LFS) ad-hoc module, young men with an upper-secondary or post-secondary non-tertiary VET qualification as their highest education level are more likely to have been an apprentice (defined by the EU-LSF as “paid working experience that is a mandatory part of the curriculum and lasts at least six months”) than young women with the same educational attainment. Likewise, the United States registered apprenticeship system mainly attracts male students, with only 13% of women learners among active apprentices in the 2021 financial year (US Department of Labor, 2022[14]). In Canada, 11.5% of apprenticeship programme registrations in 2020 were women learners (Statistics Canada, 2022[15]). Women learners accounted for 28% of all apprentices and trainees in Australia in June 2021 (NCVER, 2022[16]).

Work-based learning allows students to acquire practical skills on up-to-date equipment and under the supervision of trainers who are familiar with the most recent working methods and technologies. According to EU-LFS data, a lack of work experience while studying is associated with lower employment rates later in life: 25-34 year-olds with vocational upper secondary or post-secondary non-tertiary attainment who did not gain any work experience during their studies have lower employment rates than those who had some form of work experience in about half of countries, and often by a large margin. Apprenticeships are especially beneficial in this respect: in about half of the countries with available data, the employment rate for 25-34 year-olds who completed an apprenticeship is higher than the rate for those who did a mandatory traineeship, worked outside the curriculum, or did not gain any work experience. For example, in Spain, the employment rate for adults who did an apprenticeship is 14 percentage points higher than the rate for those who had work experience outside the curriculum, and 28 percentage points higher than the rate for those who did not have any work experience while studying (OECD, 2020[6]). While these data may suggest that work experience as part of a vocational qualification is valued on the labour market, they will also reflect to some extent differences in employment chances and prevalence of work-based learning by field of study and unobserved personal characteristics such as motivation and the existence of a professional network. Analysis from France that controls for programme and (observed) personal characteristics shows that graduates who pursued an apprenticeship pathway in upper-secondary or post-secondary VET were more likely to be employed in a job relevant to their qualification and were more often employed by the company where they pursued their training than those who pursued the mainly school-based option (that typically involves a short internship) (Couppié and Gasquet, 2021[17]).

Apprenticeships were traditionally rooted in skilled trade and craft occupations in many countries. However, international experience shows that it is possible to expand the approach well beyond these fields and thus extend the benefits of apprenticeships to a more diverse group of learners. Countries that make extensive use of apprenticeships have successfully diversified their coverage. In Germany, for example, the most popular apprenticeship occupations are in the management and retail sector (BIBB, 2021[18]). In Switzerland, upper secondary level apprenticeships are offered in a diverse range of occupations, having diversified beyond fields traditionally targeted by VET (like construction and manufacturing), into all economic sectors. For example, programmes are available in commercial areas (e.g. salesperson, office assistant), healthcare (e.g. medical assistant), culture and media (e.g. interactive media designer), transport and logistics (e.g. logistician), and ICT (e.g. information technologist).

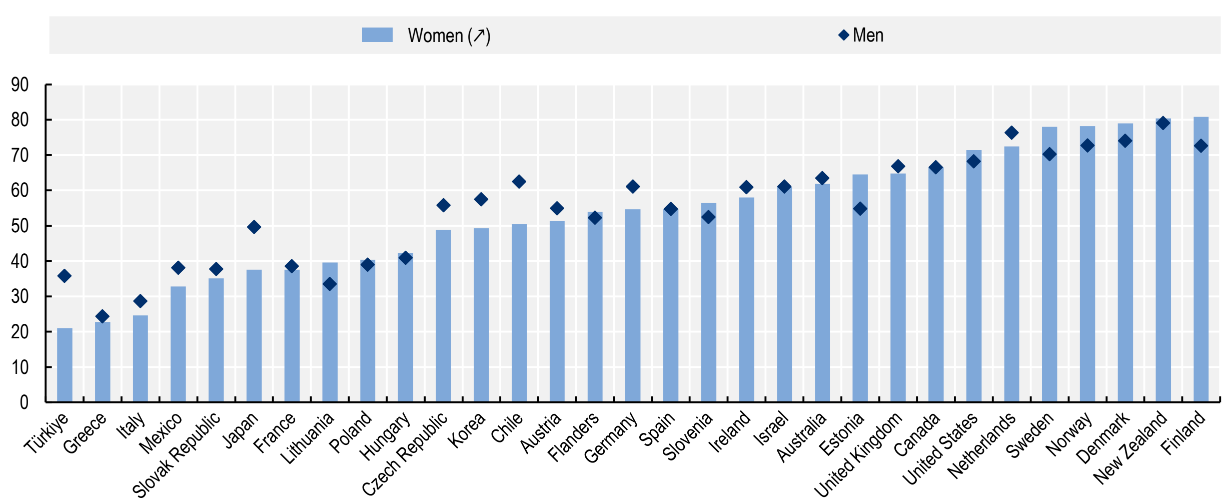
Some countries provide financial incentives to apprentices from the underrepresented gender or to employers taking on these apprentices. In Ireland, for example, employers who recruit female craft apprentices are eligible for a bursary per female apprentice registered. This bursary has recently been expanded to all programmes with greater than 80% representation of a single gender. There are currently 41 apprenticeship programmes that are predominately male, and only one apprenticeship predominately female (i.e. hairdressing) (Government of Ireland, 2022[19]). In Canada, the Apprenticeship Incentive Grant for Women helps female apprentices pay for expenses while they train as an apprentice in a designated trade sector where women are underrepresented.

Gender differences in adult learning participation are large in several countries

Participating in adult education and training has high benefits in terms of wages and employability, particularly in a context of rapidly changing skill needs. While wages and training participation are positively correlated for all workers, women who participate in job-related non-formal training earn higher wages than their male counterparts (Fialho, Quintini and Vandeweyer, 2019[20]). The gap in participation in adult learning by gender is small on average across OECD countries (OECD, 2019[21]), see Figure 11.2. Among all adults, women are 1 percentage point less likely to participate in training than men. However, this figure hides significant country variation in the size and direction of the gender gap. Women are less likely to participate in adult training than men in Chile, Japan and Türkiye, where the gap exceeds 10 percentage points. However, in Estonia, Finland, Sweden and Lithuania, women are more likely to participate in adult education and training than men.

Figure 11.2. There is significant country variation in the size and direction of the gender gap in participation in adult learning

Percentage of adults who participated in formal or non-formal adult learning, by gender



Note: Data for Mexico and Hungary refer to 2017; data for Israel, Lithuania, New Zealand, Slovenia and Türkiye refer to 2015; data for all other countries refer to 2012.
Source: OECD Survey of Adult Skills (PIAAC, 2012, 2015, 2017).

StatLink https://stat.link/dgqx2h

Women are less likely to participate in adult education and training among the low-qualified – defined as individuals who did not obtain an upper-secondary qualification. In the vast majority of countries, low-qualified men train more than their female counterparts do and by a significant margin. In the Czech Republic, the gender gap among the low-qualified is 32 percentage points, in Israel it is 25 percentage points and in Germany 22 percentage points. Only in very few countries, low-qualified women train more than men and the differences is generally small, not exceeding 4 percentage points.

According to data from the OECD Survey of Adult Skills, women are more likely to cite family responsibility and cost as barriers to participation in adult education and training. Making courses shorter, opening up the possibility of online provision and covering the indirect cost of training can contribute to lower the barriers related to time and resource constraints and encourage more women to participate in training, particularly among those with lower education and wages.

Micro-credentials are short, bite-sized courses, possibly held online, that provide credentials that can be cumulated to achieve a qualification and that are recognised across training providers (OECD, 2021[22]). Modular approaches can provide adult learners with greater flexibility on their learning path and can be combined with processes for the recognition of prior learning. They allow adult learners to focus on developing the skills they currently lack, complete self-contained learning modules on these skills and combine these modules to eventually gain a full (formal) qualification. On the demand side, micro-credentials also guarantee more flexibility in a context of rapidly changing skill needs, particularly when issued by training providers outside the main education system whose curricula can be adapted more easily and promptly to the needs of the labour market.

The provision of short modular courses can broaden access to formal qualifications, in particular for disadvantaged groups (Kis and Windisch, 2018[23]). The Danish adult learning system in particular allows learners a high degree of flexibility. Much of the training provision enables learners to tailor their education and training programme based on their individual needs by combining learning modules from different kinds of provision and across different subjects (Desjardins, 2017[24]). For example, individuals working towards a vocational qualification in Labour Market Training Centres (*Arbejdsmarkedsuddannelse*) can choose from a wide range of vocational training courses but also tap into subjects provided by the general education system. In Mexico, participants in the Model for Life and Work programme (*Modelo Educación para la Vida y el Trabajo*, MEVyT), which provides learning opportunities for youth and adults to catch up on primary and secondary education, can combine different modules that cover a variety of topics. Some of these modules are delivered on an online platform.

Policies also aim to support adult learning by covering the indirect cost of training, also related to childcare. The Adult Upgrading Grant in British Columbia (Canada) covers additional costs of participating in educational and training programmes, including unsubsidised childcare. In Ireland, under the Childcare Employment and Training Support (CETS) scheme, adult learners can qualify for a subsidised childcare place. CETS can provide full-time, part-time or after-school childcare places. Similar subsidies are available in the United Kingdom for adults in further education. In Austria, the public employment service covers the costs of training and education courses and course-related costs (e.g. learning materials, specific clothing, accommodation and a family allowance) for job-seekers and employees on low-incomes (*Beihilfe zu den Kurskosten/Kursnebenkosten*). Allowances for childcare are also common in training targeting lone parents that is provided by the public employment service.

Key policy messages

- Young learners should have access to high-quality career information and regular career talks and workplace visits that tackle stereotypical perceptions of VET programmes and their related career paths. Such career guidance activities should start at an early age and ideally involve employers from different sectors and sizes.
- The use of apprenticeships and similar types of work-based learning opportunities should be extended to a broader set of fields of study, so that a more diverse group of VET learners – including women learners – can reap the benefits of this type of training. Moreover, employers who train apprentices should be encouraged to take on apprentices from the underrepresented gender.
- Adult education and training opportunities should be organised in a modular structure with opportunities for the recognition of prior learning to make them more accessible to women learners. Micro-credentials should be developed and linked to national qualifications frameworks. Careful consideration needs to be given to the quality and relevance of the modules and credentials.

References

Archer, L., J. DeWitt and B. Wong (2014), "Spheres of influence: what shapes young people's aspirations at age 12/13 and what are the implications for education policy?", *Journal of Education Policy*, Vol. 29/1, pp. 58-85, https://doi.org/10.1080/02680939.2013.790079. [9]

BIBB (2021), *Hitliste der Berufe nach NAA*, https://www.bibb.de/dokumente/pdf/naa309/naa309_2021_tab067_0bund.pdf. [18]

Couppié, T. and C. Gasquet (2021), "Débuter en CDI: le plus des apprentis", *Céreq BREF*, Vol. 406, https://www.cereq.fr/sites/default/files/2021-04/Bref406_web.pdf. [17]

Desjardins, R. (2017), *Political Economy of Adult Learning Systems*, Bloomsbury Publishing Plc, https://doi.org/10.5040/9781474273671. [24]

Fialho, P., G. Quintini and M. Vandeweyer (2019), "Returns to different forms of job related training: Factoring in informal learning", *OECD Social, Employment and Migration Working Papers*, No. 231, OECD Publishing, Paris, https://doi.org/10.1787/b21807e9-en. [20]

Government of Ireland (2022), *Minister Harris announces new gender-based funding for apprenticeship employers*, https://www.gov.ie/en/press-release/2689f-minister-harris-announces-new-gender-based-funding-for-apprenticeship-employers/#. [19]

Howard, K. et al. (2015), "Perceived influences on the career choices of children and youth: an exploratory study", *International Journal for Educational and Vocational Guidance*, Vol. 15/2, pp. 99-111, https://doi.org/10.1007/s10775-015-9298-2. [8]

Hughes, D. et al. (2016), *Careers education : international literature review*, Education Endowment Foundation, https://www.educationandemployers.org/research/careers-education-international-literature-review/. [10]

Kis, V. and H. Windisch (2018), "Making skills transparent: Recognising vocational skills acquired through workbased learning", *OECD Education Working Papers*, No. 180, OECD Publishing, Paris, https://doi.org/10.1787/5830c400-en. [23]

Makarova, E., B. Aeschlimann and W. Herzog (2019), "The Gender Gap in STEM Fields: The Impact of the Gender Stereotype of Math and Science on Secondary Students' Career Aspirations", *Frontiers in Education*, Vol. 4, https://doi.org/10.3389/feduc.2019.00060. [7]

Musset, P. and L. Mytna Kurekova (2018), "Working it out: Career Guidance and Employer Engagement"*, OECD Education Working Papers*, No. 175, OECD Publishing, Paris, https://doi.org/10.1787/51c9d18d-en. [11]

NCVER (2022), *Apprentices and trainees 2021: June quarter*, https://www.ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2021-june-quarter. [16]

OECD (2022), *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/3197152b-en. [2]

OECD (2022), *Pathways to Professions: Understanding Higher Vocational and Professional Tertiary Education Systems*, OECD Reviews of Vocational Education and Training, OECD Publishing, Paris, https://doi.org/10.1787/a81152f4-en. [3]

OECD (2021), "Micro-credential innovations in higher education: Who, What and Why?"*, OECD Education Policy Perspectives*, No. 39, OECD Publishing, Paris, https://doi.org/10.1787/f14ef041-en. [22]

OECD (2021), *OECD Employment Outlook 2021: Navigating the COVID-19 Crisis and Recovery*, OECD Publishing, Paris, https://doi.org/10.1787/5a700c4b-en. [5]

OECD (2020), *Education at a Glance 2020: OECD Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/69096873-en. [6]

OECD (2020), *OECD Employment Outlook 2020: Worker Security and the COVID-19 Crisis*, OECD Publishing, Paris, https://doi.org/10.1787/1686c758-en. [1]

OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, Getting Skills Right, OECD Publishing, Paris, https://doi.org/10.1787/9789264311756-en. [21]

OECD (2018), *Seven Questions about Apprenticeships: Answers from International Experience*, OECD Reviews of Vocational Education and Training, OECD Publishing, Paris, https://doi.org/10.1787/9789264306486-en. [13]

Osgood, J., B. Francis and L. Archer (2006), "Gendered identities and work placement: why don't boys care?", *Journal of Education Policy*, Vol. 21/3, pp. 305-321, https://doi.org/10.1080/02680930600600424. [12]

Statistics Canada (2022), *Table 37-10-0023-01 Number of apprenticeship program registrations*, https://doi.org/10.25318/3710002301-eng. [15]

US Department of Labor (2022), *FY 2021 Data and Statistics - Registered Apprenticeship National Results Fiscal Year 2021*, https://www.dol.gov/agencies/eta/apprenticeship/about/statistics/2021. [14]

Vandeweyer, M. and A. Verhagen (2020), "The changing labour market for graduates from medium-level vocational education and training"*, OECD Social, Employment and Migration Working Papers*, No. 244, OECD Publishing, Paris, https://doi.org/10.1787/503bcecb-en. [4]

12 Gender differences in financial literacy and resilience

Chiara Monticone

This chapter provides an analysis of gender differences in financial literacy and resilience, mainly using results from the OECD/INFE 2020 International Survey of Adult Financial Literacy. It then focuses on financial education interventions as a key tool to address such gaps. The chapter provides examples of such interventions, from programmes addressing women at large to interventions targeting specific groups, such as financially vulnerable, younger, older or working women. After an overview of policy examples, the chapter concludes with some policy considerations.

Key findings

- Gender differences in financial knowledge and financial resilience persist. Women were already at greater risk of financial vulnerability than men and recent crises – the COVID-19 pandemic and the cost-of-living crisis spurred by rapidly rising energy and food prices – threaten to further challenge their financial well-being.
- Financial education is one of the relevant approaches to close gender gaps in financial literacy and resilience. In recent years, many governments and other stakeholders have targeted their financial education policies at women or have offered financial education initiatives addressing women's needs. Some programmes address women at large, but most programmes address the financial literacy needs of specific subgroups of women, such as financially vulnerable, younger, older, or working women. Evidence on their effectiveness is still limited.
- Despite progress in these financial education initiatives, challenges remain, including difficulties to reach women; women's lower self-confidence in their financial skills than men; persisting gender stereotypes and social norms; and women's limited time availability given their family responsibilities.

Gender differences in financial literacy

The OECD defines financial literacy as a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being (OECD, 2020[1]).

Results from the OECD/INFE 2020 International Survey of Adult Financial Literacy, whose data were collected in 2019-20 before the COVID-19 pandemic, provide the latest evidence on gender differences in financial literacy at the international level, covering 26 countries and economies and including 12 OECD members (OECD, 2020[2]). The results of a new OECD/INFE financial literacy survey are expected at the end of 2023.

OECD analyses of such results shows that gender differences in financial knowledge remain in most participating countries and economies. In 16 countries and economies, men have higher financial knowledge scores than women, and in no country do women score higher than men in financial knowledge. On average, men score higher than women by 4 points out of 100 in financial knowledge, but in some countries such difference is larger than 10 points (Figure 12.1).

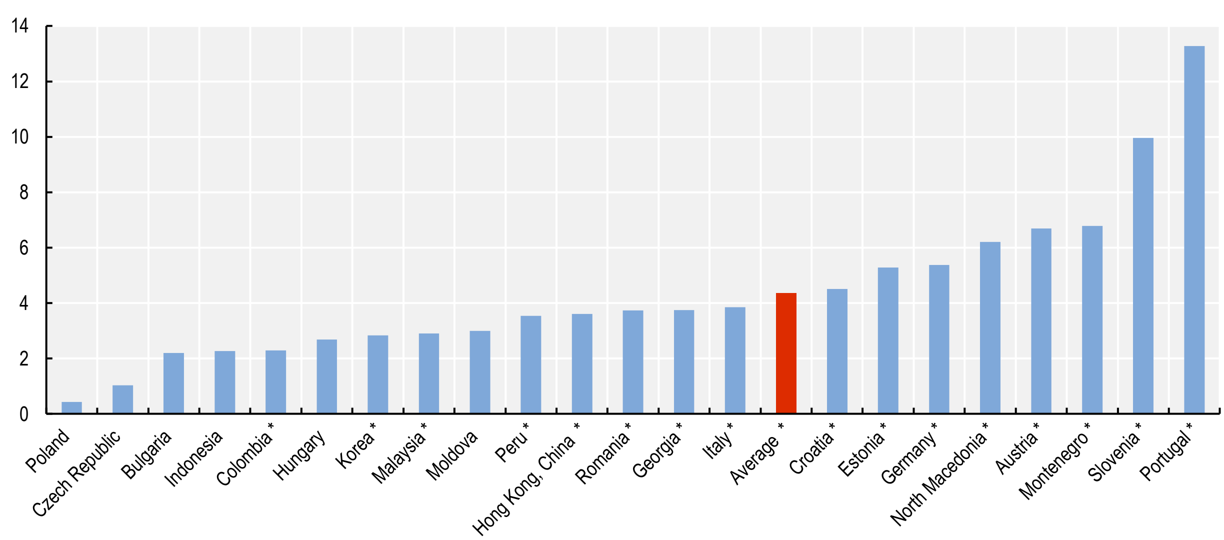
Financial knowledge is measured by looking at familiarity with financial concepts such as inflation, interest compounding or diversification. Financial behaviour scores look at financially savvy behaviours, such as long-term planning, making considered purchases, and keeping track of cash flows. Financial attitude scores are meant to capture respondent's attitude towards money and planning for the future. A lack of knowledge of basic financial concepts is likely to reduce women's ability to access and use appropriate financial products and opportunities, set up a small business; build up emergency savings; save for retirement; and choose the best financial products for their needs (OECD, 2013[3]).

These patterns have not changed with respect to previous studies, which already showed consistent gender differences in financial knowledge (OECD, 2016[4]). Gender differences in financial knowledge among adults are also found in several national studies (CFFC, 2020[5]; Greimel-Fuhrmann and Silgoner, 2018[6]; Alessio et al., 2020[7]; Hospido, Izquierdo and Machelett, 2021[8]; FCAC, 2021[9]).

There are several possible reasons for the differences in financial knowledge between men and women. Observable socio-economic characteristics appear to explain only partially gender differences in financial knowledge (Bucher-Koenen et al., 2017[10]; Cupák et al., 2018[11]; Hospido, Izquierdo and Machelett, 2021[8]). The results of the OECD/INFE 2020 International Survey of Adult Financial Literacy confirm that gender differences in financial knowledge are reduced but not eliminated once various socio-economic factors are considered (OECD, 2020[2]). Women are often found to be less confident than men in their financial skills and decisions (Bucher-Koenen et al., 2017[10]; OECD, 2013[3]), which may contribute to explaining gender differences in financial knowledge and is ultimately associated with financial behaviour (Bucher-Koenen et al., 2021[12]). Another potential reason relates to the measurement of financial literacy. Since finance is considered a male field (Boggio et al., 2014[13]), women might answer financial literacy questions by saying they do not know or skip those questions, even if they have some financial knowledge. Moreover, differences in financial knowledge may stem from a gendered division of household work in couples where men manage household finances (Hsu, 2016[14]). Other studies highlight the role of financial socialisation from an early age, gendered stereotypes, culture and social norms in contributing to differences in financial knowledge in adulthood (Aristei and Gallo, 2021[15]; Bottazzi and Lusardi, 2020[16]; Driva, Lührmann and Winter, 2016[17]; Rink, Walle and Klasen, 2021[18]; Hospido, Izquierdo and Machelett, 2021[8]).

Figure 12.1. On average, men score higher than women in financial knowledge

Score point differences in financial knowledge between men and women, out of 100



Note: Statistically significant gender differences are marked with an asterisk. Only countries with comparable data are reported.
Source: OECD (2020[2]), *OECD/INFE 2020 International Survey of Adult Financial Literacy*, https://www.oecd.org/financial/education/oecd-infe-2020-international-survey-of-adult-financial-literacy.pdf.

StatLink https://stat.link/dh68xt

Gender differences in financial resilience

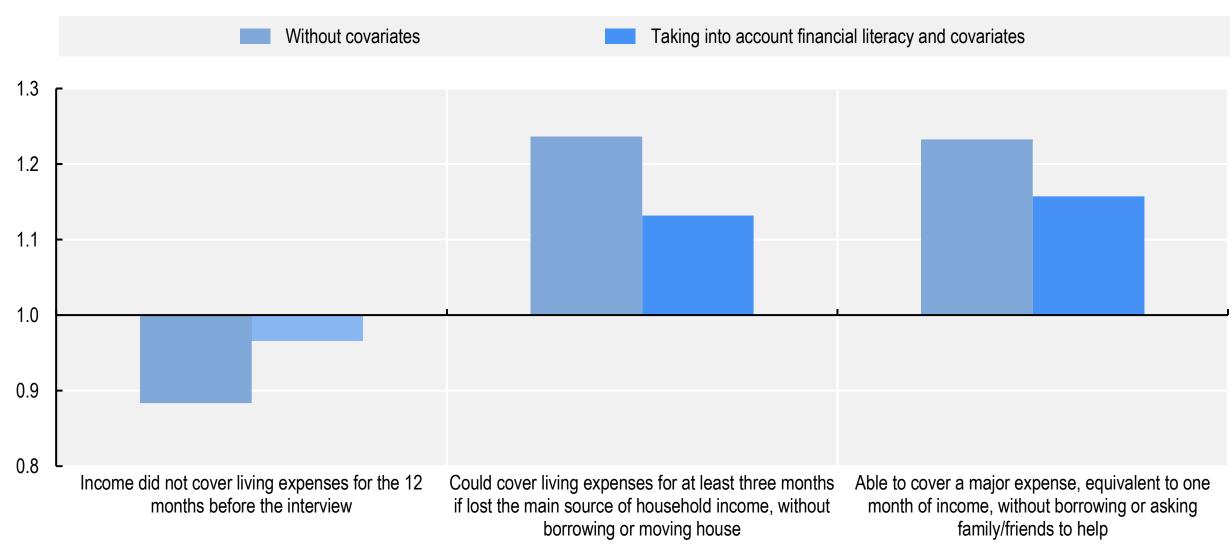
Financial resilience is the ability of individuals or households to resist, cope and recover from negative financial shocks. Such negative financial shocks can result from various unexpected events, including those related to employment, health, changes in family composition, damage to household possessions, or other large unexpected expenses (OECD, 2021[19]). At the individual level, financial resilience depends on having appropriate resources to cover cost of living expenses while also covering long term needs and/or unexpected shocks or emergencies. Access to instruments to build such resources requires adequate levels of financial inclusion and financial literacy in order for individuals to manage their finances, develop budget strategies, avoid crippling debt, and plan for the future.

Data from the OECD/INFE 2020 International Survey of Adult Financial Literacy (collected before the COVID-19 pandemic) show that women tended to have lower levels of financial resilience than men in some countries (OECD, 2020[2]). Figure 12.2 shows that, on average across countries and economies, women were 22 percentage points more likely than men to report that their income did not cover living expenses for the 12 months before the interview. Moreover, on average across countries and economies, men were 24 percentage points more likely than women to report that they could cover their living expenses for at least three months if they lost their main source of household income without borrowing or moving house, and 23 percentage points more likely to be able to cover a major expense, equivalent to one month of income, without borrowing or asking family/friends to help. Gender differences in financial resources and financial resilience are also found in other national and international research (Austen, Jefferson and Ong, 2014[20]; Sierminska, Frick and Grabka, 2010[21]; Schneebaum et al., 2018[22]; FCAC, 2021[9]).

Gender differences in financial resilience could result from a variety of factors, including differences in labour market participation as well as in career continuity and progression, and gender wage gaps. The relatively limited financial knowledge of women with respect to men may be another factor contributing to greater risk of financial vulnerability among women. Data from the OECD/INFE 2020 International Survey of Adult Financial Literacy confirm that gender differences in financial resilience are reduced when considering demographic and socio-economic factors such as age, level of education, employment status, location (rural/urban), and household composition. As shown in Figure 12.2, gender differences in financial resilience are further reduced when also taking into account levels of financial literacy. This suggests that improving the financial literacy of men and women could help them acquire relevant skills and set up successful strategies to cope with future negative financial shocks.

Figure 12.2. There are important gender differences in financial resilience

Odds ratios (men vs. women), average of countries and economies with comparable data



Note: in the series “without covariates”, all values are statistically significant. In the series “Taking into account financial literacy and covariates”, statistically significant odds ratios are marked in a darker colour.
Source: OECD (2020[2]), *OECD/INFE 2020 International Survey of Adult Financial Literacy*, https://www.oecd.org/financial/education/oecd-infe-2020-international-survey-of-adult-financial-literacy.pdf.

StatLink https://stat.link/wzerp8

A vast majority of individuals and households saw their finances impacted by the COVID-19 pandemic. A survey conducted in 2020 in OECD countries reported that around one-third of respondents experienced at least one of the following financial difficulties during the pandemic: failed to pay a usual expense, took money out of savings or sold assets to pay for a regular expense, took on additional debt or used credit to pay for a usual expense, went hungry because they could not afford to pay for food, lost their home because they could not afford the mortgage or rent, or declared bankruptcy or asked a credit provider for assistance. In every country surveyed, women were more concerned with their households' financial security than men (OECD, 2021[23]).

As women were already, on average, at greater risk of financial vulnerability than men, the unique challenges posed by the COVID-19 pandemic disproportionally affected their financial well-being (OECD, 2020[24]; MAPS, 2020[25]). Other recent crises, such as the cost-of-living crisis spurred by rapidly rising energy and food prices, threaten to further challenge their financial well-being.

Financial education to address women's and girls' need for financial literacy

The 2020 OECD Recommendation on Financial literacy recognises the importance of developing financial education policies and programmes that address the needs of women and girls, and encourages adherents to incorporate financial literacy in policies designed to address gender gaps in financial outcomes.

While many approaches are relevant to close gender gaps in financial literacy and reliance, this chapter focuses on the role of financial education (OECD, 2021[19]). Many governments and other stakeholders have been targeting their financial education policies at women, or offering financial education initiatives addressing women's needs. While some programmes target women specifically, others are attended mostly by a female audience because they address groups mostly made of women. Information on these policies and programmes is based on desk research and on the replies to a stocktaking survey circulated among members of the OECD International Network on Financial Education (OECD/INFE) in June-July 2021. The questionnaire received responses from 46 institutions in 35 countries and economies, including 20 OECD members (Angola; Australia; Austria; Bangladesh; Brazil; Canada; Chile; Colombia; Croatia; the Czech Republic; Dominican Republic; Germany; Honduras; Hong Kong, China; Hungary; India; Indonesia; Ireland; Italy; Japan; Kosovo[1]; Mexico; Mongolia; Namibia; New Zealand; Nigeria; Paraguay; Peru; Poland; Portugal; the Slovak Republic; South Korea; Spain; Sweden and the United Kingdom).

Several countries have taken a co-ordinated approach at women's financial education needs, by including women and/or girls as a specific target group of their national strategy for financial literacy/education. This is the case in Australia, Austria, Bangladesh, Brazil, Canada, Chile, Colombia, the Dominican Republic, India, Indonesia, Italy, Mexico, New Zealand, Nigeria, Peru, Spain and the United Kingdom. This is usually motivated by evidence of gender differences at national level in financial literacy, in financial behaviour (such as different engagement with private pensions) or in financial outcomes (such as different financial inclusion levels or specific financial vulnerabilities). Box 12.1 provides an example of how financial education needs and interests may diverge between men and women.

Governments have increasingly put in place programmes to address such needs, including workshops, classes, training seminars, and online/print resources. Some programmes are quite broad and address women at large. For instance, in 2018, the Australian Securities and Investments Commission ran a comprehensive campaign, Women Talk Money, featuring high-profile Australian women explaining their experiences with money to help motivate and inspire other women to take action with their own finances. In Poland, the Bank Guarantee Fund targeted women as part of its educational campaign in 2020/21,

[1] This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence

aimed at raising awareness of deposit guarantee scheme in Poland. This included texts published in women's magazines and short videos by female celebrities.

In most other cases, however, programmes address the financial literacy needs of specific subgroups of women, as described below.

Financially vulnerable women

Not surprisingly, many public authorities have developed initiatives aimed at addressing women in a financially vulnerable situation (such as the unemployed, informal sector workers, financially excluded, etc.), including those facing financial difficulties during the COVID-19 crisis.

For example, the Bank of Italy has implemented training courses for low-incomes and/or low-education women to respond to the challenges of the pandemic. Modules relate to topics of relevance during the crisis, such as digital payments, the risk of fraud and scams, and financial planning, with the aim of increasing consumers' financial resilience. Moreover, the Bank of Italy has been working with an international women's association to train their trainers to deliver financial education among women living in anti-violence centres, unemployed women, fragile single mothers and other vulnerable groups of women.

Other programmes target low-income women and female informal workers in developing countries. The Capital Markets Commission of Angola carries out a yearly financial education programme for women who work in informal sectors and have a limited use of formal financial products. In Indonesia, financial literacy training is provided, as a complement to other interventions, to women beneficiaries of the conditional money transfer "Family Hope Program". In Peru, the National Financial Inclusion Policy includes various initiatives targeting vulnerable women, including training programmes for rural and indigenous women.

Younger and older women

Public authorities in some countries have developed initiatives for young women to help them build a sound financial future. In 2020, the Australian Securities and Investments Commission assisted the social enterprise "Wake by Reach" with the launch of their Glassbreaker educations series, helping young women build financial skills and resilience. The central bank of Austria developed the My Money Guide in co-operation with the Vienna University of Economics and Business, aimed specifically at young women but also at anyone else who is interested. The guide provides tips on how to get started in personal finance, including how to control income and expenses, make decisions based on reliable information, and seek advice from competent sources. The Financial Consumer Agency of Canada (FCAC) is designing a series of interventions aimed at increasing the confidence among women and girls. The first intervention targets students in middle and high school and is delivered using a gamified online platform. Students participate in virtual seek-and-find activities where they can build their knowledge and confidence around money management, budgeting, and other areas of financial literacy.

At the other end of the age spectrum, some programmes aim at supporting women in planning for their old age. In 2021, the Social Security Secretariat of Brazil launched the Complementary Social Security Guide for Women, addressed at women who want to take care of their future. The educational material addresses the importance of financial planning for retirement, provides information on public pensions for women, and describes the main features of private pension plans. In Sweden, the financial supervisory authority (*Finansinspektionen*) developed a programme for senior citizens to enhance their knowledge about their pensions and personal finance.

Women are also indirectly targeted by programmes that are aimed at families and parents. For instance, the Investor and Financial Education Council in Hong Kong, China delivers financial education seminars at the Family Planning Association, which primarily serves women. In the United Kingdom, the Money and Pensions Service implements the Talk Learn Do programme for parents to encourage them to talk to their children about money. While this is open to all parents, most participants are women.

Working women

Targeting women in certain occupational categories can be another way of reaching out to women facing similar challenges (such as female entrepreneurs) or simply reaching large numbers of women (such as through workplace programmes for employees).

In Chile, both the Commission for Financial Markets (CMF) and the National consumer service (SERNAC) implement financial educational programmes for female micro and small entrepreneurs. Banco del Bienestar (a public development bank) in Mexico conducts various financial empowerment workshops for women in working age and female business owners. In Peru, the Multisectoral Strategic Plan of the National Financial Inclusion Policy includes financial literacy trainings for micro and small female entrepreneurs.

In New Zealand, the Te Ara Ahunga Ora Retirement Commission designed a programme dedicated to women as part of its workplace courses, Sorted Women. This is designed and delivered by women for women, and it aims at providing a safe and non-judgemental space to learn money skills.

Indirectly, most train-the-trainer programmes targeting school teachers or social workers have a majority of female participants. They can be useful in improving the personal financial literacy of the trainers, beyond providing skills to teach financial literacy to students or other audiences.

Box 12.1. Gender differences in seeking financial education content

The public website https://moneysmart.gov.au/ is a central element of the Moneysmart programme developed by the Australian Securities and Investments Commission. The Commission has examined content engagement from visitors through a gendered lens.

Overall access to the Moneysmart website is roughly balanced across genders. During the pandemic, while most COVID-19 content was accessed evenly across men and women, 2 out of 3 people visiting the “Living on a reduced income” page were women.

It is interesting to see which specific pages and topics are visited by men and women. Most topics are of equal interest to men and women, however there are several areas and pages which tend to skew to a particular gender. While men seem to mostly focus on information about financial investments or loans, women appear to be mainly searching for information about budgeting, saving, coping with financial difficulties (financial scams, financial abuse, paying off multiple credit cards, financial counselling) and for teaching resources to be used in school (as most teachers are women).

Policy considerations

Many governments and other stakeholders are developing financial education initiatives to support women in a financially difficult position or to help close gender gaps in a variety of financial outcomes. Yet, challenges remain.

Women may be a difficult target to reach than men. In many countries women have lower financial knowledge and lower self-confidence in their financial skills than men. The limited scope of observable socio-economic characteristics in explaining gender differences in financial literacy suggests that social norms are likely to play a role. As a result, women may tend to avoid complex financial topics, may try to avoid financial and economic subjects altogether, and may be more likely than men to feel anxious when they have to deal with personal or household financial issues (Hasler, Lusardi and Valdes, 2021[26]). In addition, as workers and caregivers, they have many daily responsibilities, and they may rarely have time to devote to themselves and their education. Delegating important household financial decisions to their partners may be the outcome of women's lack of confidence and lack of time, and may in turn reinforce their lack of familiarity and knowledge about financial issues.

Countries are making efforts to ensure that financial education contributes to closing gender gaps in financial outcomes and helps women in a financially vulnerable situation. Countries have also developed various strategies for facilitating women's participation in financial education, such providing gender sensitive content, setting up gender-friendly environments, using role models, and providing tailored advice specifically to women on financial topics women are less familiar with, such as debt or investments (OECD, 2013[3]). Providing financial education in the workplace may facilitate attendance by women with caring responsibilities, but competes with professional priorities during working hours (OECD, 2022[27]). Digital financial education may be another way of offering opportunities to enhance financial knowledge and skills in a flexible and tailored way, provided that women have access to the internet and/or smartphones (OECD, 2020[28]). More generally, it is important to adapt both the content and delivery of programmes to specific needs of different groups of women, as well as to the regional and local contexts. Most of the financial education programmes described in this chapter have yet to be formally evaluated (as is the case for many financial education programmes more widely), and refined evaluation evidence would be needed to understand any differential impact and outcomes of financial education for men and women.

Broad approaches may also be needed to avoid gender stereotypes and reduce different outcomes by gender, ensuring that a gender lens is applied in financial education programmes. This includes collaborating with financial education providers to review and update the content and delivery of financial education, as well as updating the financial education teacher training curriculum to address any gender bias in the learning environment.

Ultimately, is it also important to recognise that financial education is an important element is aspect in strengthening the financial resilience and well-being of men and women, but other factors need to be dealt with to improve the financial well-being of women, including facing structural and systemic issues (e.g. gender pay gap), addressing social norms and providing support to women in different life stages.

Key policy messages

- Developing evidence-based financial education policies and programmes is fundamental to design well-informed tailored policies and programmes: this requires collecting gender disaggregated data on financial literacy levels, and devoting more efforts to collecting gender disaggregated data about the impact of financial education programmes.
- Taking into account gender differences in financial literacy requires supporting women's financial knowledge and confidence in financial decision making, and providing tailored guidance and advice on complex topics (such as debt and investments).
- Considering financial education as part of broader approaches can improve women's financial resilience and well-being. Efforts should aim at incorporating financial education into broader efforts to support women's financial resilience and financial well-being (such as training on business skills, use of digital financial services, conditional financial transfers, etc.), and at closing gender gaps in areas that result in different financial outcomes by gender (such as financial inclusion, digitalisation, labour markets, social norms, etc.).

References

Alessio, G. et al. (2020), "Financial literacy in Italy: the results of the Bank of Italy's 2020 survey", *Questioni di Economia e Finanza*, https://www.bancaditalia.it/pubblicazioni/qef/2020-0588/QEF_588_20_EN.pdf?language_id=1. [7]

Aristei, D. and M. Gallo (2021), "Assessing gender gaps in financial knowledge and self-confidence: Evidence from international data", *Finance Research Letters*, p. 102200, https://doi.org/10.1016/J.FRL.2021.102200. [15]

Austen, S., T. Jefferson and R. Ong (2014), "The Gender Gap in Financial Security: What We Know and Don't Know about Australian Households", *Feminist Economics*, Vol. 20/3, pp. 25-52, https://doi.org/10.1080/13545701.2014.911413. [20]

Boggio, C. et al. (2014), "Seven Ways to Knit Your Portfolio Is Investor Communication Neutral?", *CeRP Working Paper Series*, No. 140/14, https://www.netspar.nl/assets/uploads/030_Prast-1.pdf. [13]

Bottazzi, L. and A. Lusardi (2020), "Stereotypes in Financial Literacy: Evidence from PISA", *NBER Working Papers*, No. 28065, https://doi.org/10.3386/W28065. [16]

Bucher-Koenen, T. et al. (2021), "Fearless Woman: Financial Literacy and Stock Market Participation", *NBER Working Papers*, No. 28723, https://doi.org/10.3386/W28723. [12]

Bucher-Koenen, T. et al. (2017), "How Financially Literate Are Women? An Overview and New Insights", *Journal of Consumer Affairs*, Vol. 51/2, pp. 255-283, https://doi.org/10.1111/JOCA.12121. [10]

CFFC (2020), *Financial knowledge of New Zealanders*, Commission for Financial Capability, https://assets.retirement.govt.nz/public/Uploads/Research/CFFC-Barometer-Financial-Literacy-2020.pdf. [5]

Cupák, A. et al. (2018), "Decomposing gender gaps in financial literacy: New international evidence", *Economics Letters*, Vol. 168, pp. 102-106, https://doi.org/10.1016/J.ECONLET.2018.04.004. [11]

Driva, A., M. Lührmann and J. Winter (2016), "Gender differences and stereotypes in financial literacy: Off to an early start", *Economics Letters*, Vol. 146, pp. 143-146, https://doi.org/10.1016/J.ECONLET.2016.07.029. [17]

FCAC (2021), *Summary of findings COVID-19 surveys: Financial impact of the pandemic on Canadians*, https://www.canada.ca/en/financial-consumer-agency/corporate/covid-19/summary-covid-19-surveys.html. [9]

Greimel-Fuhrmann, B. and M. Silgoner (2018), "Analyzing the Gender Gap in Financial Literacy", *International Journal for Infonomics*, Vol. 11/3, pp. 1779-1787, https://doi.org/10.20533/iji.1742.4712.2018.0180. [6]

Hasler, A., A. Lusardi and O. Valdes (2021), *Financial Anxiety and Stress among U.S. Households: New Evidence from the National Financial Capability Study and Focus Groups*, GFLEC and FINRA Foundation, https://gflec.org/wp-content/uploads/2021/04/Anxiety-and-Stress-Report-GFLEC-FINRA-FINAL.pdf?x85507. [26]

Hospido, L., S. Izquierdo and M. Machelett (2021), "The gender gap in financial competences", *Economic Bulletin*, No. 2021/1, Banco de España, https://www.bde.es/bde/en/secciones/informes/analisis-economico-e-investigacion/boletin-economico/. [8]

Hsu, J. (2016), "Aging and Strategic Learning: The Impact of Spousal Incentives on Financial Literacy", *Journal of Human Resources*, Vol. 51/4, pp. 1036-1067, https://doi.org/10.3368/JHR.51.4.1014-6712R. [14]

MAPS (2020), *Impacts of COVID-19 on financial wellbeing*, Money and Pensions Service , London, https://www.financialcapability.gov.au/files/impacts-of-covid-19-on-financial-wellbeing.pdf. [25]

OECD (2022), "Policy handbook on financial education in the workplace", *OECD Business and Finance Policy Papers*, No. 07, OECD Publishing, Paris, https://doi.org/10.1787/b211112e-en. [27]

OECD (2021), *G20/OECD-INFE Report on Supporting Financial Resilience and Transformation through Digital Financial Literacy*, OECD, Paris, https://www.oecd.org/finance/financial-education/supporting-financial-resilience-and-transformation-through-digital-financial-literacy.htm. [19]

OECD (2021), "Risks that matter 2020: The long reach of COVID-19", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/44932654-en. [23]

OECD (2020), *Digital Delivery of Financial Education: Design and Practice*, OECD, Paris, https://www.oecd.org/financial/education/Digital-delivery-of-financial-education-design-and-practice.pdf. [28]

OECD (2020), *OECD/INFE 2020 International Survey of Adult Financial Literacy*, https://www.oecd.org/financial/education/oecd-infe-2020-international-survey-of-adult-financial-literacy.pdf. [2]

OECD (2020), *Recommendation of the Council on Financial Literacy, OECD/LEGAL/0461*, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0461. [1]

OECD (2020), "Women at the core of the fight against COVID-19 crisis", *OECD Policy Responses to Coronavirus (COVID-19)*, OCD Publishing, Paris, https://doi.org/10.1787/553a8269-en. [24]

OECD (2016), *OECD/INFE International Survey of Adult Financial Literacy Competencies*, OECD, Paris, https://www.oecd.org/finance/OECD-INFE-International-Survey-of-Adult-Financial-Literacy-Competencies.pdf. [4]

OECD (2013), *Women and Financial Education: Evidence, Policy Responses and Guidance*, OECD Publishing, Paris, https://doi.org/10.1787/9789264202733-en. [3]

Rink, U., Y. Walle and S. Klasen (2021), "The financial literacy gender gap and the role of culture", *The Quarterly Review of Economics and Finance*, Vol. 80, pp. 117-134, https://doi.org/10.1016/J.QREF.2021.02.006. [18]

Schneebaum, A. et al. (2018), "The Gender Wealth Gap Across European Countries", *Review of Income and Wealth*, Vol. 64/2, pp. 295-331, https://doi.org/10.1111/ROIW.12281. [22]

Sierminska, E., J. Frick and M. Grabka (2010), "Examining the gender wealth gap", *Oxford Economic Papers*, Vol. 62/4, pp. 669-690, https://doi.org/10.1093/OEP/GPQ007. [21]

13 Women at work in OECD countries

Jonas Fluchtmann and Valentina Patrini

This chapter reviews women's employment across the OECD. It starts with a discussion of trends in gender employment gaps over the past two decades. It then analyses the characteristics of the jobs that women are employed in, focussing on the incidence of part-time employment, and sectoral and occupational patterns of employment. The chapter concludes with a discussion on the challenges and opportunities of the digital transformation of labour markets in OECD countries.

Key findings

- In all OECD countries, working-aged women continue to have lower employment rates than men of the same age, but the overall time spent on paid and unpaid work on average exceeds that of men. Women and men are also to some degree segregated across industries and occupations, with women being more often employed in low-paying industries, such as the service sector, they are more likely to be in part-time employment and women are also underrepresented in management roles.
- Women continue to face barriers to enter (full-time) employment. Persistent traditional gender roles, the burden of dual work-family responsibilities and a lack of affordable childcare options prevent many women to work (full-time), especially once they become mothers.
- Across the OECD, labour markets are undergoing a digital transformation that poses challenges to gender equality in employment, especially as women on average have fewer digital skills than men, while they are also less likely to work in jobs that frequently require the use of digital tools. However, the emergence of new technologies and platforms offer opportunities to reduce gender employment gaps as the barriers to labour market entry can be reduced, upskilling may become easier and employment more flexible.

Female employment in the OECD: Slowing convergence

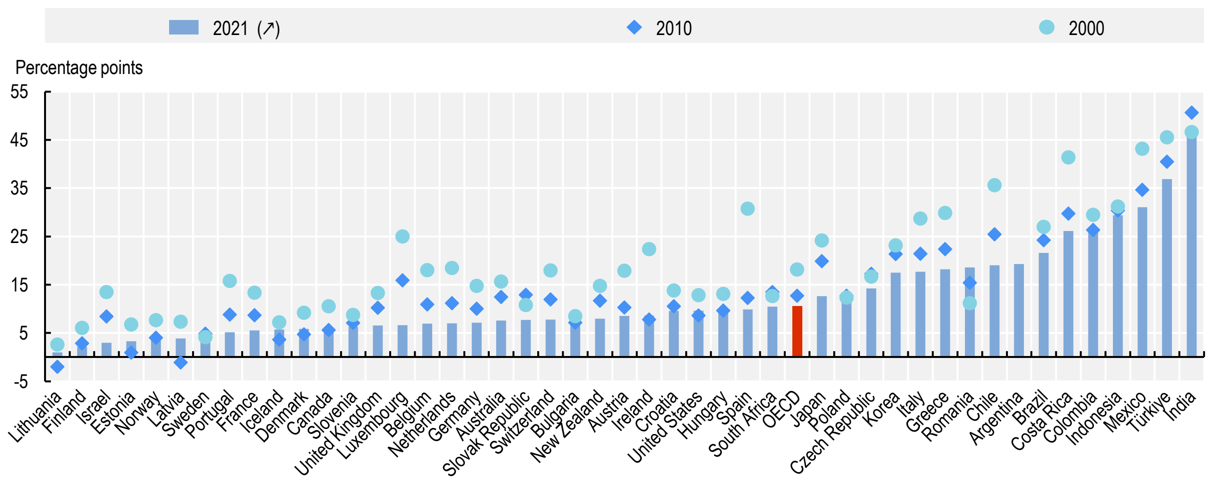
Despite long-term trends of convergence in male and female employment rates, working-aged (15-64 years) men continue to be more likely to be employed than working-aged women in every OECD country, even though women of working-age tend to have similar or higher levels of education than men in most countries. On average across OECD countries, men were 10.4 percentage points more likely to be employed than women in 2021. Gender employment gaps remain particularly large – above 20 percentage points – in Brazil, Colombia, Costa Rica, India, Indonesia, Mexico and Türkiye. The gaps are smallest – below 5 percentage points – in Estonia, Finland, Israel, Latvia, Lithuania, Norway and Sweden (Figure 13.1).

Gender gaps in employment rates have continued to narrow over recent years, albeit more slowly than over previous decades. The gender gap in employment rates fell by 5.4 percentage points between 2000 and 2010 and by another 2.2 percentage points between 2010 and 2021 (Figure 13.1). This is mainly because of increases in female employment: on average, 64.6% of women were employed in 2021, up from 58.7% in 2010 and 55.7% in 2000. Between 2000 and 2010, male employment rates fell from 73.8% to 71.4% (mainly due to the impact of the 2007-08 financial crisis; see below) but recovered to 75.1% by 2021. The reduction of the gender employment gap is associated with dual-earner households becoming the norm in many OECD countries (*OECD Family Database*).

Overall, between 2000 and 2021, Spain had the strongest overall declines in the gender employment gap among the working-age population (-20.9 percentage points), but Luxembourg (-18.4 percentage points), Chile (-16.6 percentage points) and Costa Rica (-15.2 percentage points) made substantial progress as well. Among OECD countries, only Poland saw a slight increase in the gender employment gap of men and women of working age between 2000 and 2021 (+0.6 percentage points) – so that it is now slightly above the OECD-average.

Figure 13.1. Gender gaps in employment rates have continued to narrow, though more slowly than before

Gender gap (male minus female) in the employment rate, 15-64 year-olds, percentage points



Note: Data for 2021 refer to 2020 for India and to 2019 for Indonesia. Data for 2010 refer to 2011 for Brazil. Data for 2000 refers to 2001 for Brazil, Colombia and South Africa as well as 2002 for Croatia.
Source: OECD Employment Database, https://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm.

StatLink https://stat.link/w418sz

The trends in gender employment gaps were heavily influenced by the impact of the financial crisis of 2007-08 and the subsequent slow recovery in employment in many countries. In Estonia, Latvia and Lithuania, for example, the crisis led to substantial decreases in male employment, while female employment was much less affected. As a result, the gender employment gap declined noticeable between 2000 and 2010 – so much that at the time Latvia and Lithuania had higher employment rates for women than for men, though strong outmigration following their accession to the European Union (in 2004) will have played a role as well. However, strong recovery of male employment, in particular through rebounding activity in construction and trade industries, led to increases in the gender employment gap in the 2010s (Zasova, 2016[1]). Nevertheless, all three Baltic countries rank among the OECD countries with the smallest gender employment gaps (Figure 13.1).

The COVID-19 pandemic also had profound effects on labour markets in OECD countries. At the onset of the pandemic women's employment was affected more strongly in many countries – mainly because many women worked in the most affected industries (see below). Yet, women's employment rates rebounded faster than men's and overall, the COVID-19 pandemic had only a small effect on gender differences in employment rates (Queisser, 2021[2]) (Chapter 1).

Gender gaps in part-time employment

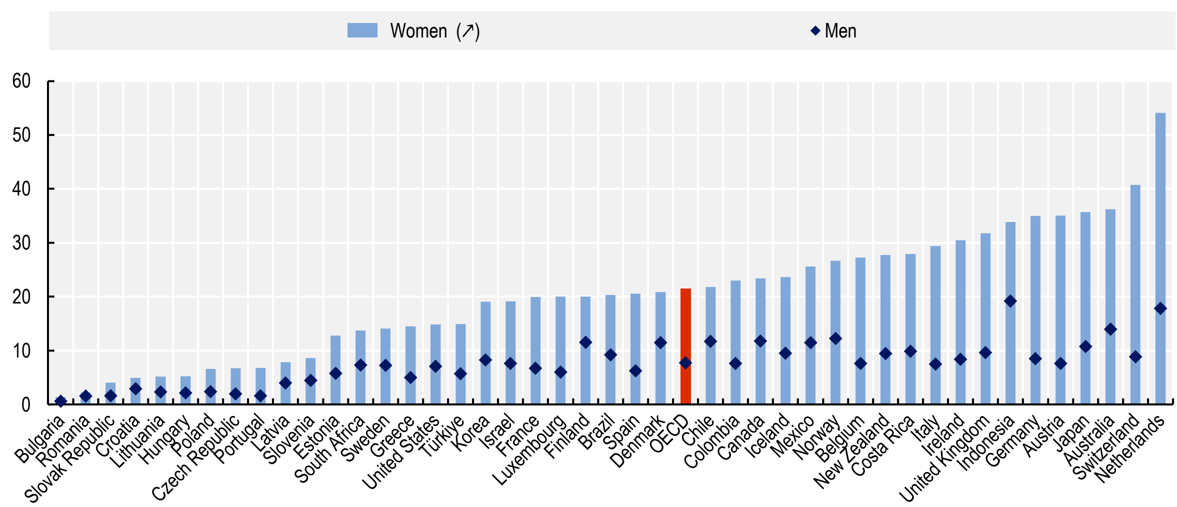
Even though a larger share of women across the OECD are in employment today than ever before, women continue to be less likely to work full-time than men. While part-time employment can help women to remain in the labour force, part-time workers often have lower (hourly) earnings than full-time employees and frequently miss out on opportunities for career advancement.

On average across the OECD, 21.5% of working-aged women were working in part-time employment in 2021 – defined as usually working less than 30 hours per week on the main job – compared to only 7.7%

of men (Figure 13.2), The incidence of part-time employment among men and women has changed little over the past decade: it declined by 2.3 percentage points for women, and increased by 0.2 percentage points for men (*OECD Employment Database*).

Figure 13.2. Women are much more likely to work part-time than men

The incidence of part-time employment among employed men and women, common definition (30 hours/week), ages 15 to 64, total employment, 2021 or latest year available, percentage



Note: Data for Australia refer to 2020 and for Indonesia to 2017. Data for the United States refer to dependent employment only.
Source: OECD Employment Database, *Part-time employment rate*, https://data.oecd.org/emp/part-time-employment-rate.htm.

StatLink https://stat.link/9fsbhw

There is considerable variation across countries, with the Netherlands having by far the largest share of women working in part-time employment – more than every second woman. The large share of Dutch women in part-time employment is a result of women selecting into occupations and sectors where part-time is the norm as well as reducing hours in paid work once they become mothers and typically assume a disproportionate responsibility for unpaid childcare (OECD, 2019[3]). Similar dynamics are at play in many other countries and have led to high female part-time employment rates in Australia, Austria, Germany, Japan and Switzerland (OECD, 2017[4]). Many Central and Eastern-European countries have particularly low rates of female part-time employment. Reasons for this include: many women are not in or temporarily drop out of the labour force when they become mothers – as can be facilitated through parental leaves that are generous in pay and duration; and part-time opportunities are not frequently available, and if they are they do not pay enough to be a viable option (OECD, 2022[5]; 2022[6]).

The differences in working time between men and women are well-reflected in the distribution of paid and unpaid work. The gender gaps in paid and unpaid work are largest where typically long working hours of full-time employees are incompatible with women's disproportionate responsibility for unpaid work – for example in Korea, Germany and Mexico (OECD, 2019[7]; 2017[4]; 2017[8]). Even though working shorter hours than men, women on average spend more time on paid and unpaid work altogether.

Gender segregation in occupations and industries

In all OECD countries, men and women are noticeably segregated across industries and occupations, with women often being employed in relatively low-paying, female-dominated sectors, while facing a range of challenges to advancing in their careers (Chapters 16 to 18). Figure 13.3 presents the *Duncan Segregation Index*, which measures the degree of segregation between male and female employee across industries and occupations, ranging from 0 to 1 – from the lowest to the highest level of segregation (Duncan and Duncan, 1955[9]). A level of 0 for occupational segregation would mean that the proportion of women in every occupation exactly mirrors the proportion of women in the labour force. For example, if women were to make up 50% of the labour force, a segregation index of 0 means that they also make up 50% of the employees in every occupation. On the contrary, a level of 1 represents total gender segregation across occupations, meaning that each occupation is made up entirely of either men or women, but never of both men and women at the same time. Any level between 0 and 1 signifies some degree of imperfect segregation in which women are more likely to be employed in certain industries and occupations, while men are more likely to be employed in others.

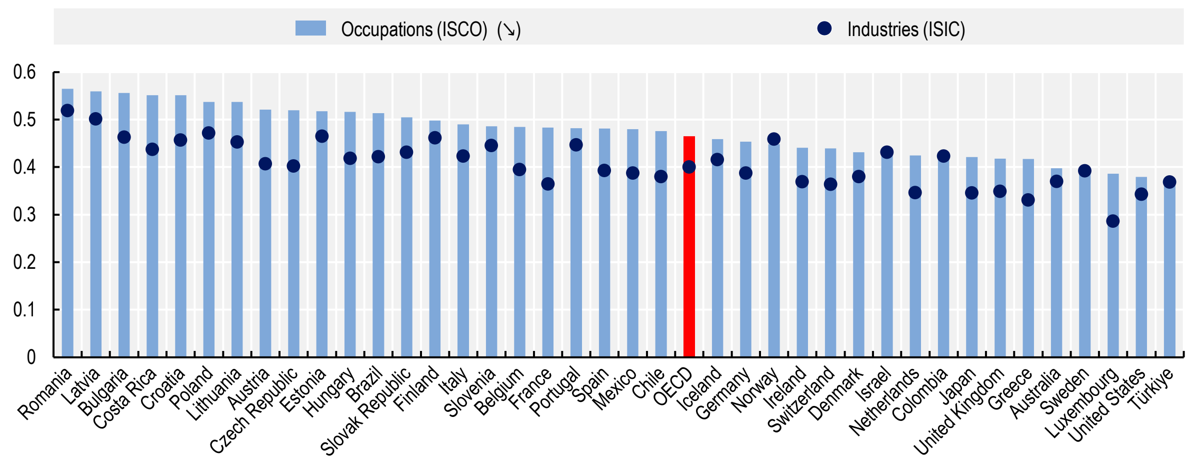
Each OECD country records noticeable levels of segregation – with slightly higher levels across occupations (0.46) than for industries (0.40) on average across the OECD. This difference can, in part, be explained by the persistency of "glass ceilings" that prevent women from advancing in the highest levels of the occupational hierarchy, such as managers (Chapters 16 to 18).

High levels of segregation across industries and occupations often result from an increase in female employment along with a simultaneous expansion of the service and public sectors, both of which employ a significantly greater share of women than men in most countries (Ngai and Petrongolo, 2017[10]; Rendall, 2018[11]). For example, across OECD countries, women made up 55% of all service sector employees in 2020 (ILO, 2022[12]), but with great cross-country variation – from only 36% in Türkiye (Gedikli, 2020[13]), where female employment at 32% is also the lowest among OECD countries, to around 60% in Estonia, Latvia and Lithuania, where gender employment gaps are among the lowest (Figure 13.1).

Gendered labour market segregation underlies the differences in job losses and subsequent employment recovery in relation to the COVID-19 pandemic. Women were disproportionally employed in industries most strongly affected by the pandemic, for example through job losses in the service sector (Queisser, 2021[2]). However, the recovery of employment was especially strong among women and on aggregate in the European Union has coincided with a shift from low-paid in-person service-sector jobs to towards better paying knowledge-intensive jobs (Eurofound, 2022[14]).

Figure 13.3. Women and men are partially segregated across industries and occupations

Index of gender dissimilarity in occupations, 2-digit ISCO-08 occupations and 2-digit ISIC-4 industries, 2020 or latest year available



Note: The index of dissimilarity, or Duncan index, measures the sum of the absolute difference in the distribution of female and male employment across occupations or industries. It assumes that segregation implies a different distribution of women and men across occupations/industries: the less equal the distribution, the higher the level of segregation. It ranges from 0 to 1, from the lowest to the highest level of segregation. Here it was calculated using the ISCO-08 classification of occupations and the ISIC-4 classification of industries, both at 2-digit levels. For Australia, data refer to the previous ISCO-88 classification of occupations and the ISIC-3 classification of industries. For Israel and Italy, data refer to 2017. For the United Kingdom, data refer to 2019.

Source: OECD Secretariat calculations based on ILOSTAT Labour Force Statistics (https://www.ilo.org/shinyapps/bulkexplorer47/?lang=en&segment=indicator&id=EES_TEES_SEX_EC2_NB_A and https://www.ilo.org/shinyapps/bulkexplorer7/?lang=en&segment=indicator&id=EES_TEES_SEX_OCU_NB_A).

StatLink https://stat.link/09u2qm

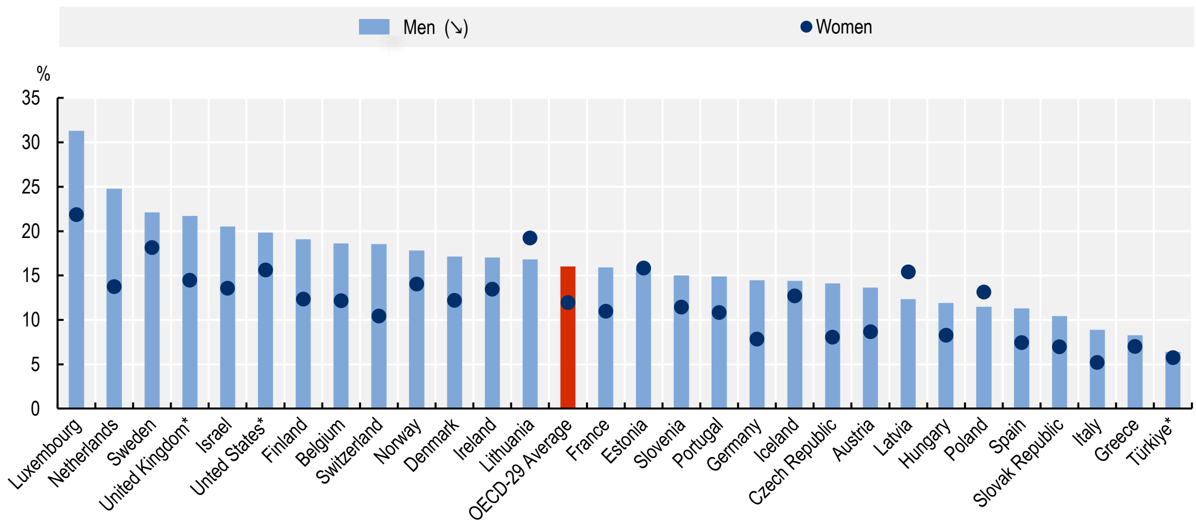
Gender and the digital transformation of labour markets

Men and women not only tend to work in different industries and occupations, but they also face differences in their exposure to digital technologies in the workplace. The ongoing digital transformation has substantial effects on labour markets – for example, an increasing share of employees are using information and communications technology (ICT) tools in their jobs (OECD, 2018[15]; 2019[16]) and Artificial Intelligence (AI) related skills are growing in demand in labour markets (UNESCO/OECD/IDB, 2022[17]; Green and Lamby, 2023[18]; Manca, 2023[19]). In this context, OECD countries risk facing a widening digital gender divide (OECD, 2018[15]).

While the digital transformation poses challenges for both men and women in the labour market, a gender gap in ICT skills and use of ICT processes and tools in the workplace already existed for years. For example, women aged 16-24 are less than half as likely to be able to programme as men of the same age (OECD, 2022[20]). Such gender gaps in digital skills emerge early and result from choices made well before entering the labour market. As girls and women are less likely to enrol in Science, Technology, Engineering and Mathematics (STEM), and particularly underrepresented among new entrants in ICT educational fields (Chapter 9), they risk to lag behind in terms of digital literacy and skills throughout their working lives (UNESCO/OECD/IDB, 2022[17]; UNESCO, 2019[21]). These gender gaps also imply that women are underrepresented in ICT task-intensive jobs (Figure 13.4) as well as in the part of the workforce that has the skills to develop and maintain AI systems (Green and Lamby, 2023[18]). These gaps have substantial consequences for labour market careers and pay, particularly as many ICT- and AI- related jobs are comparatively well-paid. There is a threat of increased inequality in employment and pay as the digital transformation unfolds (OECD, 2018[15]; Manca, 2023[19]).

Figure 13.4. Women are underrepresented in ICT-intensive jobs

Share of employed men and women in ICT task-intensive jobs, 2021 or latest year available*, percentage



Note: ICT task-intensive jobs are identified using factor analysis of the frequency of ICT tasks in different occupations based on data from the OECD Survey of Adult Skills. The ICT tasks considered cover the frequency of use of: Spreadsheets, the Internet, programming languages, real-time discussion tools, and word processing software, as well as the frequency of undertaking transactions via the Internet (online banking, e-commerce), reading and writing letters, e-mails, memos, etc., and the "level" of computer use required for the job. In addition, the frequency of performing manual labour over long periods is also accounted for as a factor that suggests that an occupation is less likely to be ICT-intensive. The occupations with the highest mean ICT task content are included in this indicator. Data for Türkiye refer to 2020, for the United Kingdom to 2019 and for the United States to 2017.
Source: OECD Going Digital Toolkit, https://goingdigital.oecd.org/theme/2, based on European Labour Force Surveys, national labour force surveys and other national sources.

StatLink https://stat.link/leazi9

While AI is already having an impact on workplaces in OECD countries – with somewhat different effects on the working lives of men and women (Box 13.1) – skills in AI are another factor that will shape the future of labour markets. The existing gender gaps in digital skills risk being perpetuated, as greater exposure to AI has been linked to higher employment in ICT task-intensive jobs, suggesting that strong digital skills may make it easier for employees to adopt and apply AI at work and benefit from these technologies (Georgieff and Hyee, 2021[22]). However, while the demand for AI skills will rise in the future, an increasing use of AI tools may increase the demand for human-only skills that are needed to complete activities for which AI systems are inadequate – for instance care-related roles, which women are more likely to choose as their career paths (UNESCO/OECD/IDB, 2022[17]; Roberts et al., 2019[23]). As it stands, women are significantly less likely to be employed in occupations at high-risk of automation through AI or robotics as occupations requiring interpersonal interaction abilities can typically not be performed by automation technologies. This mirrors the lower female exposure to past advances in automation (Lassébie and Quintini, 2022[24]; Webb, 2019[25]).

To reap the full benefits of diversity, women must also lead and participate in AI research and development (R&D). AI research is still primarily dominated by men: in 2022, only one in four researchers publishing on AI worldwide was a woman. While the number of publications co-authored by at least one woman is increasing, women only contribute to about half of all AI publications compared to men, and the gap widens as the number of publications increases. Women contribute to roughly 45% of AI publications worldwide, compared to almost 90% that list at least one man as a co-author. More strikingly, only 11% of AI publications are authored solely by women, while 55% are penned by men alone (OECD.AI, 2023[26]). When it comes to female professionals with AI skills, they represent just a small proportion of workers. This is lower than 2% in most countries and in most cases, 50% or lower than the proportion of men with AI skills. However, promisingly, female AI talent is growing faster than male AI talent when it comes to the average annual growth rate of AI talent across countries (OECD.AI, n.d.[27]).

Box 13.1. Surveys suggest women AI users are more worried about job loss than men

To assess how workers and employers view the current and future effects of AI on their workplaces, the OECD surveyed a total of 5 334 employees and 2 053 companies in the manufacturing and financial sectors in Austria, Canada, France, Germany, Ireland, the United Kingdom and the United States.

The results show that the effects of AI on productivity and working conditions are generally favourable. Almost 80% of AI users claimed that AI had enhanced their professional performance, while just 8% claimed that AI had worsened it. Users of AI were more than four times as likely to say that AI had improved working conditions as they were to say that AI had deteriorated them. This suggests that AI has the potential to improve productivity and job quality if deployed properly. However, men AI users were more likely than women AI users to say that AI had enhanced their performance and working conditions, especially in the financial sector. Such gender differences may partly stem from an overrepresentation of men in managerial and professional occupations, where attitudes about AI tend to be more favourable.

At the same time, 19% of workers in finance and 14% in manufacturing said that they were very or extremely worried about job loss in the next ten years and such worries were particularly common among AI users themselves. Importantly, compared to 19% of men, 22% of women reported feeling very or extremely worried. The fact that men are more likely to occupy managerial positions – where worries about job loss are less prevalent – helps explain their more muted concerns. Nonetheless, even after accounting for these and other factors, most of this gender gap still exists. At the same time, however, employers see female workers as one of the groups that are most likely to be "helped" by AI, as well as the group that is least likely to be harmed by AI.

Source: Lane, Williams and Broecke (2023[28]), *The impact of AI on the workplace: Main findings from the OECD AI surveys of employers and workers*, https://doi.org/10.1787/ea0a0fe1-en.

While the digital transformation poses challenges for gender equality in the labour market, it also offers new opportunities for women's economic empowerment (Chapter 33) if systems are designed to not perpetuate harmful biases that existed in the past. Digital advances have made it easier to benefit from upskilling opportunities and training as related content has become widely available and easily accessible. This can help to utilise digital technologies more effectively and get greater value from them (OECD, 2018[15]; Verhagen, 2021[29]). The spread of video-conferencing and teleworking software can ease the compatibility of family and work responsibilities, which can be particularly beneficial for women. Indeed, since the onset of the COVID-19 pandemic, the number of those usually working from home has increased at a higher rate for women than for men, and women are more often in jobs that could theoretically be done remotely (Chapter 26). Digital platforms ease the job search process, while the use of AI technologies in matching job seekers to vacancies could improve a better inclusion of women in the labour market (Urquidi and Ortega, 2020[30]; UNESCO/OECD/IDB, 2022[17]; Broecke, 2023[31]). The increasing use of platform work can reduce entry barriers and increase labour market flexibility, which can also help women to better integrate into the workforce. However, platform workers may face income instability, compromised access to social protection, limited career development, and inadequate rights to collective bargaining if these jobs remain insufficiently regulated (Lane, 2020[32]).

Key policy messages

- Governments policy should work towards reducing the large gender gap in part-time work and support men and women in the transition from part-time to full-time work. The availability of good quality and affordable early childhood education and care, out-of-school-hours services and smart workplace flexibility measures (Chapters 24 and 26) can help both fathers and mothers to engage in full-time employment. At the same time, Tax-Benefit systems must be designed to not discourage second earners from shifting to full-time jobs (Chapter 25).
- To reduce occupational and sectoral segregation, countries must encourage both boys and girls, men and women to choose educational and employment pathways, without hindrance of prevailing attitudes or biases (Chapter 9).
- Governments must ensure that the gender gap in digital skills narrows so that women do not lose out on the rapid digitalisation of economies and labour markets. Reskilling and upskilling programmes can help men and women to access and thrive in heavily digitalised occupations and sectors, with more career opportunities.

References

Broecke, S. (2023), "Artificial intelligence and labour market matching", *OECD Social, Employment and Migration Working Papers*, No. 284, OECD Publishing, Paris, https://doi.org/10.1787/2b440821-en. [31]

Duncan, O. and B. Duncan (1955), "A Methodological Analysis of Segregation Indexes", *American Sociological Review*, Vol. 20/2, p. 210, https://doi.org/10.2307/2088328. [9]

Eurofound (2022), "Recovery from COVID-19: The changing structure of employment in the EU", https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef22022en.pdf. [14]

Gedikli, C. (2020), "Occupational Gender Segregation in Turkey: The Vertical and Horizontal Dimensions", *Journal of Family and Economic Issues*, Vol. 41/1, pp. 121-139, https://doi.org/10.1007/s10834-019-09656-w. [13]

Georgieff, A. and R. Hyee (2021), "Artificial intelligence and employment : New cross-country evidence", *OECD Social, Employment and Migration Working Papers*, No. 265, OECD Publishing, Paris, https://doi.org/10.1787/c2c1d276-en. [22]

Green, A. and L. Lamby (2023), "The supply, demand and characteristics of the AI workforce across OECD countries", *OECD Social, Employment and Migration Working Papers*, No. 287, OECD Publishing, Paris, https://doi.org/10.1787/bb17314a-en. [18]

ILO (2022), *Labour Force Statistics (LFS)*, https://ilostat.ilo.org/topics/employment/#. [12]

Lane, M. (2020), "Regulating platform work in the digital age", *Going Digital Toolkit Policy Note, No. 1*, OECD, Paris, https://goingdigital.oecd.org/toolkitnotes/regulating-platform-work-in-thedigital-age.pdf. [32]

Lane, M., M. Williams and S. Broecke (2023), "The impact of AI on the workplace: Main findings from the OECD AI surveys of employers and workers", *OECD Social, Employment and Migration Working Papers*, No. 288, OECD Publishing, Paris, https://doi.org/10.1787/ea0a0fe1-en. [28]

Lassébie, J. and G. Quintini (2022), "What skills and abilities can automation technologies replicate and what does it mean for workers?: New evidence", *OECD Social, Employment and Migration Working Papers*, No. 282, OECD Publishing, Paris, https://doi.org/10.1787/646aad77-en. [24]

Manca, F. (2023), "Six questions about the demand for artificial intelligence skills in labour markets", *OECD Social, Employment and Migration Working Papers*, No. 286, OECD Publishing, Paris, https://doi.org/10.1787/ac1bebf0-en. [19]

Ngai, L. and B. Petrongolo (2017), "Gender Gaps and the Rise of the Service Economy", *American Economic Journal: Macroeconomics*, Vol. 9/4, pp. 1-44, https://doi.org/10.1257/mac.20150253. [10]

OECD (2022), *Reducing the Gender Employment Gap in Hungary*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/fe5bc945-en. [6]

OECD (2022), *The Economic Case for More Gender Equality in Estonia*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/299d93b1-en. [5]

OECD (2022), *Women as a share of all 16-24 year-olds who can program*, https://goingdigital.oecd.org/indicator/54. [20]

OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, https://doi.org/10.1787/9ee00155-en. [16]

OECD (2019), *Part-time and Partly Equal: Gender and Work in the Netherlands*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/204235cf-en. [3]

OECD (2019), *Rejuvenating Korea: Policies for a Changing Society*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/c5eed747-en. [7]

OECD (2018), "Bridging the digital gender divide: Include, upskill, innovate", OECD, Paris, https://www.oecd.org/digital/bridging-the-digital-gender-divide.pdf. [15]

OECD (2017), *Building an Inclusive Mexico: Policies and Good Governance for Gender Equality*, OECD Publishing, Paris, https://doi.org/10.1787/9789264265493-en. [8]

OECD (2017), *Dare to Share: Germany's Experience Promoting Equal Partnership in Families*, OECD Publishing, Paris, https://doi.org/10.1787/9789264259157-en. [4]

OECD.AI (2023), *AI research, visualisations powered by JSI using data from Elsevier (Scopus)*, https://oecd.ai/en/data?selectedArea=ai-research&selectedVisualization=top-countries-in-ai-scientific-publications-in-time-from-scopus. [26]

OECD.AI (n.d.), *AI jobs and skills, visualisations powered by JSI using data from LinkedIn Economic Graph*, https://oecd.ai/en/data?selectedArea=ai-research&selectedVisualization=top-countries-in-ai-scientific-publications-in-time-from-scopus. [27]

Queisser, M. (2021), "COVID-19 and OECD Labour Markets: What Impact on Gender Gaps?", *Intereconomics*, Vol. 56/5, pp. 249-253, https://doi.org/10.1007/s10272-021-0993-6. [2]

Rendall, M. (2018), "Female market work, tax regimes, and the rise of the service sector", *Review of Economic Dynamics*, Vol. 28, pp. 269-289, https://doi.org/10.1016/j.red.2017.09.002. [11]

Roberts, C. et al. (2019), *The future is ours: Women, automation and equality in the digital age*, https://www.ippr.org/files/2019-07/the-future-is-ours-women-automation-equality-july19.pdf. [23]

UNESCO (2019), *I'd blush if I could: Closing gender divides in digital skills through education*, https://unesdoc.unesco.org/ark:/48223/pf0000367416.page=1. [21]

UNESCO/OECD/IDB (2022), *The Effects of AI on the Working Lives of Women*, United Nations Educational, Scientific and Cultural Organization, Paris, https://doi.org/10.1787/14e9b92c-en. [17]

Urquidi, M. and G. Ortega (2020), *Artificial Intelligence for Job Seeking: How to Enhance Labor Intermediation in Public Employment Services*, Inter-American Development Bank, https://doi.org/10.18235/0002897. [30]

Verhagen, A. (2021), "Opportunities and drawbacks of using artificial intelligence for training", *OECD Social, Employment and Migration Working Papers*, No. 266, OECD Publishing, Paris, https://doi.org/10.1787/22729bd6-en. [29]

Webb, M. (2019), "The Impact of Artificial Intelligence on the Labor Market", *SSRN Electronic Journal*, https://doi.org/10.2139/ssrn.3482150. [25]

Zasova, A. (2016), "Labour market measures in Latvia 2008–13: The crisis and beyond", *International Labour Office, Research Department*, http://www.ilo.int/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_449930.pdf. [1]

14 Improving gender equality in public employment

Erin Kelleher and Meeta Tarani

This chapter illustrates the state of gender equality in public employment, by highlighting recent trends in women's representation within the public sector. It then outlines persistent barriers and focuses on measures adopted by OECD countries to address sexual harassment, which is reportedly one of the most prevalent barriers to women's advancement in public employment. Finally, the chapter sheds light on the challenges and opportunities related to women's representation and advancement in the public service brought about by recent trends in the future of work, such as automation, digitalisation and flexible working arrangements.

Key findings

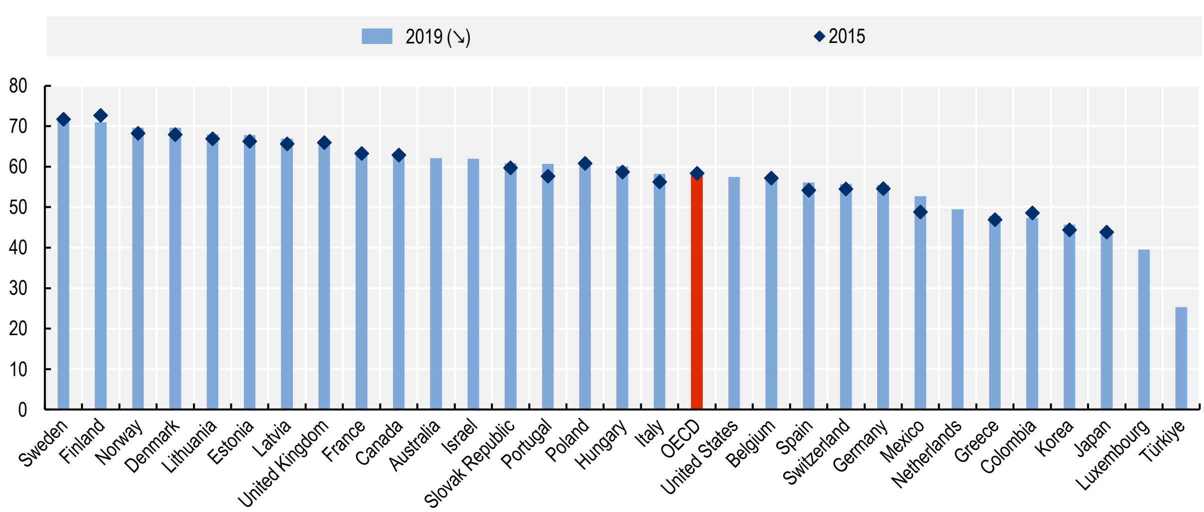
- There is a leaky pipeline in public employment. Despite making up 58% of public employment, at 37% of senior management across the OECD on average in 2020 women remain underrepresented in management and executive positions in the public service.
- Many barriers persist to achieving a gender-equal public service, including workplace sexual harassment. OECD countries have made efforts to tackle this problem with various measures, such as the adoption of standardised, confidential complaints procedures, voluntary in-service training for staff, sexual harassment policies, as well as measures to promote openness and transparency in workplace cultures.
- Emerging trends in work such as automation and digitalisation and increased flexibility are likely to affect women differently than men. The public sector, as a large employer of women, has an opportunity to anticipate these changes and lead in developing gender-sensitive responses.

The state of gender equality in public employment

A diverse public sector workforce has enhanced potential to formulate effective policy responses that understand the origin and depth of issues, improve responsiveness of public actions, and support policy outcomes for diverse groups (OECD, 2021[1]). As of 2019, the average share of women in the public sector in the OECD was 58%, compared to 45% share in total employment (OECD, 2022[2]), and it had changed little in comparison with 2015 (Figure 14.1). Similarly, as seen in the figure, women represent more than half of all public employees in a majority of OECD countries (OECD, 2019[3]).

Figure 14.1. Women represent more than half of all public employees in most OECD countries

Share of women in public sector employment, 2015 and 2019, percentage



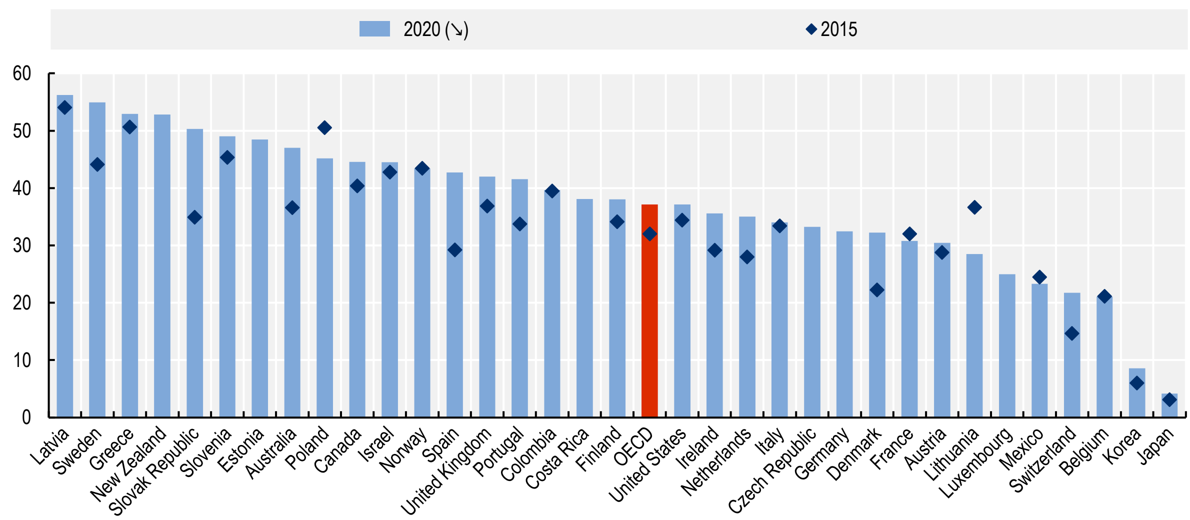
Note: Data for Australia, Israel, Luxembourg, the Netherlands, Türkiye and the United States are not available for the year 2019. The public sector broadly comprises the general government sector plus all public corporations including the central bank. The public service, as defined in this chapter, covers the workforce of a limited set of institutions related to the executive branch of the central government. In some countries, it may extend to subnational levels as well, depending on the legal arrangements for public employment in each country.
Source: OECD (2021[1]), *Government at a Glance 2021*, http://dx.doi.org/10.1787/1c258f55-en and OECD (2017[4]), *Government at a Glance 2017*, http://dx.doi.org/10.1787/gov_glance-2017-en.

StatLink https://stat.link/fpjoyr

Moreover, the problem of the "leaky pipeline" – i.e. many women leaving the workforce throughout their career paths, leading to women being underrepresented in management and executive positions – stubbornly persists. As shown in Figure 14.2, women compose only 37% of senior management positions in the public sector in OECD in 2020, despite an increase of 5 percentage points since 2015 (OECD, 2021[1]). This indicates that OECD countries should strengthen their efforts to support a better representation of women in senior and leadership roles in the public service (OECD, 2016[5]; 2019[3]).

Figure 14.2. Women continue being underrepresented in senior management positions in central governments

Share of women in senior management positions in central governments, 2015 and 2020, percentage



Note: Data for Costa Rica, the Czech Republic, Estonia, Germany, Luxembourg and New Zealand are not available for the year 2015.
Source: OECD (2021[1]), *Government at a Glance 2021*, http://dx.doi.org/10.1787/1c258f55-en.

StatLink https://stat.link/18v45r

Addressing barriers to achieving a gender-equal public service

Besides the leaky pipeline (or vertical segregation), horizontal segregation also persists, with women more likely to work in support management functions (e.g. human resources, public relations, and administration) in the public sector (OECD, 2019[3]) and being overrepresented in certain public employment roles, such as teachers or nurses (OECD, 2021[1]). Women's employment in the public sector workforce also continues to be hampered by persisting general barriers to women's employment, such as harassment in the workplace, overrepresentation in part-time roles, and so on (OECD, 2019[3]) (Chapter 13).

Addressing these barriers will require progress on multiple fronts including through flexibility, transparency and fairness of public employment systems; reducing the gender wage gap; supporting pay transparency; ensuring gender equality and diversity in all levels of management and across occupational groups; assigning specific roles, responsibilities; and improving executive accountability for progress on gender balance, as also highlighted in the 2015 OECD Council Recommendation on Gender Equality in Public Life. Challenging existing gender stereotypes and eradicating all forms of sexual harassment in public employment are key actions to support progress towards gender equality in public service (and beyond).

Efforts towards changing societal norms

Acting on occupational segregation necessitates changing societal norms and expectations related to which jobs are suitable or acceptable for men and women. Countries have supported this positive change in various ways, including via targets or quotas for gender equality in public service recruitment. 14 OECD countries have gender targets for the whole public service in place, while 7 countries have targets only for senior level public servants (OECD, 2021[1]; 2022[2]) (Chapter 18). In 2019, Portugal adopted a 40% quota for women and men in senior leadership positions in public employment, which applies not only to civil servants in public administration, but also to employees in public higher education institutions (Chapter 18). In 2021, Canada's Public Service Commission released an audit report aimed at promoting merit-based recruitment, and consideration of policies and practices to ensure a balanced representation of women and men in each occupational group within the public sector (Public Service Commission of Canada, 2021[6]). In New Zealand, the Public Service Act 2020 provided an updated framework for employment. It includes the principle that a given cohort of public service officials should reflect the composition of society and creates the responsibility for departmental executives to foster inclusiveness and diversity.

Tackling sexual harassment in public employment

Sexual harassment, which remains an important issue in OECD countries, is one of the key barriers to women's advancement in the workplace including in public employment, and is integral to any discussion on gender equality (OECD, 2019[3]). In this regard, the #MeToo movement is credited with significantly raising awareness of persisting gender equalities among policy makers and increasing the pressure to act over the past few years.

OECD countries have introduced a wide range of measures to tackle sexual harassment in the public sector. Among the 26 countries who responded to the 2021 OECD Survey on Gender Mainstreaming and Governance, the most common measures were standardised, confidential complaints procedures (54%), voluntary in-service staff trainings on sexual harassment (46%), measures to foster openness and transparency in the workplace culture (38%), and adopting sexual harassment policies (38%) (OECD, 2022[2]). For instance, in Portugal, public employers are obliged by law to adopt codes of conduct for the prevention and combat of harassment at work and establish disciplinary procedures. Israel's Gender Equality Division, which works to promote gender equality within the civil service, has supported the development and provision of tutorials dedicated to prevention of sexual harassment across its ministries (OECD, 2021[7]). Yet, only 35% of countries adhering to the 2015 OECD Recommendation on Gender Equality in Public Life have their public service collecting data on complaints for sexual harassment in the workplace (OECD, 2019[3]). Further progress in data collection can be an important step to gauge the performance of the public service, create accountability for meeting gender equality goals, and incite action.

Gender equality and the future of work in the public sector

Emerging trends in the future of work, such as the automation and digital transformation of the workplace, as well as the shift to flexible working arrangements, are likely to affect men and women differently. They also present the potential to recalibrate the workplace in a gender-equal manner (OECD, 2022[2]). Given the high representation of women in the public sector, and since market forces do not necessarily act on it with the same pressure to digitalise and automate as the private sector, there is opportunity for the public sector to anticipate the effects of these emerging trends for gender equality and lead the way in defining policy responses (OECD, forthcoming[8]).

Automation and digitalisation can affect the way workers perform jobs. So, there are concerns that women may be disadvantaged since they remain underrepresented in Science, Technology, Engineering and Mathematics (STEM) fields and may have fewer opportunities to reskill or integrate new technologies into their work, partly because they also spend more time on unpaid care (Madgavkar et al., 2019[9]) (Chapter 13). The public sector is well placed to identify and account for such gaps within career paths and across occupational groups in the public service, and promptly react by moving skills across administrative siloes and upskilling/reskilling employees as necessary (OECD, forthcoming[8]; 2021[10]). Fostering transparency through better collection of workforce data is essential to identify and address any gaps in opportunity for women. For example, collecting data on learning and development needs and uptake by gender can help ensure that training and growth opportunities reach the entire workforce. However, few governments currently collect data on diverse groups' needs for training and participation in training, making it difficult to identify development needs and barriers to learning (OECD, forthcoming[11]).

Finally, some structural and policy transformations were further accelerated by the COVID-19 pandemic. The widespread shutdown of physical workplaces led to a massive shift to home-based work for many, including public sector employees (Chapter 26). Improving uptake of flexible working arrangements by both women and men across all levels of public employment, as well as addressing communication breakdowns and presenteeism bias, can go a long way in supporting gender equality. At the same time, the adoption of flexible working arrangements calls for careful monitoring for their potential impacts on gender equality through regular collection of gender-disaggregated data and analysis, to ensure that they serve their purpose. Box 14.1 shows New Zealand's approach to encouraging flexible working arrangements by default.

Box 14.1. Flexible working by default in New Zealand

In New Zealand, all employees have a right to request flexible working with a range of flexible work options is available. In June 2020, New Zealand's *Te Kawa Mataaho* Public Service Commission published guidance to help agencies in public services develop their respective approach to flexible working by default. Prepared by the Gender Pay Gap and Pay Equity Taskforce, it draws on extensive collaboration and engagement with the New Zealand Council of Trade Unions and its affiliates, Public Service agencies piloting flexible-by-default practices, and representatives from the Gender Pay Principles Working Group.

Source: State Services Commission (2020), *Flexible-Work-by-Default Guidance and Resources*, https://www.publicservice.govt.nz/guidance/guidance-flexible-work-by-default-guidance-and-resources/.

Key policy messages

- Governments should identify persisting and emerging barriers, including cultural ones, in attaining gender equality in the workplace in public administration.
- Active measures should be taken to close gender gaps in public employment and leadership positions, including through improving pay equity; coaching and leadership programmes; work-life balance measures; collection of data and evidence on what actions work best to support gender equality in public employment, covering aspects ranging from peer-learning and knowledge sharing to incidents of sexual harassment; and the development of innovative methods to address social biases.

- The public sector should capitalise on trends such as digitalisation and workplace flexibility to recalibrate the workplace in a gender-equal manner. Governments should monitor gender-specific impacts of those trends, while fostering the collection of data, including on flexible working arrangements and their potential impact on gender equality in the workplace.

References

Madgavkar, A. et al. (2019), *The future of women at work: Transitions in the age of automation*, McKinsey Global Institute, https://www.mckinsey.com/featured-insights/gender-equality/the-future-of-women-at-work-transitions-in-the-age-of-automation?cid=eml-web. [9]

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [2]

OECD (2021), *2021 Survey on Gender Mainstreaming and Governance*. [7]

OECD (2021), *Government at a Glance 2021*, OECD Publishing, Paris, https://doi.org/10.1787/1c258f55-en. [1]

OECD (2021), *Public Employment and Management 2021: The Future of the Public Service*, OECD Publishing, https://doi.org/10.1787/938f0d65-en. [10]

OECD (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, https://doi.org/10.1787/g2g9faa5-en. [3]

OECD (2017), *Government at a Glance 2017*, OECD Publishing, Paris, https://doi.org/10.1787/gov_glance-2017-en. [4]

OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, https://doi.org/10.1787/9789264252820-en. [5]

OECD (forthcoming), *Future of Work in Public Service: What is in Store for Gender Equality?*. [8]

OECD (forthcoming), *Public Employment and Management 2023*. [11]

Public Service Commission of Canada (2021), *Audit of Employment Representation in Recruitment*, https://www.canada.ca/en/public-service-commission/services/publications/audit-of-employment-equity-representation-in-recruitment.html. [6]

15 The labour market integration challenges of Ukrainian refugee women

Jean-Christophe Dumont and Ave Lauren

This chapter starts by presenting the specificities of the Ukrainian refugee crisis caused by Russia’s large-scale war of aggression against Ukraine, highlighting the unusual gender dimension of the Ukrainian refugees. It then focuses on key obstacles that Ukrainian refugee women face to labour market integration, including care obligations, risks of exploitation and uncertainties regarding the future due to the breakdown of family units. The chapter concludes with policy reflections on the need for both targeted and mainstream measures to support the labour market integration of Ukrainian refugee women.

Key findings

- Russia's large-scale war of aggression against Ukraine has displaced more than 10 million people in Ukraine and abroad, and by April 2023, there were around 4.7 million displaced Ukrainians in OECD countries.
- From the onset, the gendered profile of the Ukrainian refugee crisis has been evident. Most arrivals from Ukraine are women and children, which creates specific challenges to labour market integration.
- Some socio-economic characteristics of Ukrainians, such as higher educational levels, are likely to improve their integration prospects compared to other refugee women, yet other factors, including care burdens, the risk of exploitation and uncertainties about the length of stay, may deter successful labour market integration.

The Ukrainian refugee crisis is atypical as most adult arrivals are women

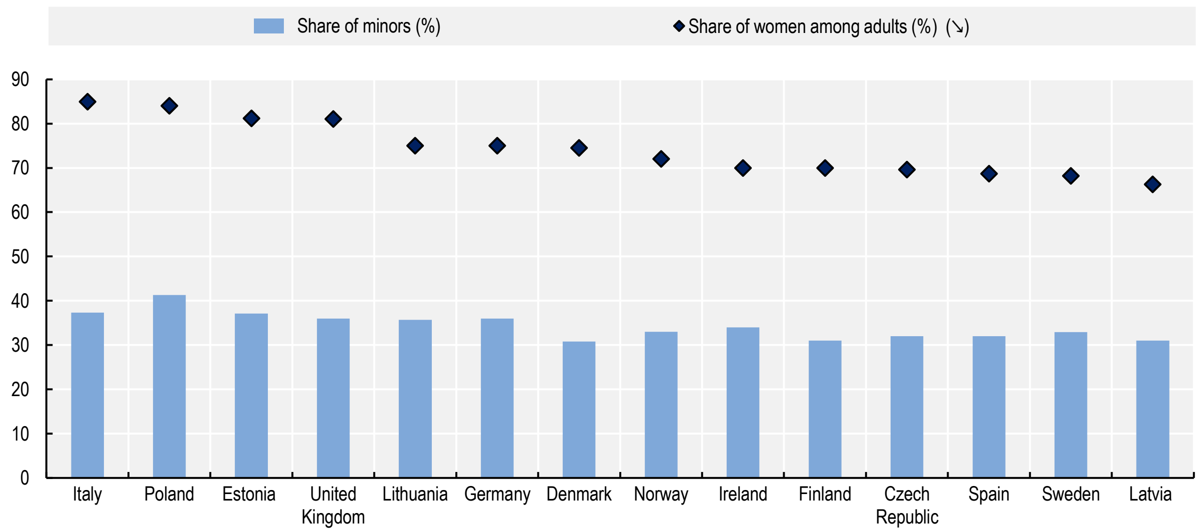
Amidst the ongoing devastation caused by Russia's large-scale war of aggression against Ukraine, more than 10 million Ukrainians have become either internally displaced or refugees abroad. In April 2023, there were around 4.7 million displaced Ukrainians in OECD countries. Most refugees – defined in this chapter as persons who have obtained some sort of international protection, including temporary protection or similar national protection status (as in the case of most refugees from Ukraine) – remain in neighbouring countries to Ukraine, but some have returned or moved onward, including increasingly to non-EU OECD countries. As of April 2023, OECD countries with the highest total numbers of recorded refugees include Poland (1 million), Germany (922 000), the Czech Republic (500 000), the United States (270 000), the United Kingdom (193 000), Canada (190 000), Italy (173 000), and Spain (171 000) (data from UNHCR or collected directly from OECD countries).

As host countries are transitioning from reception to medium- and long-term measures, ensuring a swift and effective labour market integration is essential for allowing Ukrainian refugees to rebuild their lives and to achieve stable livelihoods. The unusual gender dimension of the Ukrainian refugees, however, presents challenges for most host countries. The general mobilisation has prevented most men aged 18 to 60 from leaving the country, which is why the refugee inflows from Ukraine are comprised mainly of women, children and elderly people. In virtually all host countries, at least 70% of adult Ukrainian refugees are women. In some countries, the figures are even higher. In Italy, Poland, Estonia and the United Kingdom, for instance, the share of women among adults exceeds 80% (Figure 15.1).

This is markedly different from other recent refugee flows. Prior to the start of the Ukrainian refugee crisis, at the end of 2021, there were about 89.3 million forcibly displaced individuals worldwide, out of whom women accounted for about 49% (UNHCR, 2022[1]). Women make up a similar share (53%) among those who have sought protection in Colombia in the context of the Venezuelan migration and refugee crisis (UNHCR, 2022[2]). In other cases, women have been disproportionately underrepresented among refugee arrivals, notably during the 2015-17 mixed flows in Europe. Between 2015 and 2017, according to Eurostat, women lodged only about 30% of all asylum applications and received 35% of all positive first instance decisions in the EU-28.

Figure 15.1. The refugee inflows from Ukraine are comprised mainly of women

Share of women and minors among registered Ukrainian refugees in selected countries, percentage



Note: Data collected directly from OECD member countries.
Source: OECD (2023[3]), *What we know about the skills and early labour market outcomes of refugees from Ukraine*, https://doi.org/10.1787/c7e694aa-en.

StatLink https://stat.link/ylwjcm

In the context of the Ukrainian refugee crisis, many women have been fleeing with family members, including children. The available data from host countries suggests that, on average, over a third of Ukrainian refugees are minors and around 4-6% are aged 65 and over (OECD, 2023[3]). Different surveys offer some further insights on this. One is the EUAA-OECD Survey of Arriving Migrants from Ukraine (SAM – UKR), which surveyed 3 932 adults between April and August 2022 online (82% were female with a mean age of 38 years; this survey may not be representative for the overall refugee population). Among its respondents, 9 in 10 travelled with family members (86%), including 38% who travelled with children only and 30% with dependent adults (EUAA/IOM/OECD, 2022[4]). The UNHCR's survey – whose first round is based on 4 900 interviews with refugees from Ukraine conducted between May and June 2022 in the Czech Republic, Hungary, Moldova, Poland, Romania and the Slovak Republic – found that more than 70% of respondents left Ukraine accompanied by other persons (mainly immediate family) with 18% travelling with infants (0-4 years old), 53% with children (5-17 years old), 21% with older persons (60+ years old) and 23% with at least one person with specific needs (UNHCR, 2022[5]).

Refugee women face more acute obstacles to labour market integration

Ukrainian refugee communities in OECD countries are thus primarily comprised of female-led households, where women face the pressures of securing families' basic needs and well-being making their speedy labour market integration that much more critical. Yet, refugee women often have worse labour market outcomes compared to other groups. Immigrant women frequently face a "double disadvantage", as their labour market outcomes are worse compared to both immigrant men and native-born women; refugee women may suffer from a "triple disadvantage" as the challenges related to gender, immigrant status and forced migration add up and/or mutually reinforce each other (Liebig and Tronstad, 2018[6]). Refugees generally struggle to enter the labour market and it can take up to 10 years to have half the arrivals in employment and up to 20 years to have a similar employment rate as the native-born. Even then, female refugees have notably lower employment rates (45% compared to 62% among male refugees) (European Commission/OECD, 2016[7]).

Ukrainian refugee women, however, have some characteristics that facilitate their integration prospects. First, Ukrainian refugees have often benefitted from immediate labour market access in OECD countries – contrary to the general pattern of asylum seekers who cannot access the labour market for months. The activation of the Temporary Protection Directive (2001/55/EC) on 4 March 2022, for the first time ever, gave Ukrainians the right to work in the EU without delay, and most other OECD countries outside the EU, including Canada and the United States, also granted speedy access to the labour market (OECD, 2022[8]). Second, the educational profile of Ukrainian arrivals is conducive to finding employment. Despite significant variability between host countries, the available evidence suggests that the educational attainment levels of Ukrainian refugees are not only higher than that of other refugee groups but also exceed that of the Ukrainian and EU population averages (OECD, 2023[3]). Third, Ukrainians have been able to leverage existing social networks in host countries. Refugees often lack networks in host countries, affecting their ability to seek jobs and access recruitment channels. Ukrainians, however, had a sizable diaspora in OECD countries before the start of the war. At the end of 2021, according to Eurostat, 1.57 million Ukrainian citizens were authorised to stay in the EU, representing the third biggest group of non-EU citizens, behind citizens of Morocco and Türkiye. Beyond the EU, Canada was home to about 1.36 million people of Ukrainian descent (Stick and Hou, 2022[9]).

Early evidence regarding the labour market inclusion of Ukrainian refugees indicates that their entry into the labour market has, indeed, been faster than for other refugee groups in the OECD (OECD, 2023[3]). As of November 2022, in a few EU OECD countries, the share of working-age Ukrainian refugees (most of whom are women) in employment was already over 40% (e.g. in Estonia, Lithuania, the Netherlands, and the United Kingdom). Elsewhere, the share was lower but increasing. While the early outcomes are good, they are not necessarily an indicator of long-term success and, despite the relatively swift entry, much of the early employment uptake has been concentrated in low-skilled jobs, which is why skills mismatches are widespread (OECD, 2023[3]).

Care obligations can impede labour market participation

The provision of adequate childcare facilities is key to allow parents with young children to take up employment. As most arrivals from Ukraine are women with children, often fleeing without their partners, the availability of adequate and affordable childcare is a precondition for refugee women's labour market integration. Some countries have sought to address these challenges already, for instance, by opening new childcare centres or engaging private childcare centres to expand the number of available spaces for Ukrainian children (e.g. Latvia and Poland), while others offer help with childcare costs (e.g. Denmark, Estonia, Ireland, and the United Kingdom).

Despite these measures, there are structural challenges that may affect the availability of affordable childcare in the longer term. Most host countries were facing severe shortages of care places and staff already prior to the influx of refugees. Childcare fees for parents can be high in OECD countries, even after rebates, cash benefits and tax reliefs, making childcare affordability a major concern for many families, regardless of their origin or migratory status (OECD, 2020[10]). High fees can substantially weaken employment incentives for parents, particularly for the many Ukrainian mothers fleeing without their partners, as they may not have access to informal networks of care support (Chapter 24).

Many Ukrainian women faced similar challenges already in Ukraine. Prior to the war, about 30% of Ukrainian women between 25-39 were economically inactive compared to about 9% of men (Ukraine LFS 2021). Strong social expectations in Ukraine for women to be more engaged in performing family duties, together with limited access to childcare, likely contributed toward such outcomes. Findings from a survey conducted by UN Women and UNFPA among 6 108 persons aged at least 18 in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine before the war started, suggest that more than half of all female respondents in Ukraine (about 55%) believe that it is better for preschool children to have a mother who is not in paid employment (UN Women/NFPA, 2022[11]).

In the context of Ukrainian arrivals in host countries, childcare pressures are not restricted to young children as the relatively low shares of school enrolment and preference for remote learning among Ukrainian children can also negatively impact their mothers' labour market outcomes in some countries. As children account for one-third of all refugee inflows from Ukraine, the start of the 2022-23 school year prompted most host countries to make substantial efforts to scale up their classroom and teaching capacities, including hiring Ukrainian teachers and teaching assistants (OECD, 2022[8]). While the number of Ukrainian children enrolled has increased, it remains challenging to know the exact enrolment rates due to onward and return movements. However, significant variability exists between countries. In Poland and Italy, about 55% of students are enrolled, while the enrolment rates in Ireland exceed 90% (these numbers refer to registered beneficiaries of temporary protection of compulsory schooling age, i.e. from 7 to 17 years old).

Moreover, the absence of their partners and the exposure to various stress factors and trauma due to displacement add to the mental load of their family obligations, including thinking, planning, scheduling, organising, caring and being responsible for family members (Dean, Churchill and Ruppanner, 2021[12]). Yet these obligations are potentially heightened due to uprooting and displacement with additional expectations for psycho-social support care to family members. This leaves less time to mothers to plan and prepare for their employment or to recover from their engagement in paid employment (Craig and Brown, 2016[13]).

Refugee women face a higher risk of exploitation

All recently arrived refugees have vulnerabilities, but the atypical gender profile can increase different risks faced by the Ukrainian arrivals. Refugee women are under a particular risk of gender-based violence (Chapters 6 and 7) and several host countries are reporting an increase in different forms of harassment, exploitation and abuse (including economic) of Ukrainians since February 2022 (UNFPA, 2022[14]). Some OECD countries, including Austria, Belgium, Finland, Ireland, the Netherlands, Poland, and Spain, have opened investigations regarding trafficking in human beings.

Alongside the atypical profile, the notably larger roles of private citizens and initiatives in supporting the reception of Ukrainian refugees have also increased the risk of exploitation. This has been particularly a concern in relation to housing (OECD, 2022[15]). Most host countries have relied heavily on private accommodation to house new arrivals. In Belgium and Italy, for instance, the share of those housed with private hosts reached 90%. Private offers provided an agile solution in the beginning of the crisis and have helped to cope with the sudden housing demand, yet they also raise concerns about safety. Similarly to housing, many ad hoc matching pages mediating job opportunities from private individuals and business owners have sprung up and come with their own risks, including falling victim to traffickers targeting these sites and engaging in undeclared work (OECD, 2023[3]).

OECD countries have been attentive to these risks from the early stages of the crisis and different mitigation strategies have been put in place. In Poland, for instance, a framework has been developed in co-operation with police for screening organisations, foreign entities and individuals looking to volunteer and provide aid to Ukrainian refugees (CBSS, 2022[16]). In Luxembourg, the Red Cross and Caritas organise house visits because of an identified risk of labour and sexual exploitation. In Germany, the online central support portal for the Ukrainian refugees (germany4ukraine.de) provides information on basic labour rights and directs to counselling centres on assistance in cases of potential exploitation and trafficking. Meanwhile the Danish Centre against Human Trafficking, jointly with the country's cyber police units and financial institutions, consult with tech companies such as Meta and Microsoft to better detect and prevent trafficking online (CBSS, 2022[16]).

The breakdown of family units deepens uncertainties regarding the future and may deter integration

A major challenge for integration is the lack of clarity regarding the potential length of stay of displaced Ukrainians in host countries. Different surveys on Ukrainians' future intentions reveal a shared uncertainty about the future. Moreover, as the different rounds of UNHCR's intentions surveys suggest, this uncertainty may not diminish over time but increase instead: in June 2022, about 10% of respondents were undecided about return in the near future, while in September this share had risen to 43% (see details on the first round of the survey above. The second round covered over 4 800 interviews between August and September 2022) (UNHCR, 2022[5]; 2022[17]). High levels of uncertainty can deter refugees from making country-specific investments in host societies, such as learning a language, and hinder integration due to the potentially temporary nature of their stay.

The decisions about return or settlement in host countries are shaped at least to some degree by family considerations, especially among Ukrainian women who fled without their partners. The information on Ukrainians' return intentions is already scarce, but even less is known about the differences between groups. In Germany, a survey by the Munich-based Ifo Institute for Economic Research (including two waves of surveys of Ukrainian refugees in Germany in June and October), however, offers some insight into the ways in which gender and family circumstances may shape return intentions. The findings suggest that men rather than women (68 versus 51%) and more than two-thirds of those who fled with their partners plan to stay in Germany (Panchenko, 2022[18]). These differences between men and women may be explained by the difficulties of return of potential conscripts but are also due to most Ukrainian men in Germany live with their partners and families.

In contrast, the vast majority of Ukrainian women live without their partners. Among the respondents of the first round of UNHCR's intentions survey, the large majority (82%) had separated from family members, mainly due to mandatory military conscription (61%) and/or because their family members did not wish to leave Ukraine (48%) (UNHCR, 2022[5]). Reuniting with families is thus one of the main reasons for intending to return: almost half of those respondents who are planning to return to Ukraine in the near future do so for family reunification (48%), just narrowly behind the desire to go back to their home country (49%) (UNHCR, 2022[17]). Family reunification was the main driving factor for return also according to border interviews conducted by IOM (68%, multiple responses possible in a survey to 1 115 people interviewed at three border crossing points in Poland between April and June 2022) and the Norwegian Refugee Council (NRC) in Poland (371 people interviewed who were about to board a train to Ukraine from Warsaw between 4 and 15 July 2022) (IOM, 2022[19]; NRC, 2022[20]). The breakdown of family units and the need to plan for family reunification – whether in Ukraine or elsewhere – deepens the already high levels of uncertainty for many Ukrainian refugee women in host countries and prevent planning for longer-term displacement.

Targeted measures may be needed alongside mainstream measures to support the labour market integration of Ukrainian refugee women

Because Ukrainian refugee women face barriers to labour market entry, they may take on employment that is below their skill-levels. Any gainful employment or income may be seen as satisfactory under the current circumstances. However, in the long term this is not an efficient use of (deteriorating) skills both from the perspective of individual refugee women, as well as host economies.

It is thus necessary to ensure that there are effective support measures in place to promote employment of Ukrainian refugee women in jobs of suitable quality. In recent years, labour market integration of refugees has become priority in many OECD countries, especially following increasing inflows to Europe. Consequently, some host countries have been largely relying upon their existing integration systems during the Ukrainian refugee crisis (OECD, 2022[8]). In some cases, however, countries have added integration measures or modified the existing ones to better address the needs of the new Ukrainian arrivals. Up to date, such adaptations have focused primarily on improving skills transferability and foreign qualifications assessments (OECD, 2023[3]).

Although gender-specific needs and challenges were widely addressed during the reception phase, the adjustments related to the atypical gender profile of Ukrainian arrivals in relation to labour market integration are less common. This is partly because many OECD countries look to support labour market integration through their mainstream integration systems. In several EU OECD countries, including Austria, Finland, France, Germany, Spain, Sweden and the Netherlands, general migrant integration policies already incorporate gender-sensitive measures or follow a gender mainstream approach (EMN, 2022[21]). Yet this is not the case everywhere and mainstream systems may not be able to support the labour market integration of Ukrainian refugee women in an effective manner. There are some targeted initiatives in OECD countries, focusing mainly on counselling, networking and work placements (for example, Her Mentors project in Canada and #DamyRadę or #WeCanDoIt initiative in Poland), but they remain an exception.

While there have been substantial improvements in refugee integration systems across OECD countries, the available policies and activities have been often developed with different refugee or migrant profiles in mind. As countries are looking to facilitate the labour market integration of Ukrainians, it is important to ensure that the existing measures consider the specific profiles of Ukrainian refugees. Different steps are being taken to account for the unusual educational profiles (OECD, 2023[3]), but the atypical gender dimension also requires attention and policy adjustments, especially in relation to care burdens, exploitation risks, the breakdown of family units and uncertainties about the length of stay that may deter Ukrainian women's integration otherwise. After all, the Ukrainian refugee crisis is a profoundly gendered crisis calling for gendered responses.

Key policy messages

- The gendered nature of the Ukrainian refugee crisis creates a range of new challenges that existing systems may not be equipped to address.
- While mainstream measures to support labour market integration of refugees are available, it is important that host countries consider if these policies and activities address the specific gendered challenges faced by Ukrainian women.
- Ukrainian refugee women's labour market integration will be shaped by a complex interplay of both favourable circumstances as well as limiting barriers. While there is no doubt that Ukrainian women are better positioned than many other refugee women, there is likely a need to implement gender-sensitive and targeted integration measures to ensure their successful labour market integration at skill-appropriate levels.

References

CBSS (2022), *Human Trafficking: Baltic Sea Region Round-up Report 2022*, The Council of the Baltic Sea States, https://cbss.org/publications/human-trafficking-baltic-sea-region-round-up-report-2022/. [16]

Craig, L. and J. Brown (2016), "Feeling Rushed: Gendered Time Quality, Work Hours, Nonstandard Work Schedules, and Spousal Crossover", *Journal of Marriage and Family*, Vol. 79/1, pp. p. 225-242, https://doi.org/10.1111/jomf.12320. [13]

Dean, L., B. Churchill and L. Ruppanner (2021), "The mental load: building a deeper theoretical understanding of how cognitive and emotional labor overload women and mothers", *Community, Work & Family*, Vol. 25/1, pp. 13-29, https://doi.org/10.1080/13668803.2021.2002813. [12]

EMN (2022), *Integration of Migrant Women in the EU: Policies and Measures*, Brussels: European Migration Network, https://home-affairs.ec.europa.eu/system/files/2022-09/EMN_STUDY_integration-migrant-women_23092022.pdf. [21]

EUAA/IOM/OECD (2022), *Forced displacement from and within Ukraine*, https://doi.org/10.2847/739455. [4]

European Commission/OECD (2016), *How are refugees faring on the labour market in Europe? : A first evaluation based on the 2014 EU Labour Force Survey ad hoc module. 1/2016*, European Commission Publications Office, Brussels, https://data.europa.eu/doi/10.2767/350756. [7]

IOM (2022), *Ukraine Response 2022 - Poland: Crossings to Ukraine Surveys, 21 April - 21 June 2022.*, https://dtm.iom.int/reports/poland-ukraine-response-2022-crossings-ukraine-surveys-round-02-21-april-21-june-2022. [19]

Liebig, T. and K. Tronstad (2018), "Triple Disadvantage? : A first overview of the integration of refugee women"*, OECD Social, Employment and Migration Working Papers*, No. 216, OECD Publishing, Paris, https://doi.org/10.1787/3f3a9612-en. [6]

NRC (2022), *Ukrainian Homecoming: A Study of Refugee Returns from Poland: July-August 2022*, https://www.nrc.no/globalassets/pdf/reports/ukrainian-homecoming/final-nrc-ceero-returns-survey_ukraine_poland_05092022.pdf. [20]

OECD (2023), "What we know about the skills and early labour market outcomes of refugees from Ukraine"*, OECD Policy Responses on the Impacts of the War in Ukraine*, OECD Publishing, Paris, https://doi.org/10.1787/c7e694aa-en. [3]

OECD (2022), "Housing support for Ukrainian refugees in receiving countries"*, OECD Policy Responses on the Impacts of the War in Ukraine*, OECD Publishing, Paris, https://doi.org/10.1787/9c2b4404-en. [15]

OECD (2022), "Responding to the Ukrainian refugee crisis", in *International Migration Outlook 2022*, OECD Publishing, Paris, https://doi.org/10.1787/23898d5a-en. [8]

OECD (2020), "Is Childcare Affordable?", OECD, Paris, https://www.oecd.org/els/family/OECD-Is-Childcare-Affordable.pdf. [10]

Panchenko, T. (2022), “Prospects for Integration of Ukrainian Refugees into the German Labor Market: Results of the ifo Online Survey”, https://www.cesifo.org/en/publikationen/2022/article-journal/prospects-integration-ukrainian-refugees-german-labor-market. [18]

Stick, M. and F. Hou (2022), *A sociodemographic profile of Ukrainian-Canadians*, Economic and Social Reports, Statistics Canada, https://doi.org/10.25318/36280001202200400003-eng. [9]

UN Women/NFPA (2022), *Baseline study on gender norms and stereotypes in the countries of the Eastern Partnership*, https://eca.unwomen.org/sites/default/files/2022-03/BASELINE%20STUDY-5_0.pdf. [11]

UNFPA (2022), *Gender-Based Violence Secondary Data Review: Ukraine - GBV AoR 2022*, https://gbvaor.net/sites/default/files/2022-05/Ukraine%20GBV%20SDR%20%2025%205%2022%20Final%20format%20amended.pdf. [14]

UNHCR (2022), *Figures at a Glance*, https://www.unhcr.org/figures-at-a-glance.html (accessed on 25 November 2022). [1]

UNHCR (2022), *Lives on hold: Intentions and perspectives of refugees from Ukraine #1*, https://data.unhcr.org/en/documents/details/94176. [5]

UNHCR (2022), *Lives on hold: Intentions and perspectives of refugees from Ukraine #2*, https://data.unhcr.org/en/documents/details/95767. [17]

UNHCR (2022), *Monitoreo de Protección: Colombia: Enero - junio 2022*, https://reporting.unhcr.org/document/3563. [2]

16 The gender wage gap and the role of firms

Alexander Hijzen

This chapter first shows some trend data on the gender wage gap in OECD countries. It then presents new evidence on the gender wage gap among men and women with similar skills in selected OECD countries, and analyses in particular the role of firms. The analysis is based on "linked" employer-employee data derived from administrative records of the tax and social security systems for 16 OECD countries. Upon presenting the findings, the chapter discusses different elements that policy packages could include to successfully reduce gender pay gaps. The chapter concludes with a summary of policy implications.

Key findings

- The gender wage gap remains stubbornly wide at 12% when measured at median earnings of full-time workers. The bulk of the gender wage gap is concentrated within firms. About three-quarters of the gender wage gap between similarly skilled men and women concern differences within firms. This mainly reflects differences in tasks and responsibilities and, to a lesser extent, differences in pay for work of equal value. The remaining one-quarter of the gender wage gap results from the concentration of women in low-wage firms and low-wage industries.
- The gender wage gap within and between firms tends to increase over the working life. The age-profile of the gender wage gap reflects to an important extent gender differences in the nature and incidence of for job mobility within and between firms. Women are more like to work part-time and part-time workers are less likely to be promoted. Women are also less likely to change firms than men, and when they do this is more likely to be for family reasons than career considerations.
- Career breaks around the age of childbirth account for an important fraction of the "motherhood penalty", i.e. the shortfall in wage growth following childbirth, and shape the evolution of the gender wage gap over the life-course.

The gender wage gap has decreased slowly over time but remains wide

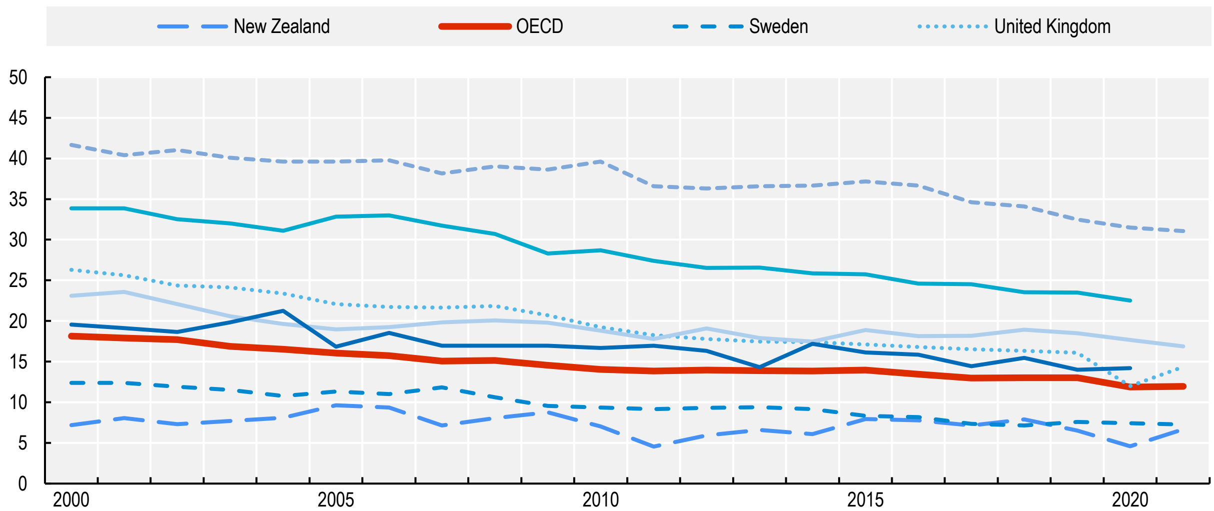
In many OECD countries the gender wage gap has been on a downward trend for the past decade (Figure 16.1), as related to marked gains in educational attainment and increased female employment participation, and slow but noticeable progression of women in leadership positions (Chapters 8, 13, 17 and 18). Nevertheless, the gender wage gap remains stubbornly wide. Across the OECD on average, it stood at 12% in 2021 when measured at median earnings for full-time workers (OECD, 2023[1]).

Many factors drive the gender wage gap. One major barrier is the enormous inequality that exists in the distribution of *unpaid* work hours (OECD Gender Data Portal, 2021[2]). Women do much more cooking, cleaning, looking after the elderly, and childcare than men, which, in turn, limits both the time women can spend in *paid* work and their possibilities to make career progression (OECD, 2021[3]; 2017[4]; 2017[5]) (Chapter 13). This has negative implications for their pay, particularly in jobs with inflexible work hours (Goldin, 2014[6]). Discrimination is another important issue. Discrimination is hard to quantify, but has been identified through, for example, randomised field experiments where researchers create fictitious job candidates applying for jobs by correspondence, with exactly the same applicant credentials *except* for the gender of the applicant. These studies found discrimination against women both in the hiring process for higher-paid jobs and in the starting salaries that are offered (Blau and Kahn, 2016[7]), and this has downstream effects on the gender wage gap over the life course (OECD, 2021[8]). The remainder of this chapter focuses on the role of firms in the gender wage gap. Since women now have similar or even better qualifications than men in most OECD countries, gender wage differences largely reflect the differences in the type of work men and women do and in the way they are remunerated.

Using linked employer-employee data derived from administrative records of the tax and social security systems – available for 16 OECD countries – allows for an analysis of the role of firms, and in particular how they remunerate men and women with similar skills (OECD, 2021[9]; 2022[10]).

Figure 16.1. Progress in closing the gender wage gap has been slow

Gender wage gap for full-time dependent employees, selected countries, 2000 through latest available year, percentage



Note: Values represent the difference between median earnings of men and women relative to median earnings of men. Trend lines include the latest data available. The OECD average presents the unweighted average of the latest data across all OECD countries.
Source: *OECD Gender wage gap indicator*, available at https://data.oecd.org/earnwage/gender-wage-gap.htm.

StatLink https://stat.link/gjfb09

The gender wage gap and the role of firms

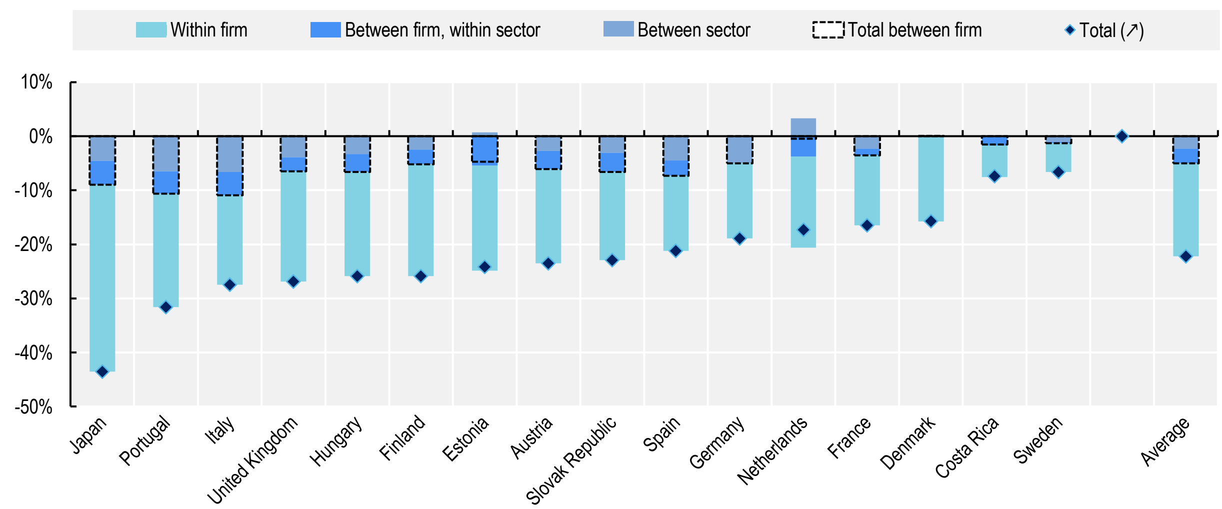
The bulk of the gender wage gap is concentrated within firms

About three-quarters of the gender wage gap between similarly skilled men and women reflects differences within firms (Figure 16.2). More detailed analysis in OECD (2021[9]) suggests that in most countries, this mainly reflects differences in tasks and responsibilities, whereas differences in pay for work of equal value tend to be relatively small in most countries. Consequently, the key priority for policy is how to promote access for women to better jobs within firms.

The remaining one-quarter of the gender wage gap results from the concentration of women in low-wage firms and low-wage industries. The between-firm gender wage gap reflects both the degree of gender segregation across firms and industries paying different wages and the importance of wage differences between firms and industries for workers with similar skills. The concentration of women in low-wage firms may be the result of discriminatory hiring practices by employers or the preferences of women for firms with flexible working-time arrangements. Firms that are more likely to offer part-time work arrangements also tend to offer lower wages (OECD, 2021[9]). It is also important to note that female dominated industries may be paid less because they are undervalued, and not because they are inherently less valuable, which stresses the importance to recognise the value of female dominated industries and to improve the pay and conditions in these industries. The concentration of women in low-wage industries may also reflect the role of past educational choices and gendered socialisation processes earlier in life (Chapter 9).

Figure 16.2. The gender wage gap is largely concentrated within firms

Difference in average wages between similarly skilled women and men as a share of average hourly wages of men, early-2000s to mid-2010s, percentage



Note: Decomposition of the gender wage gap between similarly skilled women and men within and between firms. The between-firm component is further decomposed between sectors and within sectors. The wage gap between similarly skilled men and women is obtained from a regression of log wages on a gender dummy, education/occupation dummies (not available for Austria and Estonia), flexible earnings-experience profiles by gender and decade-of-birth dummies to control for cohort effects. The positive gap between sectors for the Netherlands is also observed when using data from the European Union Structure of Earnings Survey (OECD, 2021[9]). Reference period: 2001-13 for Japan; 2002-17 for Portugal; 1996-2015 for Italy; 2002-19 for the United Kingdom; 2003-17 for Hungary; 2004-16 for Finland; 2003-18 for Estonia; 2000-18 for Austria; 2014-19 for the Slovak Republic; 2006-18 for Spain; 2002-18 for Germany; 2010-19 for the Netherlands; 2002-18 for France; 2001-17 for Denmark; 2006-17 for Costa Rica; and 2002-17 for Sweden.
Source: OECD (2021[9]), *The Role of Firms in Wage Inequality: Policy Lessons from a Large Scale Cross-Country Study*, http://dx.doi.org/10.1787/7d9b2208-en.

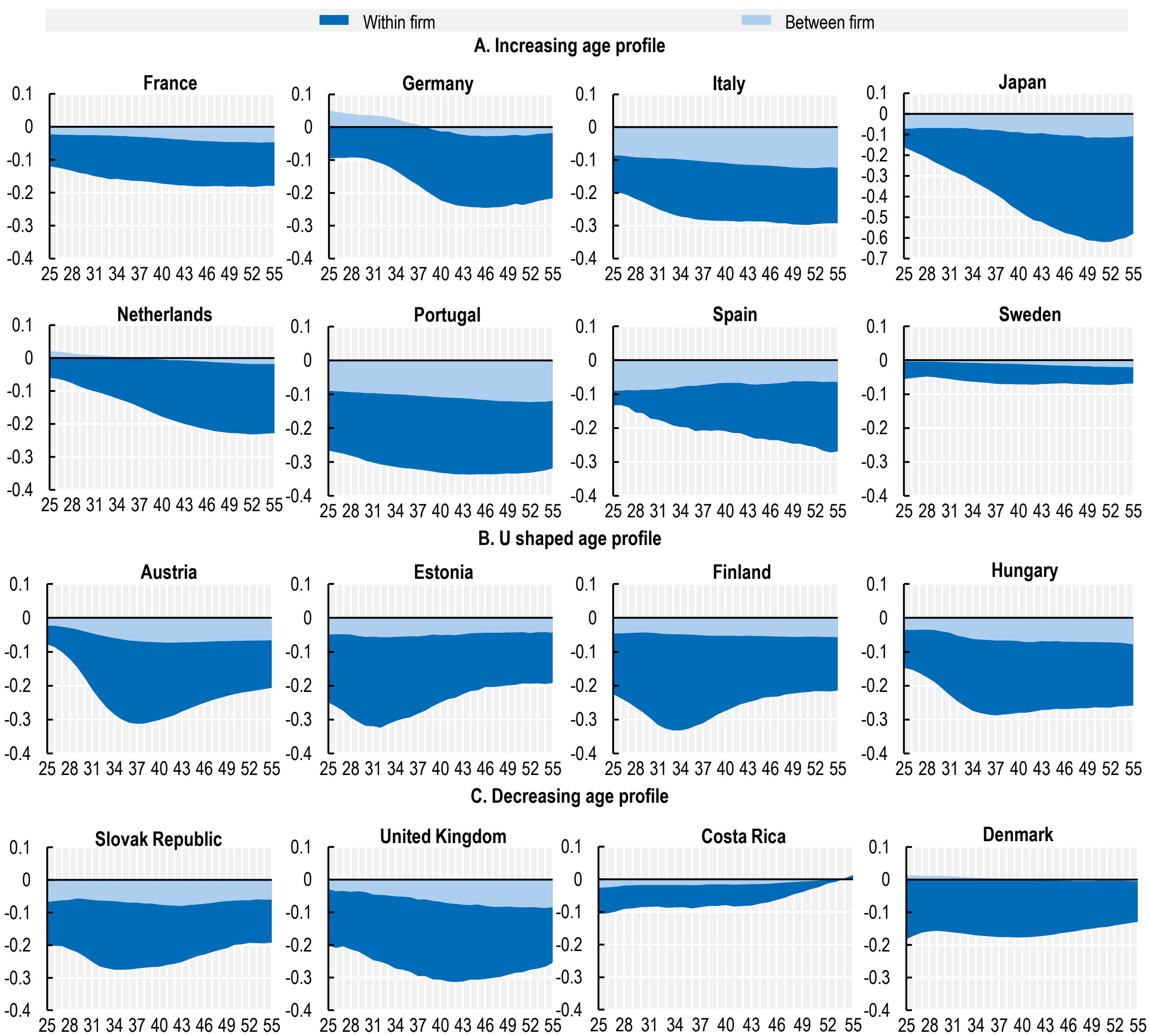
StatLink https://stat.link/yvmho9

Gender wage gaps tend to increase with age due to gender differences in job mobility

The gender wage gap within and between firms tends to increase with age, at least until the typical age at which women have their first child. Indeed, in most Western European countries as well as Japan, the gender wage gap tends to increase with age until retirement (Figure 16.3, Panel A). This reflects growing differences in pay both between and within firms. A possible explanation is that men increasingly sort into high-wage jobs as they advance in their careers, while women stay behind or may even be constrained to move into lower-wage jobs, which offer more flexible working time arrangements. In Central and Eastern European countries as well as the United Kingdom, the gender wage gap increases between the ages of 25 and 35, but then declines (Figure 16.3, Panel B). In Denmark and Costa Rica, the gender wage gap is broadly stable until the age of 45 – with only a tiny increase in the mid-thirties – and a more significant decline thereafter (Figure 16.3, Panel C).

Figure 16.3. The gender wage gap between and within firms tends to increase over the working life

Difference in average wages between similarly-skilled women and men as a share of the wages of men by age, early-2000s to mid-2010s, percentage



Note: For information on the methodology and data used, see the notes to Figure 16.2.
Source: OECD (2021[9]), *The Role of Firms in Wage Inequality: Policy Lessons from a Large Scale Cross-Country Study*, http://dx.doi.org/10.1787/7d9b2208-en.

StatLink https://stat.link/dlfx7j

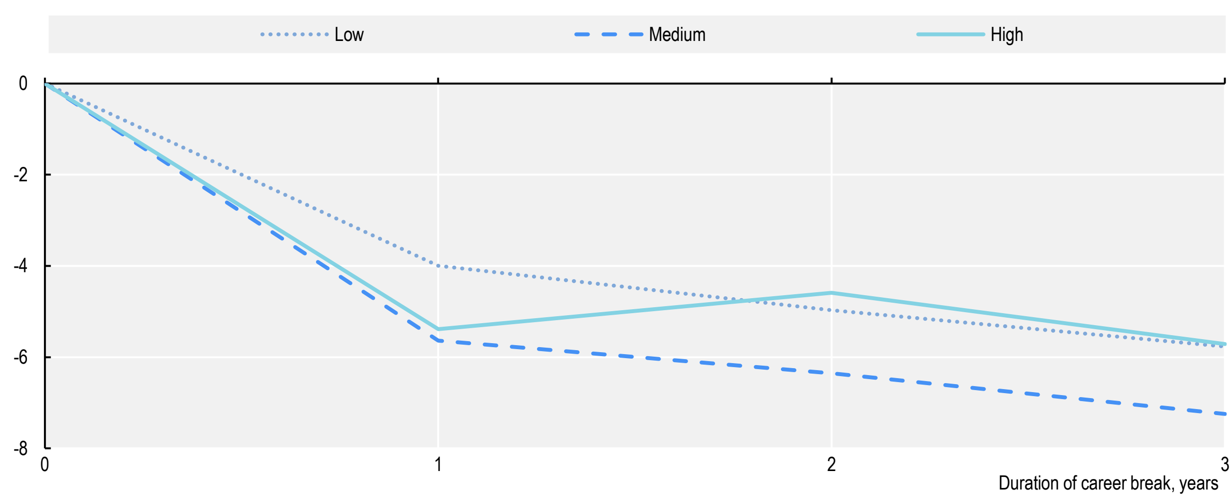
The tendency of the gender wage gap to increase with age reflects significant gender differences in upward mobility within and between firms. The bulk of the increase in the gender wage gap *within* firms can be attributed to gender differences in the probability of being promoted. In part, this may reflect the role of part-time work and career breaks which reduce the chances of getting promotions. A substantial part of the increase in the gender wage gap *between* firms is driven by gender differences in the extent and nature of job mobility across firms. Women are not only less likely to move between firms than men, but when they do, this is less likely to be associated with significant wage increases. In other words, women change jobs to a lesser extent for wage and career considerations and more often for personal reasons (e.g. having more flexible working-time arrangements, working closely from home, following a partner) (OECD, 2018[11]).

Career breaks around the age of childbirth contribute to the motherhood penalty in wages

Career breaks around the age of childbirth account for a large fraction of the "motherhood penalty", i.e. the shortfall in wage or earnings growth following childbirth, and as a result play an important role in determining the evolution of the gender wage and earnings gaps over the working life. Career breaks around the time of childbirth are measured by non-employment spells in the data. Differences between skills groups are relatively small. Importantly, career breaks carry considerably earnings losses (Figure 16.4). These mainly reflect lower wage growth within firms due to missed experience or human capital depreciation. While most women return to the same firm after a career break, in some countries (e.g. Germany), many women switch to part-time work, further reducing their earnings. This tends to be particularly common among women with low to medium levels of skills.

Figure 16.4. Career breaks around the age of childbirth carry significant wage losses

Percentage difference in wages before and after career break by duration of break and worker skills



Notes: Sample: Women aged 25 to 34. Reference period: 2002-17 for Portugal; 1996-2015 for Italy; 2003-17 for Hungary; 2004-16 for Finland; 2003-18 for Estonia; 2000-18 for Austria; 2014-19 for the Slovak Republic; 2006-18 for Spain; 2002-18 for Germany; 2010-19 for the Netherlands; 2002-18 for France; 2001-17 Denmark; 2006-17 for Costa Rica; and 2002-17 for Sweden.
Source: OECD (2021[9]), *The Role of Firms in Wage Inequality: Policy Lessons from a Large Scale Cross-Country Study*, http://dx.doi.org/10.1787/7d9b2208-en.

StatLink https://stat.link/ujg6s8

A policy package to curtail gender wage gaps

Tackling gender wage gaps requires a comprehensive approach that combines policies targeted at households with policies targeted at firms.

Policies targeted at households to mitigate the motherhood penalty

The increase in the gender wage gap with age – particularly around the age of motherhood – reflects to an important extent reflects the uneven sharing of household responsibilities among parents and demonstrates the importance of gender-sensitive family policies.

Promote a more equal uptake of parental leave by fathers and mothers

In recent years, policy reforms across many OECD countries has sought to encourage fathers to take up parental leave (Chapter 23). As a result, the gender division in the use of parental leave has tended to become more even and is even approaching 50/50 in some countries (Iceland, Portugal and Sweden). However, most countries still see significant gender inequalities in the use of leave (OECD, 2022[12]). A key priority going forward will be to establish an individual right for each parent to parental leave for a meaningful duration where this is not yet the case.

Provide early childhood education and care for all young children

A comprehensive Early Childhood Education and Care (ECEC) system is key to facilitate an earlier return to work and particularly the option to take on full-time work for both parents (Chapter 24). Across the majority of OECD countries, enrolment in ECEC among both 0- to 2-year-olds and 3- to 5-year-olds has increased since 2010 and many countries now have close to 100% enrolment for 3- to 5-year-olds. Nevertheless, a number of countries could do more to improve enrolment rates of young children by expanding its availability through investments in infrastructure and enhancing its affordability.

Reduce financial disincentives to work for (female) spouses

Financial disincentives to work for second earners should be removed. Household taxation can reduce the overall tax payment for the family but will increase the marginal tax rate for the lower-earnings partner and weaken incentives to work (Chapter 25). Countries where the tax system favours single-earner or main-earner households might consider changing their systems to become either neutral on a household basis or – even better from the perspective of gender equality in the household – implement individual taxation. To avoid that some families lose out, individual tax rates could be adjusted or more transparent family supports be put in place.

Policies targeted at firms

The bulk of the gender wage gap is concentrated within firms, highlighting the importance of paying more attention to policies targeted at firms. Such policies can complement equal pay laws and anti-discrimination laws, which are crucial for establishing workers' rights, but, in practice, place the onus on individual workers to ensure that employers adhere to equal rights law.

Promote pay transparency measures to provide objective data, better inform evaluation of competence and pay and mainstream gender sensitive thinking

To reduce persistent gender wage gaps and more specifically raise awareness about systematic pay differences within firms, pay transparency measures have gained momentum in policy packages over the past decade (Chapter 27). Different types of pay transparency measures could potentially contribute to narrowing gender pay gaps, including job classification systems to provide benchmarks and correct for potential gender bias in job valuations; non-pay reporting of gender-disaggregated information; and regular gender pay reporting, with or without audit. A key value of pay transparency measures is to provide aggregate statistics as benchmarks against which employees can compare their own pay packages. Sharing information about the average wages of men and women within firms can support underpaid workers to negotiate up their wage (Baggio and Marandola, 2022[13]; OECD, 2021[8]).

Wage-setting institutions can help reduce the gender wage gap between firms

Strengthening wage-setting institutions in the form of minimum wages and collective bargaining can help reduce the between-firm gender wage gap by compressing wage differences between firms (Chapter 27).

Differences in pay between firms (unrelated to worker composition) in countries with more centralised collective bargaining arrangements are about half that in countries with more decentralised ones (OECD, 2022[14]). Similarly, introducing and raising minimum wages can also limit wage differences between firms and reduce the gender wage gap between firms among low-wage workers.

Continue to use quotas and soft measures to help breaking the glass ceiling

Various countries have introduced mandatory quotas, voluntary target setting and/or a range of other measures such as disclosure requirements, capacity-building actions, certificates and awards (OECD, 2017[5]) (Chapter 17). Targets and quotas can help address gender gaps in the short and medium term, but they are not a sustainable solution in themselves. The key to sustainable success the development of a gender-balanced cohort of competent employees for promotions into senior positions within companies and across sectors. A more gender-balanced workforce throughout organisational hierarchies is key to narrowing gender pay gaps within-firms and between sectors.

Key policy messages

- Policies targeted at households to mitigate the motherhood penalty and support the careers of mothers by promoting a more equal distribution of household responsibilities. This includes measures to promote equal use of parental leave policies by fathers and mothers (Chapter 23); invest in the capacity and quality of ECEC and out-of-school hours services (Chapter 24); ensure that tax/benefit systems give both partners in a couple family equally strong financial incentives to work (Chapter 25).
- Policies targeted at firms can help to promote access for women to better jobs within and across firms and reduce gender wage gaps. This includes pay transparency measures such as disclosure requirements and gender equality audits (Chapter 27); the use of voluntary target setting and mandatory quotas for women in higher-level positions or company boards (Chapter 17); as well as wage-setting systems that limit the extent that firms can compete on the basis of low wages.

References

Baggio, M. and G. Marandola (2022), *Employees' reaction to gender pay transparency: an online experiment*, European Commission, Joint Research Centre (JRC), https://www.economic-policy.org/75th-economic-policy-panel/pay-transparency/. [13]

Blau, F. and L. Kahn (2016), "The Gender Wage Gap: Extent, Trends, and Explanations", *IZA Discussion Paper Series*, Vol. IZA DP No. 9656, http://hdl.handle.net/10419/130341www.econstor.eu. [7]

Goldin, C. (2014), "A Grand Gender Convergence: Its Last Chapter", *American Economic Review*, Vol. 104/4, p. 1091, https://doi.org/10.1257/aer.104.4.1091. [6]

OECD (2023), *Gender wage gap* (indicator), https://doi.org/10.1787/7cee77aa-en (accessed on 19 January 2023). [1]

OECD (2022), *OECD Family Database*, https://www.oecd.org/els/family/database.htm. [12]

OECD (2022), "Same skills, different pay: Tackling gender inequalities at firm level", OECD, Paris, https://www.oecd.org/gender/Same-skills-Different-pay-2022.pdf. [10]

OECD (2022), *The Role of Firms in the Gender Wage Gap in Germany*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/e8623d6f-en. [14]

OECD (2021), *Bringing Household Services Out of the Shadows: Formalising Non-Care Work in and Around the House*, OECD Publishing, Paris, https://doi.org/10.1787/fbea8f6e-en. [3]

OECD (2021), *Pay Transparency Tools to Close the Gender Wage Gap*, OECD Publishing, Paris, https://doi.org/10.1787/eba5b91d-en. [8]

OECD (2021), *The Role of Firms in Wage Inequality: Policy Lessons from a Large Scale Cross-Country Study*, OECD Publishing, Paris, https://doi.org/10.1787/7d9b2208-en. [9]

OECD (2018), "Starting close, growing apart: Why the gender gap in labour income widens over the working life", in *OECD Employment Outlook 2018*, OECD Publishing, Paris, https://doi.org/10.1787/empl_outlook-2018-10-en. [11]

OECD (2017), *2013 OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship*, OECD Publishing, Paris, https://doi.org/10.1787/9789264279391-en. [5]

OECD (2017), *Dare to Share: Germany's Experience Promoting Equal Partnership in Families*, OECD Publishing, Paris, https://doi.org/10.1787/9789264259157-en. [4]

OECD Gender Data Portal (2021), *OECD Gender Data Portal*, https://www.oecd.org/gender/data/. [2]

17 Gender diversity on boards and in senior management

Emeline Denis and Marie-Estelle Rey

This chapter presents an analysis of gender diversity on boards, in managerial and in leadership positions across 49 jurisdictions. It then takes stock of existing policies and practices to support better gender representation in such positions. It provides evidence and focuses on implications of policy measures related to disclosure requirements, quotas and targets, but also complementary initiatives to strengthen the pipeline of female talent for leadership positions.

Key findings

- Gender diversity on boards and in senior management in listed companies has shown some progress across OECD and G20 countries. However, there is still only a quarter of women on boards, a third of women in managerial positions and less than 10% of women in executive leadership positions.
- Gender-related disclosures are increasingly a requirement for listed companies, but information gaps remain in many countries. While almost two-thirds of jurisdictions require or recommend disclosing the gender composition of boards, only 28% require or recommend such disclosure for senior management. Noteworthy are some legislative efforts focusing on gender pay gap reporting.
- Gender quotas or targets have been adopted by more than half of OECD and G20 countries, and evidence indicates that progress has been more rapid in these markets. Nonetheless, complementary government and/or private sector-led measures have shown their potential to expand the female talent pipeline, reach higher thresholds and avoid possible unintended side effects, such as multiple board memberships or family-related appointments. Cases of success in a number of jurisdictions without quotas and targets demonstrate the importance of such measures.

Despite some progress, gender diversity on boards and in senior management remains limited

While women's overall participation to private employment has been increasing over the past years, the leaky pipeline persists, with disparities between men and women increasing as one climbs the organisational ladder.

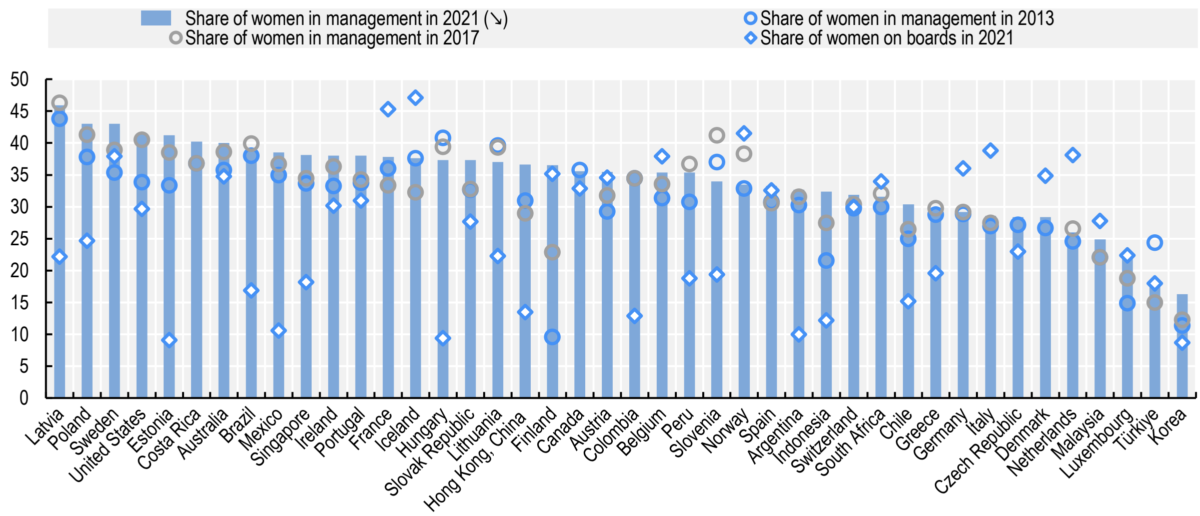
Although the percentage of women on boards has grown significantly over the past years, women continue to comprise less than a quarter of board members in listed companies globally. Based on data on a sample of listed companies from 49 jurisdictions that are covered by the OECD Corporate Governance Factbook (including all 38 OECD countries and Argentina, Brazil, China, Hong Kong (China), India, Indonesia, Malaysia, Peru, Saudi Arabia, Singapore and South Africa), women represented 25.4% of board directorships in 2021, up from 14.7% in 2013. In 2021, only four jurisdictions reached at least 40% of gender representation at board level – France, Iceland, New Zealand and Norway (OECD, 2021[1]).

The percentage of women in company management has tended to be higher, but with slower progress than for women's participation in boards. It grew from an average of 30.3% in 2013 to 33.7% in 2021 (Figure 17.1).

The percentage of women in executive leadership positions such as CEOs is much lower. Overall, very few women reach the highest positions in large listed companies, as fewer than 1 in 10 companies in the European Union and the United States have a female CEO. In 2021, women accounted for 7.1% of CEOs in a review of large, listed companies in the EU countries, although up from just 2.4% in 2013 (EIGE, 2021[2]).

Figure 17.1. In many countries, the share of women on boards is lower than in management

Share of women in management (in 2021, 2017 and 2013) compared to the share of women on boards (2021), percentage



Note: Data unavailable for Australia, China, Israel, New Zealand and the United Kingdom. Data for 2021 on share of women in management positions is unavailable for Hong Kong (China); India, Japan, Malaysia, Türkiye and Saudi Arabia, and as such 2020 data is used in these countries.

Source: OECD analysis based on data from ILO (2021[3]), *ILOSTAT explorer*; EIGE (2021[2]), *Gender Equality Statistic Database*; MSCI (2022[4]; 2020[5]; 2015[6]), *Women on Boards: Progress Report 2022; 2020; Women on Boards: Global Trends in Gender Diversity*. For details, see Denis (2022[7]), *Enhancing gender diversity on boards and in senior management of listed companies*, https://doi.org/10.1787/22230939.

StatLink https://stat.link/tilev0

Countries have adopted different policy approaches to support women on boards and in leadership

Countries have promoted various types of initiatives to support women's representation on boards and in leadership, strengthen the female talent pipeline and expand the pool of qualified candidates. Key approaches encompass disclosure requirements, quotas and targets, as well as complementary measures to reinforce other policy measures aimed at enhancing board and management diversity.

More disclosure requirements

A growing number of jurisdictions require or recommend listed companies to disclose the gender composition of boards and of senior management. As of the end of 2020, 60% of the 49 jurisdictions had such provisions for boards, up from 49% in 2018. However, the disclosure of the composition of senior management is much less common, and was required or recommended in only 28% of jurisdictions in 2020 (OECD, 2021[1]).

Gender diversity disclosure is also encompassed in the recent and increasing movement supporting enhanced human capital management disclosure. This is intended to inform investors' investment and voting decisions, in line with market and regulatory trends relating to environmental, social and governance (ESG) matters. For instance, a 2020 amendment to a US Securities and Exchange Commission regulation requires listed companies to provide a description of their human capital resources to the extent such disclosures would be material to an understanding of the company's business (SEC, 2020[8]). Some jurisdictions have also focused legislative efforts on the implementation of gender pay gap reporting systems targeting all employees as a means to level the playing field.

Overall, investor pressure on companies to disclose comprehensive human capital management and diversity, equity and inclusion (DEI) data can enable greater public scrutiny and in turn help foster diversity on company boards and management. Institutional investors also play a role in this trend, for instance, by exerting public pressure on companies that do not disclose such data (Denis, 2022[7]).

The use of quotas and targets to foster gender diversity on boards

Fourteen of 49 jurisdictions have established mandatory quotas for female participation on boards in private companies, ranging from "at least one" to 40%, with varying applicability. While four jurisdictions require at least 40% of women on boards (France, Iceland, Italy and Norway), six require between 20% and 35%, and four require "at least one" female director (India, Israel and Korea). Targeted entities also vary across jurisdictions. A common criterion is the company size, based on the number of employees and/or level of assets, whereby quotas are only applicable to companies above certain thresholds. Sanctions for non-compliance exist in almost all jurisdictions that have introduced quotas and take various forms such as warning systems, fines, board seats remaining vacant, void nomination and delisting for non-compliant companies.

Another 13 jurisdictions have introduced targets in their respective corporate governance codes, applicable on a comply-or-explain basis, which are generally set at a higher threshold than quotas. In 2022, the European Parliament adopted a directive to improve gender balance among directors, which will increase this number once transposed in national laws (Box 17.1).

Box 17.1. The EU Directive on "Women on Boards"

In November 2022, the European Parliament formally adopted the Directive on improving the gender balance among directors of listed companies and related measures. First proposed by the European Commission 10 years ago, the Directive sets targets for large-listed EU companies (more than 250 employees): at least 40% among non-executive board members or 33% among all directors of the under-represented sex by 30 June 2026. Member States will have two years to transpose the Directive's provisions into national law.

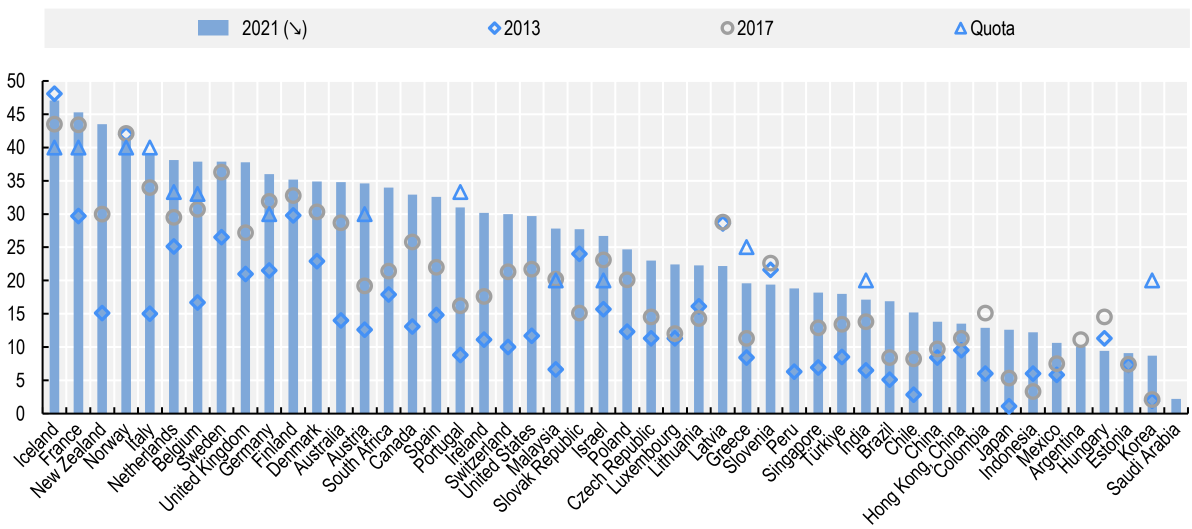
The selection of the best qualified candidates for election or appointment to board positions should be made on the basis of a comparative analysis of the qualifications of candidates by applying clear, neutrally formulated and unambiguous criteria to ensure that applicants are assessed objectively based on their individual merits, irrespective of gender. In addition, large-listed companies will also have to undertake individual commitments to reach gender balance among their executive board members. Companies that fail to meet the objective of the Directive must report the reasons and the measures they are taking to address this shortcoming. Member states will be required to set up a penalty system for companies that fail to meet the new standards by 2026. Penalties must be effective, proportionate and dissuasive. They could include fines and annulment of the contested director's appointment. Member States will also publish information on companies that are reaching targets, which may serve as peer-pressure to complement enforcement.

Source: European Commission (2012[9]), *Proposal for a Directive of the European Parliament and the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures*, COM/2012/0614 final – 2012/0299 (COD), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52012PC0614.

In terms of outcomes, as of 2021, nine jurisdictions had reached or exceeded their prescribed quota, while only three jurisdictions had reached their recommended target. While the fact that four jurisdictions are lagging behind their mandated quota can be explained by their recent introduction, the same explanation does not hold for all jurisdictions lagging behind their recommended targets. Regardless of the provisions in place, many countries have achieved significant progress since 2013 (Figure 17.2).

Figure 17.2. Regardless of the provisions in place, the share of women on boards of largest listed companies increased substantially over the past decade

Share of women on boards of largest listed companies (in 2013, 2017 and 2021) according to implemented quotas and targets, percentage



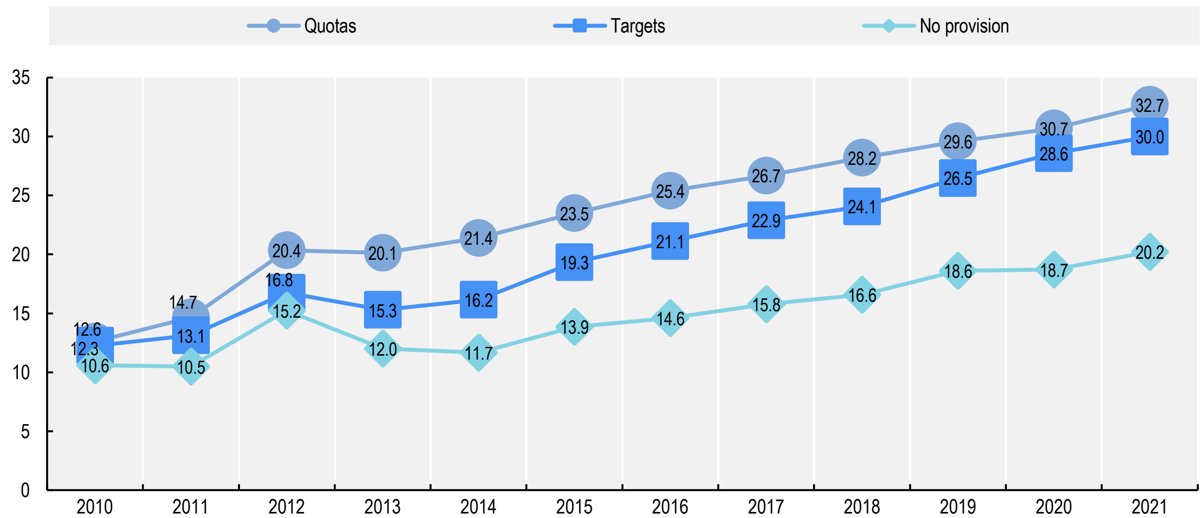
Note: Data unavailable for Costa Rica. Data for 2013 unavailable for Argentina and Saudi Arabia, and data for 2017 unavailable for Peru and Saudi Arabia. India, Israel, Korea and Malaysia have introduced a quota mandating "at least one" woman on boards of listed companies, which is indicated at 20% in this Figure, but may differ across companies depending on the size of the board. Of note, since 2022, Malaysia has both a quota and a target. While Germany has also adopted both a quota and a target, the target is not indicated as it does not have a specified threshold and only applies to the board of co-determined or listed companies which are not subject to the mandatory quota. For the United States, the target of at least two diverse directors is not included, as it is only applicable to NASDAQ-listed companies. For countries with higher indicated shares of women on boards in 2013 and 2017 than in 2021, this might be explained by the composition of the samples, which may vary over time to reflect changes in the market capitalisation of companies and/or volumes of shares traded.
Source: OECD analysis based on data from EIGE (2021[2]), *Gender Equality Statistic Database*; and MSCI (2022[4]; 2020[5]; 2015[6]), *Women on Boards: Progress Report 2022; 2020; Women on Boards: Global Trends in Gender Diversity*. For details, see Denis (2022[7]), "Enhancing gender diversity on boards and in senior management of listed companies", https://doi.org/10.1787/22230939.

StatLink https://stat.link/a8rcn5

Overall, improvements in the representation of women on the boards of listed companies have been most significant in jurisdictions that have imposed binding quotas and/or voluntary targets (Figure 17.3). In 2021, the 14 jurisdictions with binding quotas had 32.7% of women on boards on average, and have seen this proportion rise by 20.1 percentage points since 2010. Progress in the 12 jurisdictions with voluntary targets has closely tracked those with quotas, with the percentage of women reaching 30% in 2021, an increase of 17.7 percentage points since 2010. The 21 jurisdictions with no provisions in place had just 20.2% of women on boards in 2021, with more modest progress of 9.6 percentage points over the period.

Figure 17.3. The share of women on boards of largest listed companies varies according to policy options

Aggregate change in the share of women on boards of largest listed companies per policy option, 2010-21, percentage



Note: Data unavailable for Argentina, Costa Rica and Saudi Arabia. Although as of 2022 Malaysia has both a quota and a target, it is only counted once under the "target" category, as it has a more ambitious threshold. The United States is counted under the "no provision" category, as the future target of at least two diverse directors is only applicable to NASDAQ-listed companies and will be gradually phased in through 2025.
Source: OECD analysis based on data from EIGE (2021[2]), *Gender Equality Statistic Database* and MSCI (2022[4]; 2020[5]; 2015[6]), *Women on Boards: Progress Report 2022, 2020, Women on Boards: Global Trends in Gender Diversity.*

StatLink https://stat.link/abge0v

While quotas mandating high shares of women on boards can drive significant progress over the short-term, evidence suggests that further progress may be difficult to sustain over time. Some research also suggests that quotas and targets sometimes yield unintended side effects, and may not be sufficient by themselves to solve issues related to the pipeline of women available to serve on boards that may hinder them from accessing leadership positions. For instance, one study has found that the increased share of women on boards did not ultimately translate to more women holding board director positions, but rather to more women serving on multiple boards (i.e. the "golden skirts" or board interlocking effect) (Rigolini and Huse, 2021[10]). Studies also found mixed evidence on whether companies appointed more female directors, or if decisions were made to reduce the board size to facilitate compliance with the mandated threshold (Seierstad and Huse, 2017[11]).

The impact of non-binding targets may also yield unintended side effects, as a study has found that the introduction of targets had paved the way for family-related appointments, rather than supporting broader diversity based on merit and smoothing the access to the boardroom for all qualified women (University of Copenhagen, 2021[12]). Some jurisdictions have noted that regulations concerning quotas and targets may include provisions to address some of the above concerns, such as by limiting the number of boards on which a director may serve simultaneously, or by excluding directors affiliated with the controlling shareholders from being counted as part of a target or quota.

Despite the overall increase in the share of women on boards across countries since 2013, executive positions within boards are still rarely filled by women. In 2021, women held with 32.2% of non-executive director positions in boards, but only 20.4% of executive positions on average. As this disparity remains significant, a few jurisdictions have recently introduced quotas or targets underpinning women's representation on management boards. For instance, Germany passed a law in 2021 mandating at least one woman on management boards of listed companies. France adopted a similar law in 2022 which also mandates at least 30% of women among senior executives and management board members of companies with more than 1 000 employees. Finland and Switzerland have also recently introduced targets on a comply-or-explain basis (Denis, 2022[7]).

Complementary initiatives to enhance board gender diversity

Some jurisdictions with no reported provision in place have also achieved significant progress since 2010, which underlines the importance of additional initiatives besides quotas or targets, such as government networks, private-sector initiatives and relevant listing rules. For example, New Zealand displays one of the highest shares of women on boards in 2021 (43.5%) and is the only jurisdiction to have achieved such a threshold without the use of a quota or target. Such advancements may have been supported by advocacy initiatives from associations and independent bodies, such as Women on Boards New Zealand. Institutional investor pressure, including votes against the re-election of directors in companies that fail to encourage diversity, has also had an important influence in some jurisdictions without quotas or targets (OECD, 2020[13]).

Complementary initiatives also exist in jurisdictions where quotas and targets have been adopted, and mainly relate to the development of a diverse pipeline as a lever for supporting progress. For instance, the major business associations of Italy and Spain launched specific programmes to strengthen women leadership skills and positioning. In regions with historically low representation of women in managerial and leadership positions (such as Asia and the Middle East and North Africa (MENA), see Chapter 33), public-private initiatives – in the form of advocacy and awareness-raising initiatives – may also play an important role. Specific examples include gender diversity guidelines for companies in Saudi Arabia or the establishment of the Council for Board Diversity in Singapore (OECD, 2020[13]).

Governments can also incentivise companies to accelerate progress through various tools. For instance, some governments have sought to support progress by highlighting excellence in gender equality practices in the private sector through tools such as certificates, labels, or awards. Likewise, companies can implement measures to promote a more conducive environment for the advancement of women in leadership positions. They can implement practices to strengthen the pipeline of female talent, such as through the establishment of diversity and inclusion committees, tailored hiring practices, promotion and retention policies and processes, as well as training, mentorship and networking programmes (OECD, 2020[13]). Nomination committees can also play an important role in enhancing gender diversity. Following the COVID-19 crisis, many companies are assessing how the pandemic has changed their business and working models and how to adapt their human resources. Hence, nomination committees may be called upon to rethink talent management, review recruitment methods, diversify the pool of board members and executives, ensure turnover and exercise transparency.

There is also some evidence that different jurisdictions at different stages of progress may need to adapt differing measures, for example, where more emphasis may be required to achieve a cultural shift and receptiveness to women in leadership positions before other measures may be fully successful.

Strengthening the pipeline for leadership positions

While women account for higher share of management positions than of board members, there seems to be no correlation between the two. Jurisdictions with a high level of participation of women on boards are in many cases not the ones with a high share of women in management, and vice versa. While this might be due to imperfect proxies, this may also suggest that pipelines of female talent for leadership positions may be under-developed in some countries.

While it may be argued that the low share of women on boards might be explained by a smaller pool of qualified female candidates, some evidence suggests that this hypothesis may not hold. Conversely, some studies have also found that companies that have a female CEO or more women on their boards better access the female talent pool. When there is a female CEO, the pool of boardroom candidates might be wider and more diverse, and the company's culture might be more amenable to female leadership in general. The appointment of a female CEO might also break an institutional barrier against women ascending to the top ranks of leadership and play a leadership role model (MSCI, 2015[6]).

Key policy messages

- Binding quotas and voluntary targets show tangible results in the representation of women on the boards of listed companies. However, they sometimes yield unintended side effects and progress may be difficult to sustain over time. In addition, disclosure requirements, imposed by a growing number of jurisdictions, enhance transparency, accountability and monitoring.
- Complementary public and/or private measures are equally important to support effective implementation of diversity objectives. Governments and the private sector can usefully consider implementing diversity and inclusion policies, training and mentorship programmes, networks, role model schemes, peer-to-peer support and advocacy initiatives to help raise awareness, overcome biases and cultural resistance, and develop the female talent pipeline to achieve better gender balance in boards and senior management. Differentiated measures may be called for to support progress in jurisdictions operating under differing market conditions or at differing stages of progress.
- The *G20/OECD Principles of Corporate Governance*, currently under review, already highlight the value of gender diversity on boards and in senior management. Nevertheless, there is scope to expand and strengthen related provisions. The *Principles* may usefully reinforce the importance of disclosure of both women on boards and in senior positions, as well as of complementary measures to strengthen the female talent pipeline and other policy measures aimed at enhancing gender diversity, while also taking into consideration and evaluating other diversity factors, such as experience, age and other demographic characteristics.

References

Denis, E. (2022), "Enhancing gender diversity on boards and in senior management of listed companies", *OECD Corporate Governance Working Papers*, No. 28, OECD Publishing, Paris, https://doi.org/10.1787/22230939. [7]

EIGE (2021), *Gender Equality Statistic Database*, https://eige.europa.eu/gender-statistics/dgs (accessed on 13 March 2023). [2]

European Commission (2012), *Proposal for a Directive of the European Parliament and the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures, COM/2012/0614 final - 2012/0299 (COD)*, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52012PC0614. [9]

ILO (2021), *ILOSTAT explorer*, http://ILOSTAT explorer. [3]

MSCI (2022), *Women on Boards: Progress Report 2021*, https://www.msci.com/www/women-on-boards-2020/women-on-boards-progress-report/02968585480. [4]

MSCI (2020), *Women on Boards: 2020 Progress Report*, https://www.msci.com/www/women-on-boards-2020/women-on-boards-2020-progress/02212172407. [5]

MSCI (2015), *Women on Boards: Global Trends in Gender Diversity*, https://www.msci.com/www/research-paper/research-insight-women-on/0263428390. [6]

OECD (2021), *OECD Corporate Governance Factbook 2021*, OECD, Paris, https://www.oecd.org/corporate/OECD-Corporate-Governance-Factbook.pdf. [1]

OECD (2020), *Policies and Practices to Promote Women in Leadership Roles in the Private Sector*, OECD, Paris, https://www.oecd.org/corporate/OECD-G20-EMPOWER-Women-Leadership.pdf. [13]

Rigolini, A. and M. Huse (2021), “Women and Multiple Board Memberships: Social Capital and Institutional Pressure”, *Journal of Business Ethics*, Vol. 169/3, pp. 443-459, https://doi.org/10.1007/s10551-019-04313-6. [10]

SEC (2020), “SEC Adopts Rule Amendments to Modernize Disclosures of Business, Legal Proceedings, and Risk Factors Under Regulation S-K”, https://www.sec.gov/news/press-release/2020-192. [8]

Seierstad, C. and M. Huse (2017), “Gender Quotas on Corporate Boards in Norway: Ten Years Later and Lessons Learned”, in *Gender Diversity in the Boardroom*, Springer International Publishing, Cham, https://doi.org/10.1007/978-3-319-56142-4_2. [11]

University of Copenhagen (2021), “Companies recruit more female board members through family ties”, https://news.ku.dk/all_news/2021/10/companies-recruit-more-female-board-members-through-family-ties/. [12]

18 Gender equality in public leadership

Meeta Tarani

Enabling the participation and representation of all groups in public life is important for building trust in government and sustaining vibrant and strong democracies. This chapter explores the links between gender equality in public decision making and trust in democratic institutions. The chapter also maps out recent trends in gender-balance in parliaments, cabinets and the judiciary across the OECD and discusses persistent and emerging barriers to women's participation and representation, including in leadership positions. Finally, the chapter describes some measures taken by OECD countries to enhance women's leadership in public decision-making roles.

Key findings

- Gender balance in public leadership positions has improved slowly and unevenly over the past five years, with backsliding in certain cases. Women held less than 35% of parliamentary seats and ministerial positions on average across the OECD in 2021, while representing 36% of judges in the Supreme Courts in OECD-COE countries in 2018.
- Women continue facing major roadblocks in accessing positions of power in parliaments, cabinets and judiciaries, such as gender stereotypes, work-life balance challenges, limited commitment by political parties to run and nominate women candidates, as well as sexual harassment and violence, including online hate speech and cyberviolence.

Despite recent progress, women's representation in public decision-making positions remains low and uneven

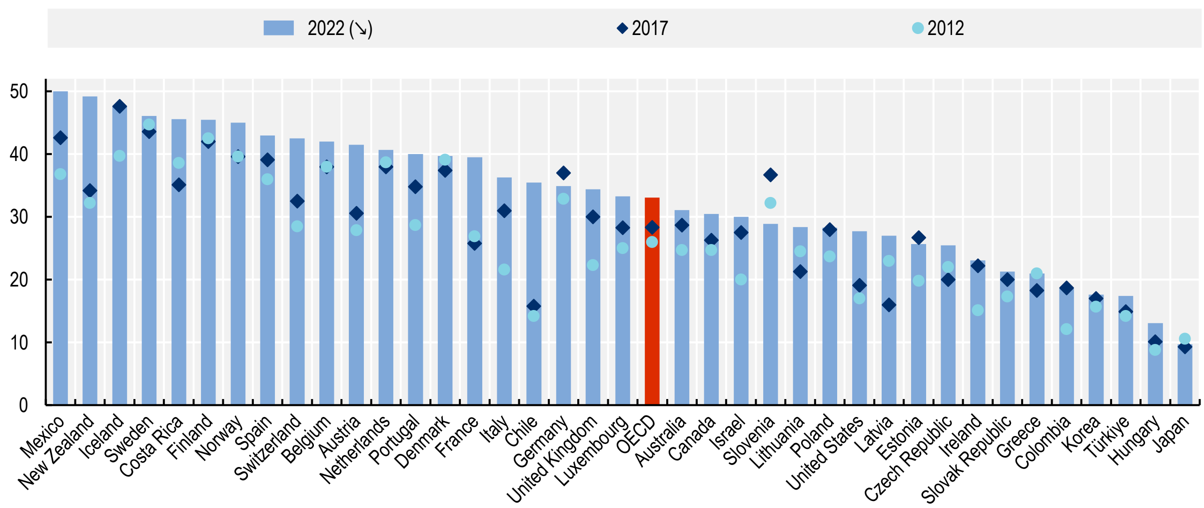
Gender equality in decision-making roles in parliaments, cabinets and judiciary has increased gradually in the OECD since 2017, but progress has been slow and uneven across countries, with several slide backs.

The average share of women in the lower/single house of parliaments in OECD countries increased from 28% to 33% between 2017 and 2022 (Figure 18.1; Chapter 2 for a global overview). Parliamentary shares of women range from over 45% in Mexico, New Zealand, Iceland, Sweden, Costa Rica and Finland to less than 15% in Hungary and Japan. Significant variation is also observed in the evolution of women's share in parliaments. Over the past five years, most (32) OECD countries saw an increase in such share (for instance, Chile and New Zealand saw an important jump of 20 and 15 percentage points respectively), four maintained the same level (i.e. changes of less than 0.5 percentage points), while three experienced a decrease (for instance, Slovenia saw a drop of 8 percentage points) in women's representation in parliament. However, more analysis is needed to determine if countries are able to sustain the progress attained.

Similar trends are seen in women's representation at the ministerial level. Across the OECD, women's average representation in cabinets increased by 6 percentage points between 2017 and 2021, but with considerable cross-national variation. Figure 18.2 shows that over the past five years, countries like Austria and Belgium saw significant advances – 34 percentage points, while the largest backslides were seen in Slovenia and Poland – 31 and 18 percentage points, respectively (OECD, 2021[1]). By 2022, eight countries (Austria, Belgium, Canada, Costa Rica, Finland, France, Spain and Sweden) had 50% or more women in ministerial posts, while the share of women ministers was lowest in Japan and Poland.

Figure 18.1. Women remain under-represented in parliaments with wide variations among OECD countries

Share of women in seats in parliaments, lower-house or single-chamber, 2012, 2017 and 2022, percentage

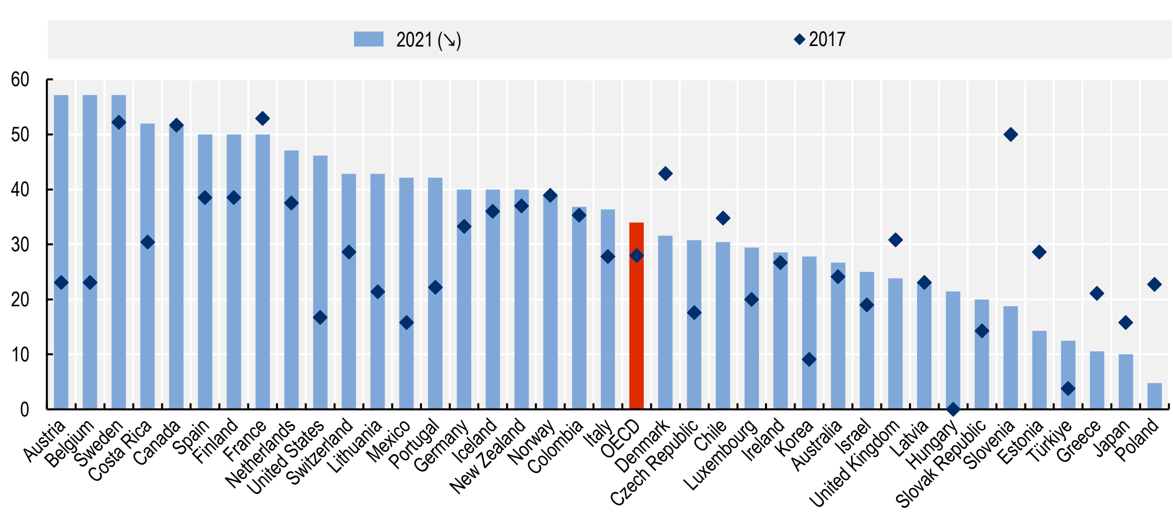


Note: Data represent the share of women in lower or single house of Parliaments as of 1 January 2022, 1 January 2017 and 31 October 2012. Data for Israel for 2021 correspond to the outgoing legislature as parliament was dissolved in December 2020.
Source: OECD (2021[1]), *Government at a Glance 2021*, http://dx.doi.org/10.1787/1c258f55-en and *Inter-Parliamentary Union (IPU) PARLINE database*, https://data.ipu.org/.

StatLink https://stat.link/2t7u41

Figure 18.2. Gender equality in ministerial positions is far from being achieved, having worsened in some OECD countries

Share of women among ministers, 2017 and 2021, percentage



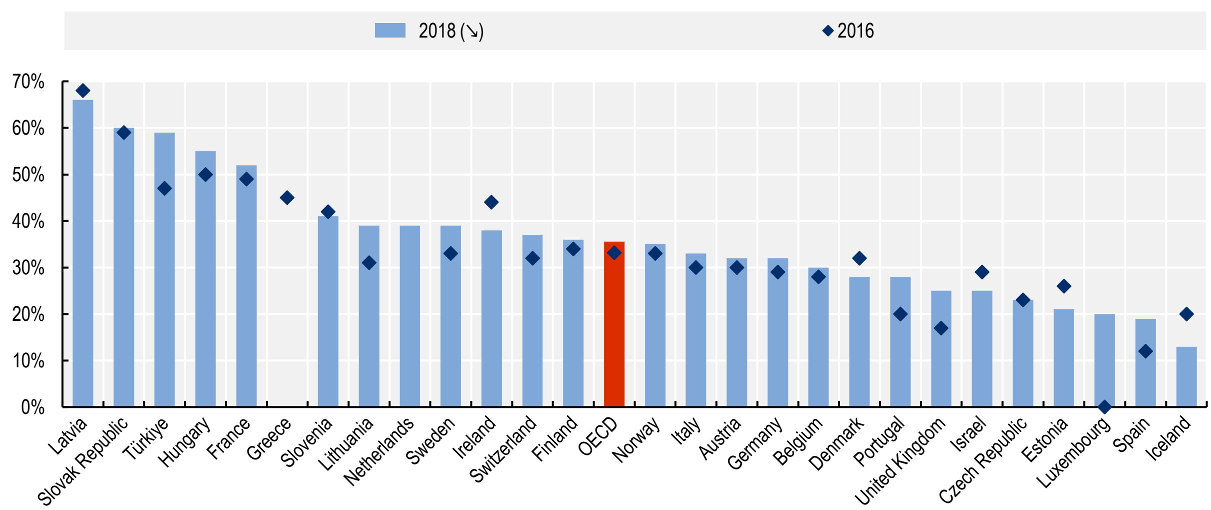
Note: Data represent women appointed ministers as of 1 January of each year of reference. 2021 data for Türkiye were provided by national authorities.
Source: OECD (2021[1]), *Government at a Glance 2021*, http://dx.doi.org/10.1787/1c258f55-en.

StatLink https://stat.link/p8glcm

Data for the judiciary in OECD-COE countries suggest a marginal increase of three percentage points in the average share of women judges between 2016 and 2018 (Figure 18.3). Hungary, France, Latvia, the Slovak Republic and Türkiye crossed the parity mark as of 2018, while Iceland, Luxembourg and Spain lagged behind with a share of 20% or less of women in the Supreme Courts. Luxembourg had the largest increase (20 percentage points) since 2016, while Iceland had the biggest setback (7 percentage points) in the share of women judges in Supreme Court. Looking at the share of women presidents of the Supreme Courts, the picture becomes bleaker. As of 2018, only seven out of 24 OECD-COE countries had a female president in their Supreme courts (CEPEJ, n.d.[2]). However, variations in judicial systems (e.g. differences in the judicial training and career paths between common law and civil law systems) must be kept in mind when comparing gender balance in judiciaries across countries (OECD, 2021[1]).

Figure 18.3. In most countries, less than four in ten Supreme Court judges are women

Share of women in professional judges in Supreme courts, 2016 and 2018, percentage



Note: Data on 24 OECD-COE countries. 2016 data are missing for the Netherlands and 2018 data are missing for Greece. The 2016 data for the United Kingdom is the share of female judges in England and Wales. The 2018 data for the United Kingdom is calculated as a simple average of the share of female judges in England, Wales and Northern Ireland.
Source: Council of Europe European Commission for the Efficiency of Justice (CEPEJ), *CEPEJ-STAT (database)*, https://www.coe.int/en/web/cepej/cepej-stat.

StatLink https://stat.link/nolk7y

Barriers continue to be reported as persisting in women's pathway to leadership positions

The recent COVID-19 crisis bore a stark reminder of the gender imbalance in decision-making, as women made up only 24% of the members of ad hoc decision-making structures dealing with the pandemic globally (UNDP and UN Women, 2021[3]). Women's participation in decision-making across the three branches of government continues to be faced with several barriers.

Public leadership roles (e.g. judges and ministers) often require higher flexibility in terms of relocation, rotations, travel or working hours. The disproportionate burden of unpaid care work on women, as well as work-life balance challenges, create additional barriers for women to access these positions. Other obstacles reported by countries in the 2021 OECD Survey on Gender Mainstreaming and Governance (2021 GMG Survey) include gender stereotypes and limited professional development opportunities for women legal practitioners. OECD countries identify gender stereotypes and work-life balance challenges as a persisting barrier at every stage of the career pipeline for a woman parliamentarian – such as being elected to the legislative bodies, actively participating and remaining in these positions, and accessing leadership roles within the parliament (OECD, 2022[4]). In addition, the 2021 GMG Survey highlighted that limited commitment by political parties to running women candidates can greatly hamper women's chances of being elected by respondent countries, while violence and harassment against women parliamentarians can discourage them from actively participating in their role or remaining in elected office. Similarly, OECD countries identified the limited commitment by political parties to nominate women parliamentarians in leadership roles and the reservation of leadership positions for senior parliamentarians as key barriers for women's access to leadership roles in the legislature (OECD, 2022[4]).

The growing use of digital fora and social media platforms is posing new threats to women and other under-represented groups in politics, who can be significantly more likely to experience online abuse and harassment and be the target of hate speech and gender-based disinformation campaigns (Institute for Strategic Dialogue, 2020[5]). Cyber violence and gender-based disinformation can have severe consequences for women's participation in public life, as they may be discouraged from seeking political careers, be pushed out of politics, and be prevented from achieving leadership roles.

Countries are steadily taking measures to enhance gender equality in leadership roles

OECD countries have continued to put in place a range of measures to reduce existing barriers to women's leadership in public decision-making positions, including laws and statutory instruments creating formalised requirements for public leadership positions, non-binding guidelines for public institutions, or the incorporation of gender-equality goals in leadership in broader strategic frameworks, among others.

Formalised requirements for public leadership positions, voluntary quotas and other special measures

Quotas can belong to two main categories: reserved seats that guarantee the election of a fixed number or percentage of women candidates; and legislated quotas and voluntary party quotas which ensure that a minimum number of women are elected (OECD, 2014[6]). If implemented effectively, quotas can contribute to quickly closing gender gaps in representation: evidence suggests that quotas can have a positive impact on women's representation in elected positions (Kerevel, 2019[7]). Yet, the effectiveness of both legislated and voluntary quotas highly depends on their level, the scope of incentives to comply, as well as the strength of sanctions for non-compliance.

Quotas are often considered controversial, since they can be perceived as a "gift" or a "favour" to women that interferes with the normal democratic process (OECD, 2019[8]). Furthermore, to produce long-term normative change, they should be accompanied by efforts to raise social awareness of the value that gender-balanced representation has at all levels. In fact, as quotas tend to be seen as "special temporary measures", it is a common misconception that they are no longer needed once women's representation has quickly increased, as it is easy to underestimate how deeply rooted social norms are and how long it takes to bring about durable change.

Since 2017, at least four OECD countries (i.e. Iceland, Japan, Mexico and Portugal) have introduced new or renewed legal/statutory instruments to facilitate women's access to leadership positions in public institutions (Box 18.1).

Box 18.1. Examples of legal/statutory instruments recently introduced to promote women's access to leadership in elected offices across OECD countries

In 2021, **Iceland** introduced amendments to the act of Standing Orders of the parliament *(Althingi)* to ensure that the proportion of women and men in committees, councils and boards on behalf of Althingi is as equal as possible. **Japan** adopted the Act on Promotion of Gender Equality in the Political Field in 2018, with several stipulations regarding the gender balance of House of Representatives, the House of Councillors, and the councils of local governments. The Act outlines the responsibilities of the national and local governments, as well as political organisations (e.g. political parties). The amendment in 2021 provides examples of voluntary efforts that political organisations should engage in. In 2019, **Mexico** reformed ten articles of its Political Constitution to reflect the principle of "Parity for Everything". This represents the aim of advancing towards balanced participation of women and men in positions of power and decision-making in all spheres of life (political, economic and social). The reforms cover the three orders of government, the autonomous organisms, the candidacies of the political parties, as well as the election of representatives for the city councils in the municipalities with an indigenous population. In addition, the reforms created the provision for gender-inclusive language. Similarly, **Portugal**'s Law 1/2019 of 29 March raised the minimum threshold for men and women in the electoral lists to national and European Parliament, elective bodies of municipalities, and members of the Parish Councils from 33% to 40%.

Source: Information provided by the Government of Iceland in 2021; Government of Japan (2018[9]), *Act on Promotion of Gender Equality in the Political Field (Act No. 28 of 23 May 2018)*, https://www.japaneselawtranslation.go.jp/ja/laws/download/3294/09/h30Aa000280104en13.0.pdf; Government of Costa Rica (2017[10]), *Circular nº 088 de Corte Plena, 25 de Mayo de 2017*, https://vlex.co.cr/vid/702705637.

Gender equality measures to promote equal access to political representation

Political parties can also adopt voluntary gender quotas and other special measures (e.g. actively promoting women's recruitment and nomination, funding, etc.) to promote the presence of female candidates in party ranks and lists during elections. Internal political party dynamics and culture can play a relevant role in enhancing the effectiveness of gender balance initiatives and improving women's representation in Parliaments, while also strengthening the positive impact of legislated quotas, when they already exist (OECD, 2019[8]).

In order to promote gender-balanced representation, gender equality mechanisms can be introduced within electoral management bodies to make them more gender-sensitive. By overseeing and organising the electoral process, these bodies can play a role in promoting gender equality in all phases of the electoral process and in having more female candidates elected into office (OECD, 2019[8]).

Making parliaments a more gender-friendly workplace

Governments are taking steps to understand better the specific challenges that women in politics face in their respective countries through deep-dive studies and assessments. In Canada, in 2019, the House of Commons Standing Committee on the Status of Women tabled the report "Elect Her: A Roadmap for Improving the Representation of Women in Canadian Politics" that studied the barriers while presenting 14 recommendations to promote women's access to electoral politics across all levels (House of Commons Canada, 2019[11]). The Finnish National Institute of Health and Welfare commissioned a study on the obstacles to gender equality in parliaments and the progress made in this regard (Siukola, Kuusipalo and Haapea, 2020[12]).

Initiatives aiming at making parliaments a more gender-friendly workplace have contributed to improving parliamentarians' work and ultimately aim to transforming parliamentary work cultures (OECD, 2019[8]). Within parliaments, legislatures can adopt measures to facilitate work-life balance for parliamentarians and judges, especially for those with caring responsibilities. Taking initiatives allowing parliamentarians to successfully combine work and family life and encouraging its uptake by both women and men can have a positive impact on representation and gender-balanced leadership (OECD, 2019[8]). Some countries have introduced novel measures such as inauguration of breastfeeding rooms in the legislative building (Switzerland), or reserved parking spots and washrooms with changing tables for parliamentarians with children (Canada). Other examples include measures to incentivise men and women to take parental leave and measures to define working and sitting hours at the parliament (OECD, 2019[8]). Some parliaments/legislatures have started addressing issues related to gender-sensitive language and representation in internal and external parliamentary materials, as well as to promote male parliamentarians' engagement and support to advance gender equality efforts.

Putting a halt to harassment and violence against women leaders

In the past five years, countries have also started taking note of the specific concern of harassment and violence against women leaders, especially in politics. For example, the Legislative Assembly of Costa Rica is currently discussing a bill aiming to promote the political participation of women with provisions eliminating the conditions that lead women to discontinue participating in politics, including by preventing, addressing, punishing and eradicating violence against women in politics. Canada has also introduced an enactment that amends the Canada Labour Code and the Parliamentary Employment and Staff Relations Act to strengthen the existing framework for the prevention of harassment and violence, including sexual harassment and sexual violence, in the workplace. In the judiciary, countries can establish codes of conduct that explicitly promote gender equality and inclusion and prohibit any form of discrimination, sexism and harassment, as well as complaint and disciplinary mechanisms.

Supporting better diversity and representation in the judiciary

In addition to the measures related to creating gender equal workplace, some countries (Austria, Colombia, France and Italy) have put in place measurement indicators to monitor women's representation in the judiciary. Some other countries also adopted dedicated strategies or action plans for better diversity and representation in the judiciary (Box 18.2). Countries can establish judicial codes of conduct that explicitly promote gender equality and inclusion and prohibit any form of discrimination, sexism and harassment, as well as complaint and disciplinary mechanisms.

Box 18.2. Promoting diversity and representation in the judiciary in the OECD area

Spain adopted the II Equality Plan for the Judicial Career in 2020, which provides an overview of the persisting challenges in ensuring gender equality in judicial careers and develops 20 lines of action including on professional development, dealing with violence and harassment, and supporting work-life balance. Similarly, the judiciary of England and Wales (**United Kingdom**) published the Judicial Diversity and inclusion Strategy 2022-25 with the overarching aim of increasing the personal and professional diversity of the judiciary at all levels, including in terms of gender equality. The strategy focuses on improving the applicant pool and supporting the inclusion, retention and progress of professionals from diverse backgrounds in the judiciary.

Source: Government of Spain (2021[13]), *II Plan de Igualdad de la Carrera Judicial* [II Equality Plan for the Judicial Career], https://laadministracionaldia.inap.es/noticia.asp?id=1216798; Government of the United Kingdom (2020[14]), *Judicial Diversity and Inclusion Strategy 2020*, https://www.judiciary.uk/wp-content/uploads/2020/11/Judicial-Diversity-and-Inclusion-Strategy-2020-2025-v2.pdf.

The way forward

There is a strong need for OECD governments to consider taking initiatives to further facilitate progress towards gender equality in politics, also in leadership positions. Measures could include, for example, a mix of mandatory and voluntary instruments, incentives, and sanctions (e.g. targets, quotas or pay reporting requirements) as well as gender audits of parliamentary practices and procedures. Further efforts should also be made to eliminate cyber violence and harassment, raise awareness among legislators and society at large on the benefits of gender equality in politics and policy making, address structural barriers to women's participation in political life, and strengthen leadership skills to promote gender equality. Encouraging women's application to judicial and especially leadership positions (e.g. through creating a roster or pipeline of eligible candidates), making selection processes more gender-sensitive (e.g. through gender balanced panels, bias reduction measures), as well as supporting women's talent after their entry into the judicial office (e.g. through mentoring, leadership and capacity development programmes) is key. Countries could also undertake other actions to safeguard a gender-sensitive working culture in the judiciary, including strengthening complaint mechanisms for discrimination and harassment; ensuring references to gender-sensitive conduct in the Code of Judicial Conduct; ensuring the use of gender-sensitive language in courtrooms and public communication; and developing training materials to promote a gender-sensitive work culture within courtrooms.

Overall, it is critical to establish a sustained pipeline of eligible women politicians and judges who can be promoted to senior decision-making levels in political and administrative institutions. Political parties, legislative bodies, judiciaries, and judicial commissions play essential roles as not only lawmakers and oversight bodies but also gender equitable workplaces that have the potential to nurture, mentor, and promote women's leadership skills and availability to fulfil positions of leadership.

Key policy messages

- More significant and sustained efforts are needed to remove persisting barriers and to facilitate progress towards gender equality at the top in politics and judiciary, and thus strengthen democratic representation and trust in public institutions.
- Governments could do more to promote inclusiveness within elected bodies, through a mix of mandatory and voluntary instruments, incentives, and sanctions; gender audits of parliamentary practices and procedures; efforts to eliminate cyber violence and harassment; awareness raising actions among legislators and society; measures addressing structural barriers to women's participation in political life; and initiatives to strengthen leadership skills to promote gender equality.
- Parliaments and judicial institutions should intensify their efforts to establish a sustained pipeline of eligible women candidates who can be promoted to senior decision-making levels, including through gender-sensitive hiring and promotion processes as well as actions to safeguard gender-sensitive working cultures.

References

CEPEJ (n.d.), *CEPEJ-STAT*, https://public.tableau.com/app/profile/cepej/viz/CEPEJ-Genderequalityv2020_1_0EN/GenderEquality. [2]

Government of Costa Rica (2017), *Circular nº 088 de Corte Plena, 25 de Mayo de 2017*, https://vlex.co.cr/vid/702705637. [10]

Government of Japan (2018), *Act on Promotion of Gender Equality in the Political Field (Act No. 28 of May 23, 2018)*, https://www.japaneselawtranslation.go.jp/ja/laws/download/3294/09/h30Aa000280104en13.0.pdf. [9]

Government of Spain (2021), *II Plan de Igualdad de la Carrera Judicial [II Equality Plan for the Judicial Career]*, https://laadministracionaldia.inap.es/noticia.asp?id=1216798. [13]

Government of United Kingdom (2020), *Judicial Diversity and Inclusion Strategy 2020*, https://www.judiciary.uk/wp-content/uploads/2020/11/Judicial-Diversity-and-Inclusion-Strategy-2020-2025-v2.pdf. [14]

House of Commons Canada (2019), "Elect her: A roadmap for improving the representation of women in Canadian politics", *Report of the Standing Committee on the Status of Women ; 14th report, 42nd Parliament, 1st session*, https://publications.gc.ca/site/eng/9.871488/publication.html. [11]

Institute for Strategic Dialogue (2020), *Public Figures, Public Rage. Candidate abuse on social media*, https://www.isdglobal.org/wp-content/uploads/2020/10/Public-Figures-Public-Rage-4.pdf. [5]

Kerevel, Y. (2019), "Empowering Women? Gender Quotas and Women's Political Careers", *The Journal of Politics*, Vol. 81/4, pp. 1167-1180, https://doi.org/10.1086/704434. [7]

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, https://www.oecd.org/mcm/Implementation-OECD-Gender-Recommendations.pdf. [4]

OECD (2021), *Government at a Glance 2021*, OECD Publishing, Paris, https://doi.org/10.1787/1c258f55-en. [1]

OECD (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, https://doi.org/10.1787/g2g9faa5-en. [8]

OECD (2014), *Women, Government and Policy Making in OECD Countries: Fostering Diversity for Inclusive Growth*, OECD Publishing, Paris, https://doi.org/10.1787/9789264210745-en. [6]

Siukola, R., J. Kuusipalo and K. Haapea (2020), *Sukupuolella väliä eduskunnassa?: Sukupuolten tasa-arvo eduskuntaryhmien ja valiokuntien toiminnassa [Does gender matter in parliament? Gender equality in parliamentary groups and in the activities of the committees]*, https://urn.fi/URN:ISBN:978-952-343-457-8. [12]

UNDP and UN Women (2021), *COVID-19 Global Gender Response Tracker*, https://data.undp.org/gendertracker/ (accessed on 17 August 2021). [3]

19 Gender diversity in energy

Ashley Acker, Liselott Fredriksson and Per Anders Widell

This chapter provides a snapshot of the available gender data for employment, senior management, decision makers, entrepreneurship and innovation in the energy sector – a historically male-dominated sector which needs to attract a more diverse range of talent and skills. It also shows that promoting gender equality in the energy sector is a priority for many governments and provides examples of policy approaches being adopted in the sector.

Key findings

- Women’s participation in the energy sector remains low, especially when compared to other sectors, with a particular under-representation at the highest levels of senior management.
- A higher percentage of women in the energy sector are in lower-paying positions than their male counterparts, and they are also more likely to leave the sector altogether.
- Many energy policy making and public institutions have made gender diversity a priority and implemented more inclusive policies in the past decade, with some achieving gender balance.

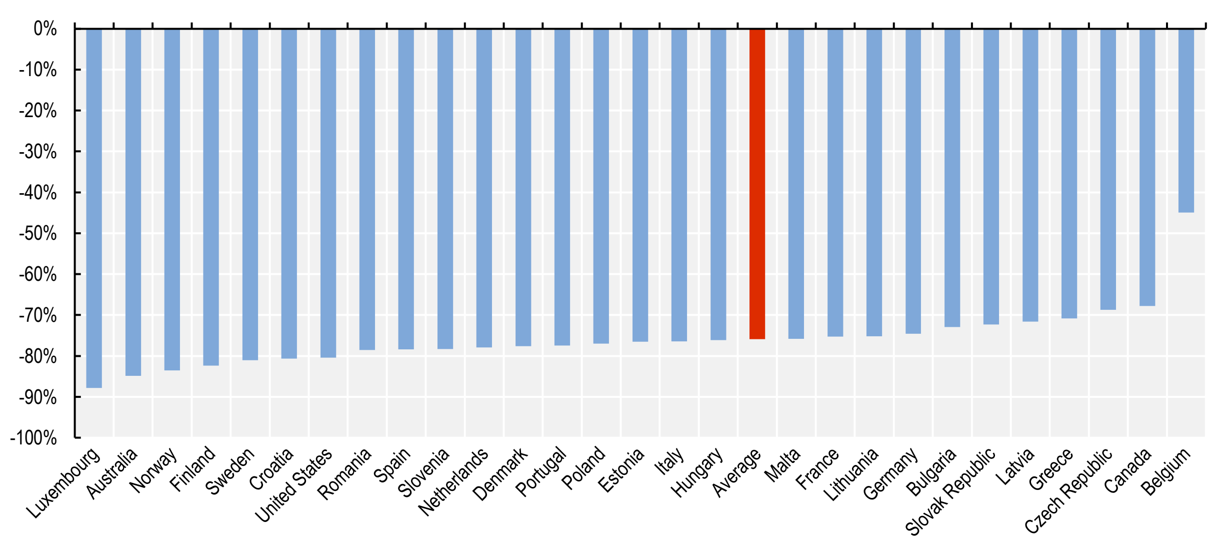
Employment in the energy sector

Diversity fosters innovation and is good for business (McKinsey & Company, 2015[1]; Belghiti-Mahut, Lafont and Yousfi, 2016[2]), and is therefore key to reducing costs and increasing the competitiveness of clean energy technologies. As a historically male-dominated sector, the energy sector needs to shift the dial by drawing on all talents to deliver a secure, affordable and sustainable energy future for all.

Female participation in the energy sector workforce has been consistently lower than that of men (Figure 19.1). On average, there are 76% fewer women than men working in the energy sector – gender employment gaps appear to be much wider in the energy sector than across the wider economy, according to 2018 data from 28 countries, including 22 members of the International Energy Agency (IEA, 2022[3]). The energy-related sectors with the lowest shares of women in their workforce are mining of coal, lignite and metal ores, and extraction of crude petroleum and natural gas.

Figure 19.1. Female participation in the energy sector workforce is lower than that of men

Gender gap in employment in the energy sector for selected countries, 2018, percentage



Note: Data behind this graph are collected and prepared every four years. The gender employment gap is calculated here as: [Employed Women (%) – Employed Men (%)] / [Employed Men (%)] in the given sector/year/country among the employed working age population (aged 15-59).
Source: IEA (2022[3]), *Gender and Energy Data Explorer*, https://www.iea.org/data-and-statistics/data-tools/gender-and-energy-data-explorer.

StatLink https://stat.link/7ylhgn

When female employment is disaggregated by the size of the company, there is a consistent trend of larger employment gaps in smaller firms for the energy sector, while there is no discernible common cross-national trend regarding women's employment and the size of non-energy firms (IEA, 2022[3]).

The OECD Employment, Labour and Social Affaires Directorate and the IEA jointly conducted a deeper analysis to better understand gender gaps in employment, wages and career trajectories using linked employer-employee data (IEA, 2022[4]). The study showed that there are disproportionately higher shares of women in low-wage firms and occupations in the energy sector compared to the rest of the economy. Bargaining and discrimination were identified as playing a major role in explaining this wage gap. Additionally, women working in energy were more likely to leave for another sector than those working in other sectors, which highlights an important retention problem that needs to be addressed along with other factors that prevent diversity.

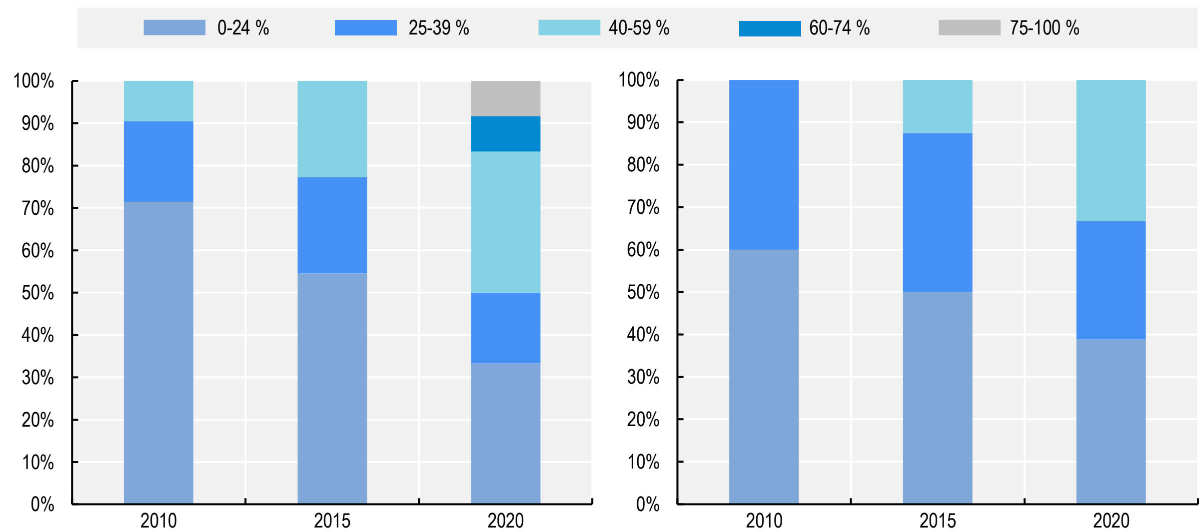
Senior management and decision-making

Gender balance in key government energy policy making and implementing institutions has improved significantly over the last ten years, although women are still under-represented and many countries still have work to do to reach gender balance. Based on data collected from energy ministries by the IEA and the Equality in Energy Transitions initiative, only one of the 19 responding ministries had gender parity in senior management positions in 2010, compared with seven of the 24 ministries in 2020 (30%) (Figure 19.2). Staff in energy ministries were gender balanced overall in 2020, but not within each country. The situation has improved significantly for energy-related parliamentary committees, from 20% being gender equal in 2010 to 45% in 2020. Other key energy policy making institutions are also leading by example. The gender balance for senior management in affiliated agencies or authorities, for which the energy ministry has responsibility, has improved markedly, from none of the respondent organisation being gender equal in 2010 to almost 40% in 2020.

Despite many ongoing activities, none of the governments reported having fully achieved gender mainstreaming (average rating 2.7 on a 1-5 scale). Energy ministries acknowledged challenges in improving awareness of gender diversity barriers like gender norms and unconscious bias, in accessing quality gender-disaggregated data to better understand the issues and benchmark progress, and in developing competency in gender analysis.

Figure 19.2. Despite improvements, gender parity in senior management positions in public energy institutions has not been achieved yet

Share of women in senior management positions in energy ministries (left panel) and in key energy policy making institutions (right panel), 2010, 2015 and 2020, percentage



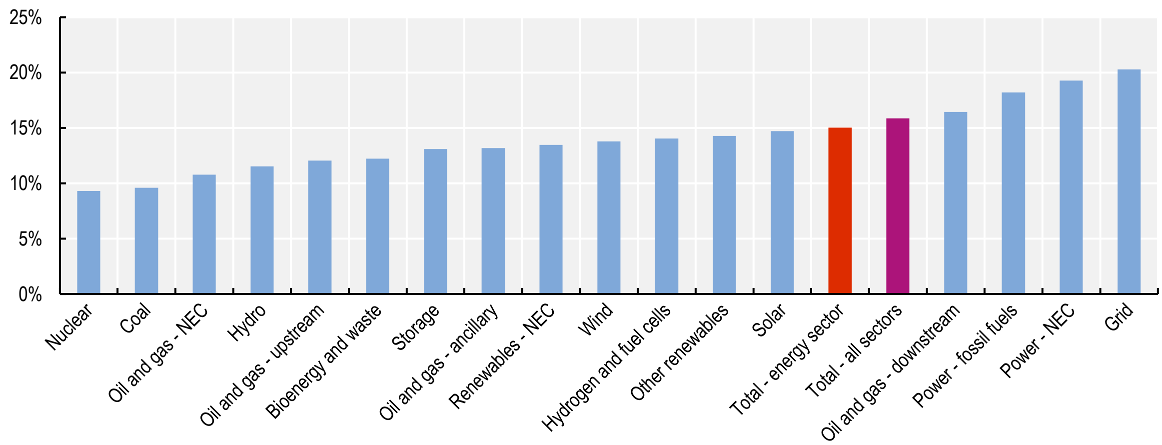
Note: Responses from Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Türkiye, the United Kingdom, and the European Commission.
Source: IEA and Equality in Energy Transitions Gender Policy Questionnaire 2021.

StatLink https://stat.link/ixq12c

Within the private sector, women continue to be consistently under-represented in senior managerial positions and boardrooms across industries, including energy-related sectors (Chapter 17). Globally, women made up to 15% of senior management in publicly listed energy firms, in line with 16% in all publicly listed firms in 2022 (Figure 19.3). The figures vary significantly, ranging from 9% in the nuclear power sector to 20% in electricity grid infrastructure and services. Two-thirds of energy subsectors are below the 15% total sectoral average share of female senior managers.

Figure 19.3. Women are still under-represented in senior managerial positions in energy-related sectors

Share of female senior managers by energy sector, percentage, 2022



Note: NEC stands for “not elsewhere classified”.
Source: IEA (2022[3]), *Gender and Energy Data Explorer*, https://www.iea.org/data-and-statistics/data-tools/gender-and-energy-data-explorer.

StatLink https://stat.link/ln9567

Female representation is even lower in higher-level senior management positions relative to overall senior management. In 2022, within the energy sector, positions such as founders and executive officers had almost no female representation (0% and 1% respectively), and female Presidents/CEOs and chairpersons were just slightly above 5% (IEA, 2022[3]). These findings suggest that a second glass ceiling exists for women beyond the senior management level.

There is higher representation of women in leadership positions in multinational energy enterprises, many of which have put in place policies focused on diversity and inclusion. Large and publicly listed firms, and those that operate across multiple markets, tend to be under increased scrutiny from investors and are therefore more likely to adopt comprehensive gender employment practices (IEA, 2021[5]).

Gender gaps in senior management in the energy sector cannot be explained by academic qualifications. Education levels are roughly similar for male and female executives, with around 50% having a bachelor’s degree, 35% a master’s degree and 15% a doctorate degree (IEA, 2021[5]). Differences exist, however, in the subjects in which senior managers possess their highest academic qualification, both across industries and on a gender basis. In the energy sector, the fields in which given academic qualifications are disproportionately highly represented (more than 1.3 in terms of the ratio of the shares) among women senior managers are business administration, accounting, law, marketing and political science. Male senior managers in energy are more likely to have degrees in engineering or computer science.

Comparing the age of senior managers in the energy industry provides some insight on how gender diversity is likely to evolve in the years ahead. Data show that women millennials are faring much better than previous generations when it comes to accessing management positions (IEA, 2022[3]).

Innovation and entrepreneurship in energy technologies

Women are playing an increasing role in innovation, as revealed by one important indicator. The share of patents with at least one female inventor has more than doubled for energy technologies worldwide between 2000 and 2019, even when split into fossil fuels and clean energy transition patents, reaching 34% and 32% respectively (IEA, 2022[3]). The trend is similar for all technologies, based on IEA analysis of the European Patent Office's World Patent Statistical Database (European Patent Office, 2022[6]). The share of female inventors in OECD countries has remained quite stable over the past decade while it has doubled at the global level for energy technologies and all technologies. In 2019, 20% of worldwide inventors were female, compared to 11% in OECD countries for energy technologies.

With regards to entrepreneurship, the share of start-ups with gender diverse founders has been consistently lower in the energy sector compared to non-energy since 2000, though both have grown over the past two decades (Chapters 28 and 29). The share of energy start-ups with gender diverse founders grew from 3% in 2000 to 11% in 2021, while the share in non-energy start-ups increased from 14% to 20% (IEA, 2022[3]). However, in terms of average amount raised per start-up through all funding rounds, the gender gap is much larger in the non-energy sector. Non-energy start-ups with gender diverse founders raised less than one-half the funds when compared to male-only founded start-ups. In the energy sector, gender diverse founded start-ups actually raise more on average (USD 36 million) than male-only founded start-ups (USD 30 million).

Key policy messages

- To attract and retain women in the energy sector, the main steps are similar to other sectors, starting with support for young girls' interest in STEM education, and implementation of labour market interventions such as:
  - transparency in salaries, promotions and recruitment to ensure women and men advance equally within the field
  - quotas and voluntary targets as a preliminary step towards diversification
  - training courses to raise awareness on unconscious bias, gender norms, and discriminatory workplace cultures, particularly for managers
  - improving the flexible nature of jobs in the energy sector (e.g. telework, part-time and flexitime)
  - provision of adequate parental leave and affordable childcare
  - improved communication of employment opportunities in the sector
  - programmes offering mentorship and career guidance.
- Gender-disaggregated data for the energy sector is rare. Countries need to invest in better data that can effectively guide policy decision and gender mainstreaming strategies to tackle gender equality barriers specific to the energy sector. Better data on gender employment and wage gaps should be a priority within the energy sector, with granular breakdowns by subsectors and occupation levels. The energy sector is not well defined in most existing international standard classification systems, and clean energy subsectors are often missing. Time series data would be ideal to observe trends and career trajectories.
- Gender mainstreaming is a promising tool for advancing diversity within energy ministries. Particular attention needs to be put on gaps in the level of awareness, culture and unconscious bias, access to quality data, and gender analysis competence.

References

Belghiti-Mahut, S., A. Lafont and O. Yousfi (2016), "Gender gap in innovation: a confused link?", *Journal of Innovation Economics & Management*, Vol. 1/19, pp. 159-177, https://doi.org/10.3917/jie.019.0159. [2]

European Patent Office (2022), *World Patent Statistical Database*, https://www.epo.org/searching-for-patents/business/patstat.html#tab-1. [6]

IEA (2022), *Gender and Energy Data Explorer*, https://www.iea.org/data-and-statistics/data-tools/gender-and-energy-data-explorer. [3]

IEA (2022), *Understanding Gender Gaps in Wages, Employment and Career Trajectories in the Energy Sector*, https://www.iea.org/articles/understanding-gender-gaps-in-wages-employment-and-career-trajectories-in-the-energy-sector. [4]

IEA (2021), *Women in senior management roles at energy firms remains stubbornly low, but efforts to improve gender diversity are moving apace*, https://www.iea.org/commentaries/women-in-senior-management-roles-at-energy-firms-remains-stubbornly-low-but-efforts-to-improve-gender-diversity-are-moving-apace. [5]

McKinsey & Company (2015), *Why diversity matters*, https://www.mckinsey.com/~/media/mckinsey/business%20functions/people%20and%20organizational%20performance/our%20insights/why%20diversity%20matters/why%20diversity%20matters.pdf. [1]

20 Gender balance in the nuclear sector

Florence Maher

This chapter summarises data collected by the OECD Nuclear Energy Agency (NEA) in 2021 about the gender balance in the nuclear sector in NEA member countries. It shows that on average women are underrepresented in the nuclear workforce and that women are also paid less than men in the sector. It then analyses workplace culture and practices, showing that they are not sufficiently supportive for women in the sector. It also considers how nuclear sector-specific barriers interact with broader sociocultural challenges. In response to these issues, a comprehensive policy framework is proposed.

Key findings

- Women are underrepresented in the nuclear sector, especially in Science, Technology, Engineering and Mathematics (STEM)-related positions and leadership roles. At the current rates of female representation in new hires, attrition, and promotion, the sector will not reach gender balance.
- Nuclear workplace cultures are not sufficiently supportive for women. This relates to management practices, low female visibility, and gender-based biases.
- Nuclear-specific career pathways interact with broader sociocultural structural challenges for women, which limit women's advancement and contributions to the sector.

Women scientists and engineers pioneered the nuclear and radiological fields, with leaders and innovators such as Marie Skłodowska-Curie and Lise Meitner, among many others, establishing the foundation of modern nuclear science and technology. Women continue to make vital contributions to the field, but female representation in the sector remains limited. This is especially the case in STEM-related positions and leadership roles. The lack of diversity in the nuclear sector represents a loss of potential innovation and growth and a threat to the future sustainability of the nuclear workforce and viability of the field.

In 2021, the OECD Nuclear Energy Agency (NEA) collected data on gender balance in the nuclear sector in NEA countries to understand workforce representation, career trajectories, and challenges facing women in the field, especially in STEM and leadership positions. Specifically, the NEA gathered qualitative data on workplace experiences and possible solutions from over 8 000 women in the nuclear workforce in 32 countries as well as quantitative data on human resources (nuclear sector workforce, new hires, attrition, promotions, salaries, and participation in career development programmes) from 96 nuclear organisations in 17 countries. Based on the findings, a comprehensive policy framework is proposed to support countries to better co-ordinate and leverage government influence over the nuclear sector to improve its gender balance. This chapter discusses the main findings of this analysis, presented in more detail in NEA (2023[1]).

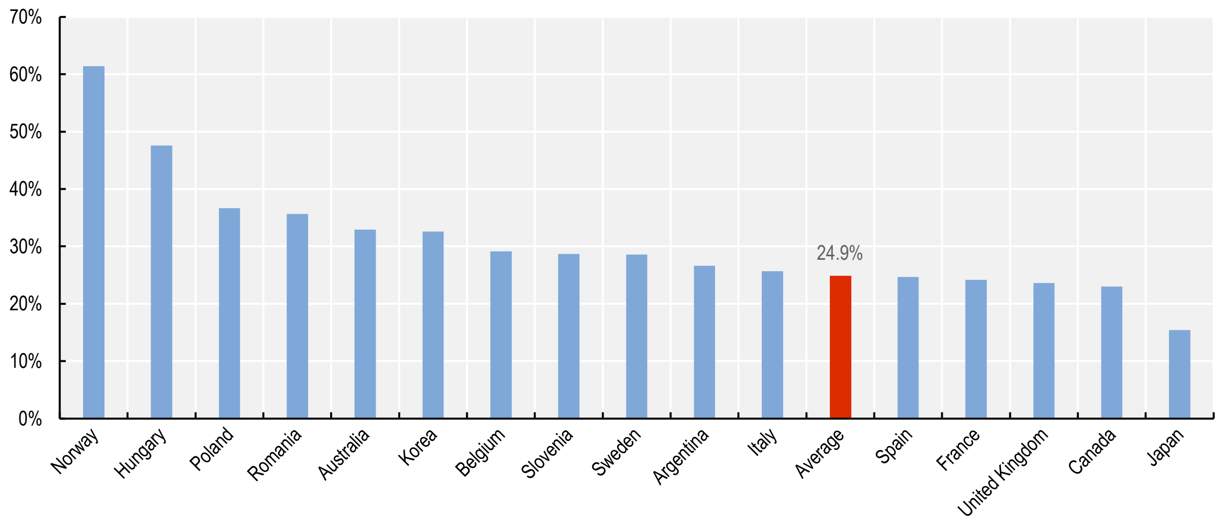
Under-representation of women in the nuclear sector

Women are less than a quarter (24.9%) of the overall nuclear sector workforce in NEA countries (Figure 20.1), adjusted for national differences in the size of the workforce. Only one-fifth (20.6%) of STEM roles in the nuclear sector are held by women, and women represent only 18.3% of senior leadership.

Women constitute less than a third (28.8%) of new hires in the sector. Although this proportion is higher than their representation in the nuclear workforce, it also marks the upper limit of future representation of women in the sector if the proportion does not increase. In addition, the percentage of women among new hires is still larger for non-STEM positions (40.7%) than for STEM roles (24.6%). This will not only entrench the gender divide between STEM and non-STEM roles, but is also likely to perpetuate the gender imbalance at the highest management levels due to the preference in the nuclear sector for executives with a STEM background. The data also show a pay gap between men and women in the sector, which is likely to persist if higher-paid STEM and management roles continue to be held predominantly by men.

Figure 20.1. Women represent less than a quarter of the overall nuclear sector workforce in NEA countries

Share of women in the overall nuclear workforce, by country, percentage, 2021



Note: These data were gathered in 2021 from 96 nuclear organisations in 17 NEA member countries.
Source: NEA (2023[1]), *Gender Balance in the Nuclear Sector*, https://www.oecd-nea.org/jcms/pl_78831/gender-balance-in-the-nuclear-sector.

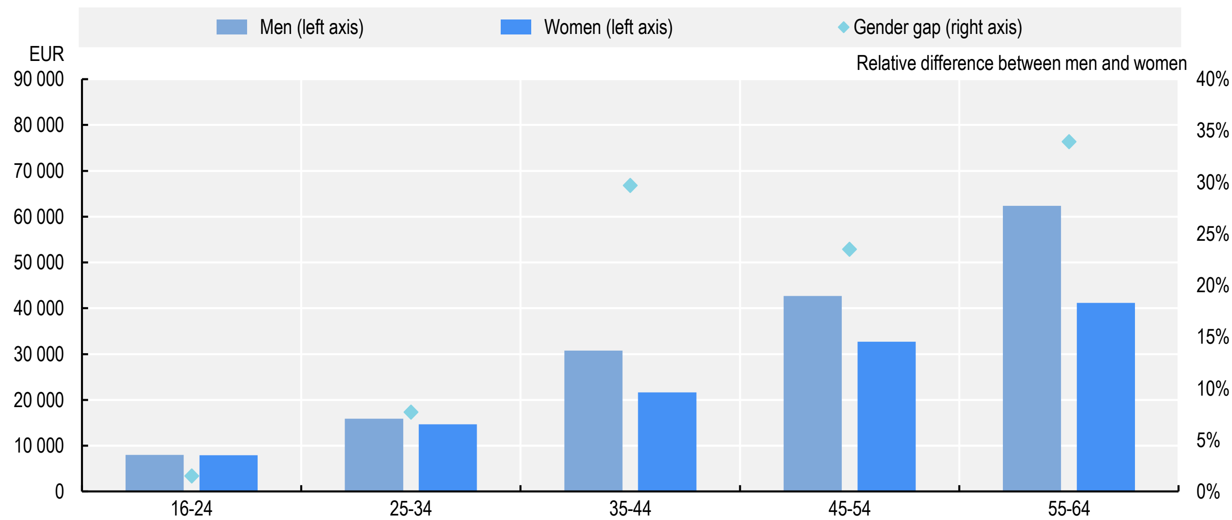
StatLink https://stat.link/3aoc0r

Trends for female promotions and attrition, while encouraging, are not sufficient to change the gender imbalance in the sector, especially in STEM roles. Although women currently constitute 27.1% of promotions in the nuclear sector – higher than their representation in the workforce – this will not significantly transform women's representation in the leadership pipeline. Women in the sector are better represented (but still a minority) in non-STEM roles, which is also where their retention and promotion rates are highest (61.4% of promotions for non-STEM roles requiring a university degree are awarded to women). In addition, women constitute 23.9% of the nuclear sector's 8.1% attrition rate (the rate at which employees leave an organisation over a period of time). Although this is lower than their workforce representation, it will not significantly impact the current gender imbalance.

Figure 20.2 shows a model with two scenarios. The plain line is the projection of future female participation in the sector according to the current representation of women in hiring and attrition, assuming no change in the size of the workforce. The dashed line models the scenario in the case of balanced future recruitment. The curvilinear shape suggests that significantly increasing the percentage of female new hires could have a major impact, especially if combined with an increase in the size of the nuclear workforce in response to new investments in the sector. However, since a STEM background is often a prerequisite for senior management positions, a larger female intake may not result in a greater percentage of women in leadership positions if their recruitment and promotions remain concentrated in non-STEM roles.

Figure 20.2. A balanced gender representation in new hires would improve the overall gender balance in the nuclear workforce

Projection of gender balance in the nuclear workforce with current and balanced gender representation in recruitment, female participation in the nuclear workforce, percentage



Note: The data modelled in the plain line were gathered in 2021 from 96 nuclear organisations in 17 NEA member countries.
Source: NEA (2023[1]), *Gender Balance in the Nuclear Sector*, https://www.oecd-nea.org/jcms/pl_78831/gender-balance-in-the-nuclear-sector.

StatLink https://stat.link/40bswg

Key barriers to women's participation and progression in the nuclear workforce

The modern nuclear sector has its origins in many countries in the use of nuclear science for military purposes. The legacy of Cold War-era security culture persists in the peaceful application of nuclear technologies and continues to colour the sector as opaque and masculine. Women in the sector face issues that may also be present in other STEM-centred industries, but the nuclear sector presents unique challenges to women that – in combination with broader societal gender-related issues – produce barriers to their full participation in the field.

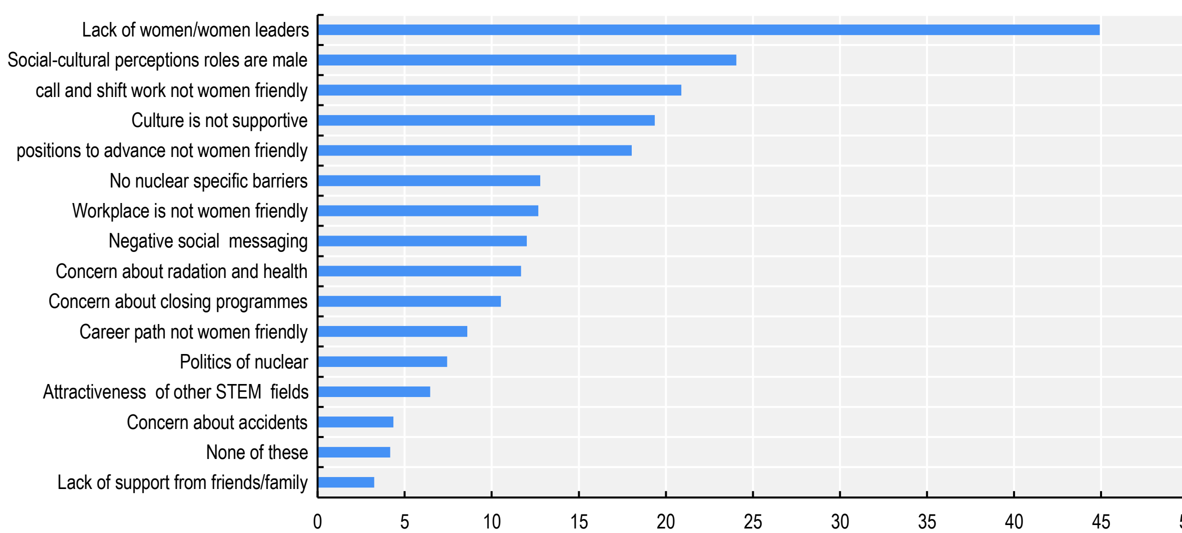
As shown in Figure 20.3, the results of the NEA's international survey of women working in the sector suggest that the work culture is not sufficiently supportive for women. Indeed, women surveyed indicate that they experience hostility in the nuclear workplace, in addition to sociocultural perceptions that jobs in the sector are for men. The masculine image of the sector deters women from entering it, and once inside women's careers are stymied by organisational cultures that have not normalised women in STEM and leadership roles. Approximately two-thirds of the 8 000 women surveyed say that male-dominated work cultures inhibit their full contributions, and a similar share report that gender stereotypes, microaggressions and unconscious bias negatively impact female career trajectories in the sector. 41.7% of survey respondents believe that women are not valued in their workplaces. Only about half of the women surveyed hold that salaries, performance appraisals, and career opportunities are equal between genders. Reports of sexual harassment in the workplace (including personal experiences and second-hand accounts) are high (44.7%), as are reports of hostile behaviours or attitudes to women (52.2%). Women who are members of minority groups, in STEM roles, and in roles requiring fewer educational credentials experience higher levels of hostility.

Women in the sector are pessimistic about the commitment of their managers and organisations to make positive change and to better support their career development. Only 32.5% of survey respondents consider that their managers engage on or express commitment to gender balance. Only 41.7% agree that robust mechanisms exist in their workplaces to support women, and a similar minority expressed career satisfaction and optimism when considering their organisation's gender balance policies. Some 57.4% highlighted barriers to retaining and promoting women in their organisation (see Figure 20.3 for a list of the main barriers to the retention of women specific to the nuclear sector as identified by survey respondents). Few respondents reported having female role models and mentors at work (37.0%), and the presence and visibility of women was apparent to only 50.9%. Despite these findings, however, women in the sector would generally encourage other women towards careers in nuclear energy (59.0%) albeit with a high level of reported ambivalence.

Work-life balance issues also play a central role. Women surveyed overwhelmingly agree (over 70%) that pregnancy, maternity leave, parenting or other family and caregiving responsibilities negatively impact women's career trajectories in the nuclear sector. Career advancement in nuclear power plants often requires roles that entail on-call and shift work, which may be challenging for nursing mothers or those with young children. Also, nuclear facilities are often located in areas lacking spousal employment opportunities or easy access to family support. These challenges make up two of the top five nuclear sector-specific barriers to women according to the results of the NEA survey. This may explain why female retention rates are lower in non-management and junior management levels in the sector. The lower retention at this stage in the leadership pipeline may result in a smaller pool of women eligible for progressively senior positions.

Figure 20.3. Barriers to the retention and advancement of women specific to the nuclear sector

Responses to the question: "In my experience, the most significant barriers or challenges specific to the nuclear energy sector for the retention and advancement of women are", percentage of respondents, 2021



Note: Multiple choices possible (up to three). Total number of respondents: 5 409. The data were gathered from a non-representative survey of women working in the nuclear sector in NEA member countries.
Source: NEA (2023[1]), *Gender Balance in the Nuclear Sector*, https://www.oecd-nea.org/jcms/pl_78831/gender-balance-in-the-nuclear-sector.

StatLink https://stat.link/yqdt3s

Policy considerations

Many countries, whatever their energy policies, have a growing need for nuclear expertise. Medical and industrial applications of nuclear technologies continue to expand; a large number of nuclear facilities must be decommissioned and the waste managed and disposed; and as the world faces a tremendous challenge to alter society, policies, technologies and practices to achieve net-zero carbon emissions by mid-century, the nuclear sector can play a vital role in supporting this objective. At the same time, many countries face serious skills shortages that must be addressed in the next decade and beyond if nuclear technologies are to be applied safely and effectively. There is a demand for more scientists and engineers with the capacity to support new projects, effective regulation, and advanced research and development, and who can also serve as key leaders in the future. The need is great and the fact that women are severely underrepresented in nuclear sector leadership roles shows that many countries are losing access to a vast pool of talent. Furthermore, the sector's ability to meet the increased demand for nuclear technology and to contribute to addressing global challenges requires high-performing organisations that are diverse, inclusive and innovative. In addition, the current lack of women in the nuclear sector is an important element in the gap in understanding and perceived values between the sector and the broader society.

In this context, attracting, retaining, and supporting more women engineers, scientists and leaders in its workforce is highly relevant for the nuclear sector's sustainability and ability to contribute value to society. The talents of women scientists, engineers, and technologists are needed to develop innovative solutions for clean, reliable energy to power economic growth and mitigate climate change. Even more importantly, gender-balanced leadership is essential in laboratories, boardrooms, and on the public stage, and it is required to build lasting coalitions for long-term socio-economic decisions and technological solutions that hold stake with the whole of society and benefit from the contributions of all.

The NEA has developed a policy framework to tackle the key barriers mentioned above and to support a better representation of women in the sector, support their career development, and enhance their contributions. Recommendations for direct, practical actions are organised around three pillars (Figure 20.4) and undergirded by a reporting regime for data and accountability. The goal of these pillars is to provide an overarching, strategic framework through which governmental institutions and other nuclear sector actors can develop context-specific policies and programmes.

Figure 20.4. The three pillars: Attract, Retain and Advance

Note: The "Attract, Retain and Advance + Data" policy framework was developed by the NEA Task Group on Improving the Gender Balance in the Nuclear Sector, a subsidiary body reporting to the NEA Steering Committee for Nuclear Energy.
Source: NEA (2023[1]), *Gender Balance in the Nuclear Sector*, https://www.oecd-nea.org/jcms/pl_78831/gender-balance-in-the-nuclear-sector.

Each pillar anchors targeted recommendations developed from the data findings in order to address the needs and challenges of women in the sector:

- attract women into the sector through public communications campaigns, enhancing the educational pipeline, and balanced recruitment and hiring
- retain and support women in the nuclear sector workforce by eliminating harassment, building inclusive work environments, addressing impacts related to familial responsibilities, assessing the disparate impacts of policies and programmes on men and women, linking executive management performance to progress on supporting and advancing women, and by conducting regular national qualitative surveys on workplace experiences
- advance and develop women as leaders and enhance their contributions to the sector by eliminating unequal impacts for women's career recognition and advancement and by conducting regular national surveys on women's participation in the nuclear sector workforce.

All the above actions need to be supported by evidence. It is therefore fundamental to provide data and accountability through goal setting, regular reporting and designating resources and senior-level individuals to implement the above actions.

Key policy messages

- Attract, retain and support women in the nuclear sector workforce by tackling stereotypes, enhancing the educational pipeline, supporting balanced recruitment and hiring, eliminating harassment, building inclusive work environments, supporting work-life balance, linking executive management performance to progress on supporting women and designating resources and senior-level individuals to implement these actions.
- Advance and develop women as leaders and enhance their contributions to the sector by eliminating unequal gender impacts on women's career recognition and advancement.
- Provide data and accountability through goal-setting and regular reporting. This involves gathering data to assess the impact of policies and programmes on men and women, conducting regular national qualitative surveys on workplace experiences, and conducting regular national surveys on women's participation in the nuclear sector workforce.

References

NEA (2023), *Gender Balance in the Nuclear Sector*, OECD Publishing, Paris, https://www.oecd-nea.org/jcms/pl_78831/gender-balance-in-the-nuclear-sector. [1]

21 Assessing gender equality in transport policies

Marion Lagadic, Josephine Macharia and Magdalena Olczak

This chapter begins with an analysis of existing gender inequalities in the transport sector with regard to women both as transport users and in the transport workforce. Next, the chapter discusses policy frameworks that aim to close gender gaps in the transport sector. It also provides examples of policy initiatives that support policy makers in collecting gender disaggregated data and integrating a gender perspective into transport policies and transport planning.

Key findings

- Transport positively affects individuals by providing access to jobs, education, healthcare, and other public services. It also creates significant economic gains beyond individual benefits, contributing to societies' economic growth and well-being.
- Yet, transport remains one of the sectors with highest gender imbalance. Gender inequalities, as other structural inequalities which exist in societies, are reflected in transport systems. The barriers to women's mobility that reinforce these inequalities include poor accessibility, gender-blind design of transport services and infrastructures, and a lack of safety and security of transport systems. The transport workforce is also highly gendered and women remain underrepresented in most transport-related industries.
- More urgency is needed to integrate a gender perspective into transport planning and combat labour market inequalities, notably in the context of the recent global crises that could have significant and long-term implications for gender equality.

Gender gaps in transport: Different needs, unequal representation

Improving gender equality both for women as transport users and in the transport workforce remains a challenge in many of the 64 International Transport Forum's (ITF) member countries. Both areas are interconnected, as an increase in gender equality in the transport workforce will improve the inclusiveness of transport services.

Although transport policies involve infrastructure and service provision, they often do not consider the mobility needs of women. For example, Ng and Acker (2018[1])showed that women are more likely to have shorter commute distances, chain trips, have more non-work-related trips, travel at off-peak hours, and choose more flexible modes. Qualitative studies shed light on the lived mobility experiences of women, marked by the challenge to reconcile conflicting work and care responsibilities, all in a context of limited time and financial resources (Akyelken, 2020[2]; Plyushteva and Schwanen, 2018[3]). In short, women's mobility needs appear to be different from those of men due to the inequalities women face in society.

Inadequate transport infrastructure has a more significant negative impact on women than on men vis-à-vis economic opportunities. Women are generally more sensitive to time constraints and put a higher opportunity cost on travel time. Safety also is a key determinant of women's transport choices. In both developed and developing countries, women feel unsafe using public transport services: 80% of women have experienced harassment in public spaces, including public transport and associated public spaces (ITF, 2018[4]). Safety issues hamper women's access to education, jobs, and other opportunities, and ultimately reinforce gender equalities.

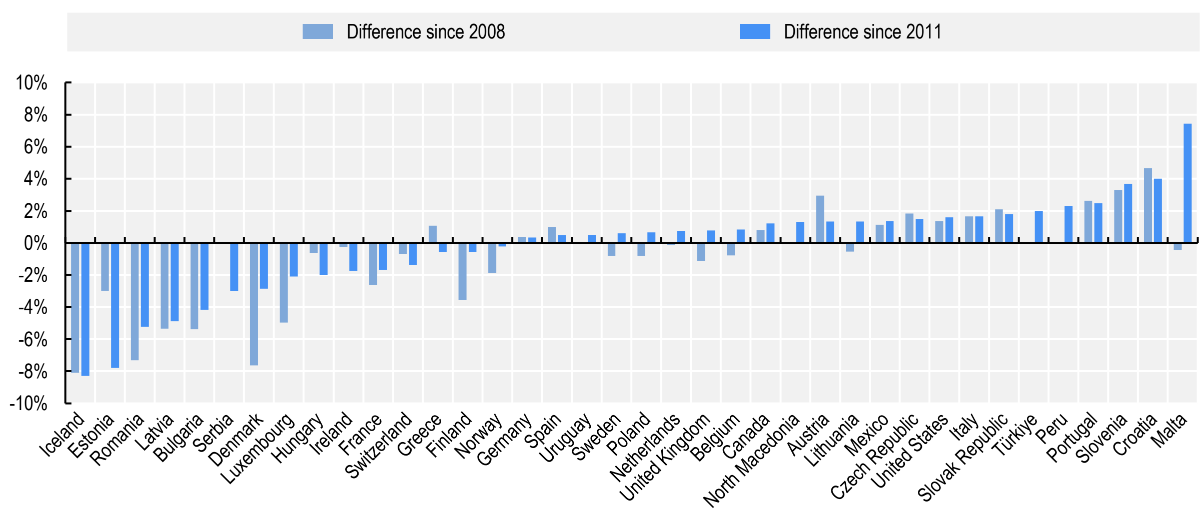
There may also be gender bias in existing transport policies and services. Gender differences in travel behaviour are often overlooked, due to inadequate data and lack of representation of women among decision makers (de Madariaga, 2013[5]; Siemiatycki, Enright and Valverde, 2019[6]). Indeed, the transport workforce is male-dominated and contains gender gaps throughout all staff levels. The historically low representation of women in the transport sector creates gender-biased attitudes and barriers, as well as discriminating work environments and conditions (Fraszczyk and Piip, 2019[7]).

Women remain underrepresented in most transport-related industries, with only 17% female employees in the transport workforce on average across 46 countries (Ng and Acker, 2020[8]). In addition, few of these women rise to managerial positions. In global supply chains and logistics, women occupy less than 20% of top executive positions across all sectors (Vaughan-Whitehead and Caro, 2017[9]). It is also more common for women to have less job security and lower-paid jobs than men across the transport sector (Barrientos, 2019[10]).

While female participation in the transport workforce is progressing in some countries, the global averages have remained relatively stable between 2008 and 2018. This is due to decreases in female participation in the sector among several of the countries with some of the smallest gender gaps (Figure 21.1).

Figure 21.1. The global averages of female participation in the transport workforce have remained relatively stable between 2008 and 2018, with progress in some countries

Evolution in rates of female participants in the transport workforce 2008-18



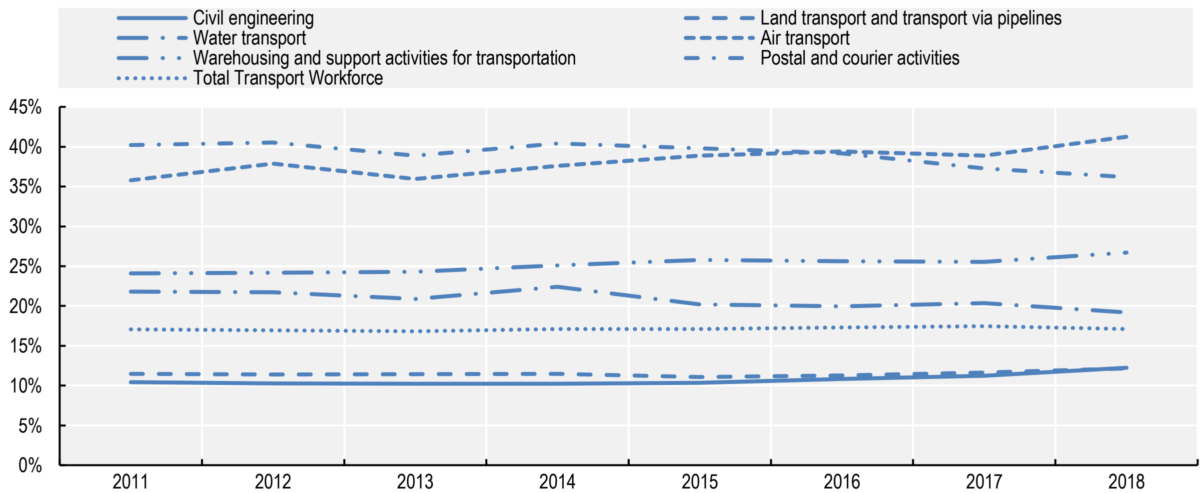
Source: Ng and Acker (2020[8]), "The Gender Dimension of the Transport Workforce", https://doi.org/10.1787/0610184a-en.

StatLink https://stat.link/y71i9e

There were minimal changes in female participation in all divisions of the transport sector between 2011 and 2018 (Figure 21.2). The largest country-level declines were within the postal and courier activities division, more specifically in a subset of European countries. These experienced decreases in female labour force participation of up to 35 percentage points from 2008 to 2018. The air transport division shows the most notable growth in female labour participation, particularly in Europe, with country-level increases of up to 19 percentage points since 2008. However, the average female participation in the air transport sector for 43 countries across the world has only increased by 5 percentage points since 2011 (Ng and Acker, 2020[8]).

Figure 21.2. There were minimal changes in female participation in all divisions of the transport sector between 2011 and 2018

Average female participation rate by transport job division, 2011-18, percentage



Note: The number of countries included in each division of the transport sector are as follows: civil engineering (44), land transport and transport via pipelines (50), water transport (35), air transport (43), warehousing and support activities for transportation (50), postal and courier activities (47), total transport workforce (50). Estimations were made based on existing data trends to fill data gaps for varying years and divisions for Armenia, Belgium, Brazil, Bulgaria, Cambodia, Croatia, Cyprus, the Czech Republic, Denmark, Ecuador, Egypt, El Salvador, Hungary, Iceland, Latvia, Lithuania, Luxembourg, Malta, Mauritius, Mongolia, Montenegro, Namibia, Philippines, Poland, Portugal, Romania, Serbia, Slovenia, Thailand, Uruguay, and Viet Nam.
Source: Ng and Acker (2020[8]), "The Gender Dimension of the Transport Workforce", https://doi.org/10.1787/0610184a-en.

StatLink https://stat.link/sy07qj

The COVID-19 pandemic has further reinforced existing challenges for women in the transport workforce and could have significant and long-term implications for gender equality in transport. Women's travel patterns aggravated gender inequality because of greater reliance on public transport than on private transport. Although the pandemic severely impacted all workers, specific adverse effects have been observed on women. This is primarily because women disproportionately face inadequate policy designs placing them at increased health and occupational risks in the transport sector. For example, the risks to men workers are better known given that occupational safety and health considerations had previously focused on jobs in sectors dominated by male workers (ITF, 2021[11]).

Gender equality in transport policies

The ITF survey on "Integrating Gender Perspectives in Transport Policies" allowed to explore a series of gender-related policy and data issues in transport in 25 of the ITF's 64 member countries (respondents include Argentina, Australia, Belgium, Canada, Chile, China, Colombia, Croatia, the Czech Republic, France, Ireland, Japan, Latvia, Lithuania, Mexico, Mongolia, the Netherlands, New Zealand, Portugal, Republic of Moldova, Romania, Spain, Sweden, Türkiye and the United Kingdom). Among others, the survey covers issues related to gender-sensitive policy frameworks and data in the transport sector (ITF, 2021[11]).

Policy frameworks for integrating a gender perspective in transport

According to the survey, at least 40% of the responding countries have a national strategy or action plan or national legislation on gender equality that provides frameworks for promoting equal rights for men and women while strengthening economic and social empowerment for women and preventing violence against women and girls (VAWG).

Sectoral ministries or agencies implement these frameworks, including the authorities responsible for transport policies. Transport ministries in at least 30% of the ITF member countries contribute to implementing national gender strategies with measures and plans to promote gender equality in transport. Practices include gender-based analysis, impact and risk assessments, gender-responsive budgeting initiatives, collection of gender disaggregated data, and awareness-raising initiatives (Chapter 4). Transport ministries often co-ordinate with other government departments and create special directorates to promote gender equality. Box 21.1 includes examples of such integration of gender perspectives into transport policies.

Gender equality is also a part of the sustainable transport development plans in at least 25% of ITF member countries.

Women's participation in the transport workforce remains the most common challenge, especially within modes such as aviation and maritime, or road transport, where ensuring women have high-level positions can be complex. Countries' initiatives to integrate gender aspects into transport policy include access and accessibility in transport, climate change, sustainable mobility, and combating gender-based violence. Countries also take initiatives to promote women's participation in transport-related education and training, enhance women's leadership, and support the use of a gender-sensitive and inclusive language.

The COVID-19 pandemic offered an opportunity to improve gender equality by rethinking transport design and policies to address the needs of women transport users and workers. Gender-specific transport measures include free access for pregnant women who need maternal health services during COVID-19 or digital access (i.e. mobile phone-based health services, smart travel applications) to avoid walking long distances or having to use other transport modes to reach healthcare facilities. Travel restrictions on some streets have allowed safer travel for cyclists and pedestrians. An increase in bike lanes and free repair stations, and measures to respace cities will increase transport safety for all. In the short term, these changes can address the disruption in public transport. In the long run, they could help women by allowing more efficient trip chaining (ITF, 2021[12]).

Box 21.1. Integrating gender perspectives into transport policies

The Government of **Canada** has been committed to using Gender-Based Analysis (GBA) Plus in the development of policies, programmes and legislation since 1995. At Transport Canada, the GBA Plus Centre of Excellence works to integrate the application of GBA Plus through guidance and review of GBA Plus conducted in support of Cabinet documents, funding submissions and budget proposals.

In **Chile**, the Ministry of Transport and Telecommunications contributes to the implementation of the National Plan for Equality between Men and Women 2018-30. Mainstreaming gender is essential for the implementation of effective policies that promote equity with regard to mobility, accessibility, security and efficiency of the systems of transportation.

In **Mexico**, the Ministry of Communications and Transport contributes to the implementation of the National Programme for Equality between Women and Men 2020-24. This includes awareness-raising initiatives to incorporate a gender perspective in the planning of urban and rural road infrastructure to provide women with better access to basic services. The ministry also works towards incorporating gender aspects in the design and improvement of infrastructure to ensure the safe transit of women and girls in public spaces.

In **Sweden,** the Ministry of Infrastructure is responsible for mainstreaming a gender perspective in all decisions and actions in accordance with a government decision for gender mainstreaming within the Government Offices for the period 2021-25. The political goals for the transport sector include that transport policy should reflect respective mobility needs of women and men.

In the **United Kingdom**, despite the lack of a strictly defined national gender strategy, there is, however, a cross-government focus on gender equality through a Minister for Women and Equalities, which is supported by the government Equalities Office (GEO). As part of its priorities, GEO supports cross-government strategies, such as increasing female participation in the labour market and preventing violence against women and girls. This office works closely with a number of Government departments including the UK Department for Transport.

Source: ITF (2021[11]), *Integrating Gender Perspectives in Transport Policies Survey*.

Gender data and indicators

At least 30% of ITF member countries collect transport gender-disaggregated data, while another 15% collect gender indicators specific to transport. Examples of transport and gender data and indicators collected are mostly related to labour, public transport, education and training, safety, and modal share.

Gender indicators are most pressingly needed as they relate to perception of safety, modal choice, and trips motives. Gender indicators concerning the participation of women in transport-related education and the transport workforce help to better understand the gender balance of the transport workforce. Several countries are interested in a better understanding of the interface between women's economic empowerment and access to transport, be it through the participation of women in the transport workforce or their access to education and job opportunities overall.

National statistics offices are the most important actor for the collection of gender-disaggregated data, followed by ministries responsible for transport. Most countries consider that transport ministries and statistical offices should take the lead if transport gender-disaggregated data collection needs to be improved (ITF, 2021[11]).

Tackling gender data challenges is key for gender equality in the transport sector

Robust gender-disaggregated data and indicators that integrate a gender perspective in the collection, analysis and presentation of statistical data on transport issues provide a starting point to assess and measure gender equality or gaps. Challenges in the collection of reliable gender-disaggregated data related to transport prevent a full integration of gender aspects into transport policy making.

For instance, existing data gaps on travel behaviour make it challenging to develop evidence-based sustainable and inclusive transport policies that will address the needs of all users, including women, children, the elderly, and persons with disabilities (Sustainable Mobility for All,, 2019[13]). Such challenges also do now allow to get a thorough understanding of the gendered impact of transport policies.

The measurement of changes in needs between women and men over time is an essential part of gender-sensitive monitoring and evaluation of the impact of various policies. Ultimately, gender data and indicators can help raise awareness by increasing the visibility of existing gender gaps in transport through reliable and accurate data.

Part of these challenges relate to insufficient guidance, capacity and resources within the bodies in charge of transport policies. Guidelines for gender mainstreaming in transport are limited. Insufficient operational guidelines and tools exist to support policy makers in collecting gender-disaggregated and gender-sensitive data in the transport sector. Lack of human resources and budget restrictions are often obstacles to collecting gender-disaggregated data.

In order to address existing data gaps and to provide guidelines for gender-disaggregated and sensitive data collection, the ITF developed a "Gender Analysis Toolkit for Transport Policies" (ITF, 2022[14]). The Toolkit includes a list of gender and transport indicators that can help governments and other stakeholders identify their priorities and design surveys that will facilitate data collection processes and assess current gender equality levels. The Toolkit also provides a checklist that will help policy makers and project managers assess the gender dimensions of their policy and project, even if gender-disaggregated or gender-sensitive data are not yet available.

Key policy messages

- Public policy should aim to close gender gaps in transport by integrating a gender perspective into transport policies and planning, and addressing labour market inequalities in the transport sector.
- Gender analysis, supported by reliable gender-disaggregated data, is the first step towards achieving gender equality. Policy guidelines should be developed to support policy makers in collecting gender-disaggregated data and integrating gender aspects into transport policies.
- Implementing a collaborative multi-stakeholder approach can address gender inequalities in working conditions and tackle existing gender norms and stereotypes in the transport sector.

References

Akyelken, N. (2020), "Living with urban floods in Metro Manila: a gender approach to mobilities, work and climatic events", *Gender, Place and Culture*, Vol. 27/11, pp. 1580-1601, https://doi.org/10.1080/0966369x.2020.1726880. [2]

Barrientos, S. (2019), *Gender and Work in Global Value Chains*, Cambridge University Press, https://doi.org/10.1017/9781108679459. [10]

de Madariaga, I. (2013), *From Women in Transport to Gender in Transport: Challenging Conceptual Frameworks for Improved Policy Making*, Journal of international affairs, New York. [5]

Fraszczyk, A. and J. Piip (2019), "A review of transport organisations for female professionals and their impacts on the transport sector workforce", *Research in Transportation Business & Management*, Vol. 31, p. 100379, https://doi.org/10.1016/j.rtbm.2019.100379. [7]

ITF (2022), *ITF Gender Analysis Toolkit for Transport*, https://www.itf-oecd.org/itf-gender-analysis-toolkit-transport-policies-0. [14]

ITF (2021), *Gender Equality, the Pandemic and a Transport Rethink*, https://www.itf-oecd.org/sites/default/files/gender-equality-covid-19.pdf. [12]

ITF (2021), "Integrating Gender Perspectives in Transport Policies Survey", *Unpublished survey findings*. [11]

ITF (2018), *Women's Safety and Security: A Public Transport Priority*, https://www.itf-oecd.org/sites/default/files/docs/womens-safety-security_0.pdf. [4]

Ng, W. and A. Acker (2020), "The Gender Dimension of the Transport Workforce", *International Transport Forum Discussion Papers*, No. 2020/11, OECD Publishing, Paris, https://doi.org/10.1787/0610184a-en. [8]

Ng, W. and A. Acker (2018), "Understanding Urban Travel Behaviour by Gender for Efficient and Equitable Transport Policies", *International Transport Forum Discussion Papers*, No. 2018/01, OECD Publishing, Paris, https://doi.org/10.1787/eaf64f94-en. [1]

Plyushteva, A. and T. Schwanen (2018), "Care-related journeys over the life course: Thinking mobility biographies with gender, care and the household", *Geoforum*, Vol. 97, pp. 131-141, https://doi.org/10.1016/j.geoforum.2018.10.025. [3]

Siemiatycki, M., T. Enright and M. Valverde (2019), "The gendered production of infrastructure", *Progress in Human Geography*, Vol. 44/2, pp. 297-314, https://doi.org/10.1177/0309132519828458. [6]

Sustainable Mobility for All, (2019), *Global Roadmap of Action toward Sustainable Mobility: Gender*, http://pubdocs.worldbank.org/en/229591571411011551/Gender-Global-Roadmap-of-Action.pdf. [13]

Vaughan-Whitehead, D. and L. Caro (2017), *Purchasing Practices and Working Conditions in Global Supply Chains: Global Survey Results*, INWORK Issue Brief No. 10, International Labour Office, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_556336.pdf. [9]

22 Gender gaps in asset-backed pension arrangements

Pablo Antolín, Romain Despalins, Elsa Favre-Baron, Diana Hourani, Jessica Mosher and Stéphanie Payet

This chapter assesses gender gaps in asset-backed pension arrangements, where contributions are invested to finance future retirement income. It first evaluates the contribution of these arrangements to the overall gender pension gap. It then analyses the drivers of the gender gap in asset-backed pension arrangements stemming from labour market and other factors. Finally, it provides policy guidelines focusing on asset-backed pension arrangements that would contribute to reducing the overall gender pension gap.

Key findings

- On average in the OECD, women aged 65 and older receive 26% less income than men from pension systems.
- Part of this gap originates from asset-backed pension arrangements (where contributions are invested to finance future retirement income), as women participate less in these plans and build up lower pension assets and entitlements.
- Beyond labour market drivers, behavioural, cultural, and societal factors may influence the decisions taken by men and women about retirement savings, contributing to the gender gap in asset-backed pension arrangements.
- The design of asset-backed pension arrangements is not always gender neutral and may disadvantage women compared to men.

The gender pension gap, or the fact that women tend to live on a lower income in retirement than men, is well-known and is usually measured by combining all sources of pension income, whether public or private, pay-as-you-go or asset-backed. However, little is known about the specific contribution of asset-backed pension arrangements to this gap. Asset-backed pension arrangements are pension plans including occupational defined benefit, occupational defined contribution and personal pension plans. They cover public and/or private-sector workers.

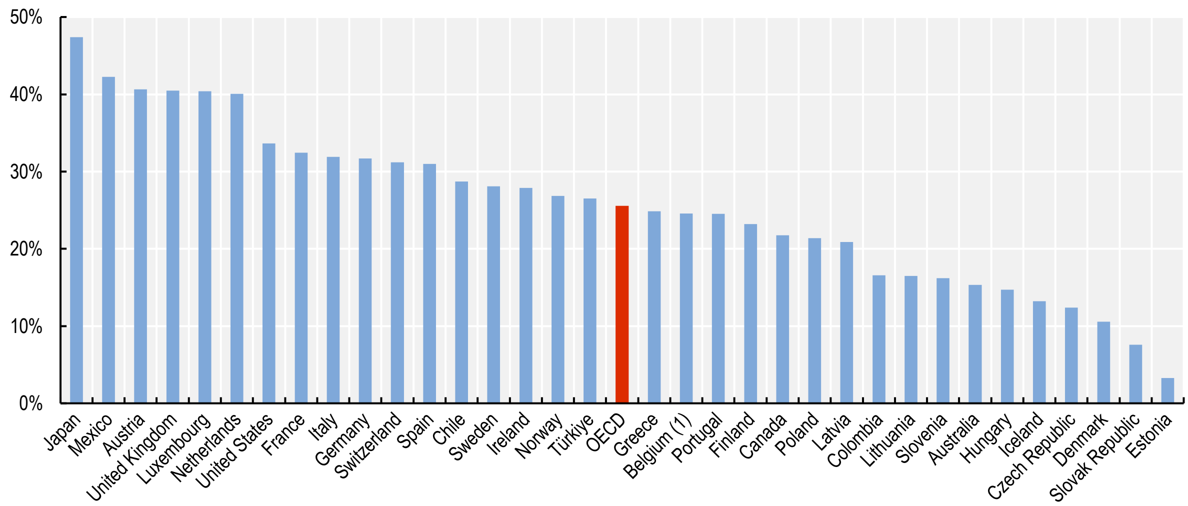
Given the growing weight of asset-backed pension arrangements in the provision of retirement income around the world, understanding how they may contribute to the gap today and into the future is of paramount importance. This chapter examines the contribution of asset-backed pension arrangements to the gender pension gap and provides policy makers with options to improve outcomes for women and to help close this gap.

Asset-backed pension arrangements play a role in the gender pension gap

There is still today a gender pension gap in most OECD countries, with women receiving a lower retirement income than men on average. The gender pension gap is calculated here as the difference between the average total retirement income of men and women, expressed as a percentage of men's average retirement income, taking into account both public and private sources of income. The gap ranges from 3% of men's average retirement income in Estonia to 47% in Japan (Figure 22.1). On average in the OECD, women aged 65+ receive 26% less retirement income than men.

Figure 22.1. The gender pension gap persists across OECD countries

Relative difference between men and women aged 65+ (among pension beneficiaries), latest year available



1. In Belgium when partner A's pension rights are less than 25% of those of partner B, the pension of A is not paid out and B receives a family pension (calculated at 75% of wages instead of 60%).
Note: The gender pension gap is calculated as the difference between the average retirement income of men and women (aged 65+) over the average retirement income of men (aged 65+), among pension beneficiaries. Calculations are based on the Luxembourg Income Study (LIS), except for: France, Latvia, and Portugal where the Household Finance and Consumption Survey (HFCS) (Wave 3) was used; and Iceland, Sweden, and Türkiye where results come from the European Union Statistics on Income and Living Conditions (EU-SILC) (published on Eurostat's website). Data come from the survey conducted in: 2013 for Japan, Luxembourg, the Netherlands, Norway and the Slovak Republic; 2014 for Australia; 2015 for Hungary and Slovenia; and after 2015 for all the other countries. Data refer to 2017 for Iceland and 2018 for Türkiye.
Source: OECD (2021[1]), *Towards Improved Retirement Savings Outcomes for Women*, https://doi.org/10.1787/f7b48808-en.

StatLink https://stat.link/mzenu6

Most of the gender pension gap observed for today's pensioners comes from public pension arrangements, because asset-backed pension plans currently provide a regular stream of income only to a small portion of old-age people in most countries. In countries where asset-backed pension arrangements are more prevalent, there are already signs of a gender gap for such arrangements. For example, the proportion of women receiving an asset-backed pension is much smaller than that of men in Germany (17% for women versus 29% for men), Ireland (37% for women versus 51% for men) and the Netherlands (46% for women versus 61% for men). And in these three countries, when focusing on individuals aged 65+ receiving an income from their asset-backed pension plan (occupational or personal, see note to Table 22.1 for definitions), women are found to receive 44% less income than men in Germany, 24% less in Ireland and 36% less in the Netherlands.

There are also signs that the gender pension gap from asset-backed pension arrangements will persist and is likely to grow for future generations. The first step to accumulate savings for retirement is to be a member of an asset-backed pension plan. However, the proportion of women participating in asset-backed pension plans is usually lower than that of men when it comes to both occupational and voluntary personal plans. Table 22.1 confirms this for most EU countries, except for Finland where participation in occupational plans is mandatory for all workers and therefore similar for men and women. In addition, evidence in some countries show that women tend to contribute less than men to their asset-backed pension plans (OECD, 2021[1]), therefore accruing less.

Table 22.1. Coverage of asset-backed pension plans in selected EU countries, by gender, 2017

As a percentage of the working-age population

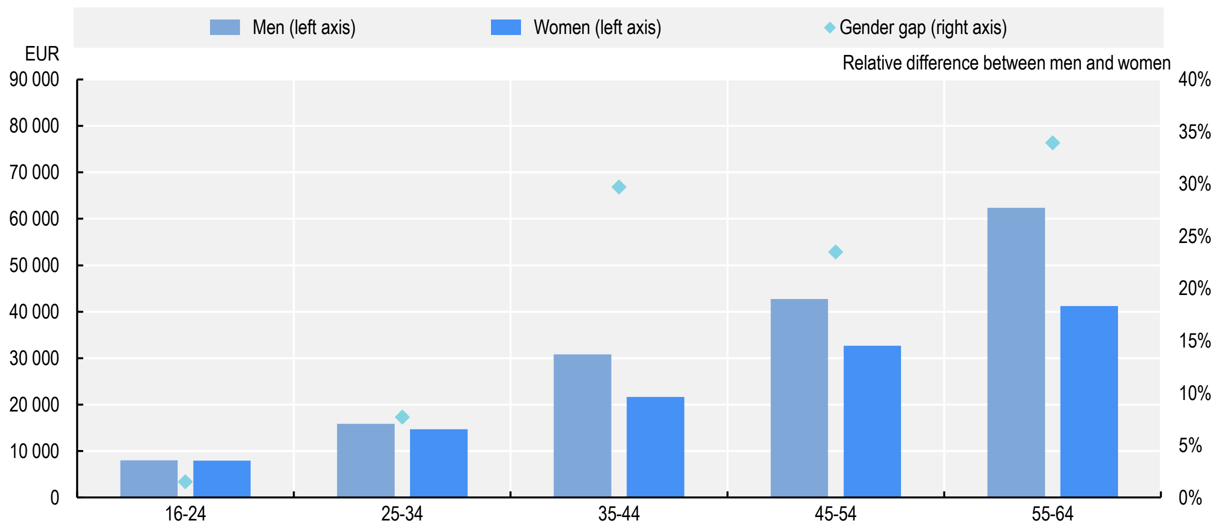
	Mandatory or voluntary occupational/ employment-related plan		Voluntary personal plan and life insurance		Total	
	Men	Women	Men	Women	Men	Women
Austria	12%	8%	16%	14%	24%	20%
Belgium	27%	18%	43%	41%	52%	48%
Estonia	..	..	14%	18%	..	..
Finland	85%	86%	18%	22%	86%	87%
France	5%	3%	26%	26%	28%	28%
Germany (1)	25%	18%	44%	43%	55%	49%
Greece	0%	0%	1%	0%	1%	0%
Hungary	..	..	13%	13%	..	..
Ireland	23%	16%	13%	9%	33%	23%
Italy	8%	4%	7%	5%	15%	9%
Latvia	..	..	11%	19%	..	..
Lithuania	..	..	9%	9%	..	..
Luxembourg	10%	7%	15%	12%	20%	15%
Netherlands	61%	59%	28%	19%	73%	68%
Poland	4%	4%	43%	42%	44%	43%
Portugal	2%	1%	10%	9%	11%	10%
Slovak Republic	26%	27%	13%	10%	33%	32%
Slovenia	9%	11%	10%	10%	18%	20%

1. The HFCS survey may underestimate the coverage of occupational pension plans, potentially due to an underreporting of enrolment in occupational plans and the classification of occupational plans for the public sector as statutory pensions.
Note: Access to occupational pension plans is linked to an employment or professional relationship between the plan member and the entity that establishes the plan (the plan sponsor). Occupational plans may be established by employers or groups thereof (e.g. industry associations) and labour or professional associations, jointly or separately. By contrast, access to personal pension plans does not have to be linked to an employment relationship. The plans are established and administered directly by a pension fund or a financial institution acting as pension provider without any intervention of employers.
This table is based on data available in Wave 3 of the HFCS for all countries except Finland (Wave 2). ".." means not available.
Source: OECD (2021[1]), *Towards Improved Retirement Savings Outcomes for Women*, https://doi.org/10.1787/f7b48808-en.

The gap between the pension assets that men and women accumulate first emerges in the 25-34 age group and widens afterwards (Figure 22.2). Moreover, women's longer average life expectancy means that in many defined contribution plans (see note to Figure 22.2 for definitions) they will receive a lower retirement income per month than men for a given level of assets accumulated (but for longer). Given these observations, and the fact that asset-backed pension arrangements are playing a growing role in retirement income provision in many countries, the contribution of these arrangements to the overall gender pension gap is expected to increase in the future.

Figure 22.2. The gender gap in the pension assets that men and women accumulate increases with age

Average amount of assets in asset-backed pension plans by gender and age group in selected OECD countries, latest year available



Note: This chart shows the average amount of assets in occupational defined contribution and personal pension plans and the present value of all expected future benefit payments from defined benefit plans for men and women among asset owners in a group of OECD countries on average (on the left axis). Occupational defined contribution plans are occupational pension plans under which the plan sponsor pays fixed contributions and has no legal or constructive obligation to pay further contributions to an ongoing plan in the event of unfavourable plan experience. Occupational defined benefit plans are occupational plans other than defined contribution plans.
The chart also shows the difference between this average (of average pension assets) for men and for women relatively to men (on the right axis). The countries included in the calculations are Austria, Belgium, Estonia, Finland, France, Germany, Hungary, Ireland, Italy (except for the age group 16-24), Latvia, Lithuania (except for the age group 16-24), Luxembourg, the Netherlands, Poland, Portugal (except for the age group 16-24), the Slovak Republic and Slovenia. This indicator is calculated over the working-age population, based on data available in Wave 3 of the HFCS for all countries except Belgium and Finland (Wave 2).
Source: OECD (2021[1]), *Towards Improved Retirement Savings Outcomes for Women*, https://doi.org/10.1787/f7b48808-en.

StatLink https://stat.link/6v2ok7

The main driver: Labour market differences between men and women

Labour market differences between men and women are the main drivers of the gender pension gap (Chapter 13). This is particularly the case for asset-backed pension arrangements, as the labour market status of individuals directly affects their access to these arrangements, as well as the retirement benefit entitlements they can accumulate in them. Such labour market differences include:

- Women's lower labour market participation compared to men. This implies that fewer women have access to employment-related asset-backed pension plans (i.e. occupational plans and personal plans that can only be accessed by workers).
- Women's shorter careers compared to men, for instance as a consequence of career breaks following childbirth and/or caring responsibilities, which tend to fall more heavily on women. This means that women will contribute fewer years to an asset-backed pension plan compared to men, thereby reducing their retirement benefit entitlements.

- Women's overrepresentation among part-time workers. Working part-time implies lower wages and therefore lower retirement benefit entitlements; moreover, it may exclude the worker from participating in asset-backed pension plans in some countries.
- Women's average lower incomes compared to men. Since the average gender pay gap for full-time employees in the OECD currently stands at 12% (OECD *Employment database*) (Chapter 16), for a given contribution rate, women will contribute lower amounts than men to their asset-backed pension plan.

An econometric analysis on Germany, Finland and the United States shows that men and women have similar levels of pension assets and entitlements in their occupation plans, after controlling for labour market factors (OECD, 2021[1]). For these three countries, this confirms that labour market differences between men and women are the main drivers of the gender gap in occupational pension entitlements among plan members.

Beyond labour market factors: Behavioural, cultural and societal drivers

Beyond labour market factors, other secondary factors contribute to the gender gap in asset-backed pension arrangements. In particular, behavioural and cultural factors may affect individual decisions linked to retirement saving, while social interactions may influence retirement outcomes by gender.

Women frequently demonstrate higher levels of risk aversion than men, which can translate into a preference for lower-risk investments and therefore lower returns on average for their retirement savings. This seems to be linked to differences in attitudes towards gambling and competition, as well as lower levels of financial education (OECD, 2021[1]).

Lower levels of financial literacy may also lead women to engage less in retirement planning. Given their average lower level of financial knowledge compared to men (OECD, 2020[2]) (Chapter 12), women have lower knowledge of concepts like time value of money, simple and compound interest, and risk diversification that are crucial to make informed decisions about long-term savings and pensions.

Women also demonstrate different attitudes towards saving compared to men. They may prioritise current spending for themselves or others over saving for retirement (OECD, 2021[1]). This may be linked to the fact that women may feel more vulnerable to short-term financial hardship, or that they are more likely to spend their income on family members.

Marital status may represent another factor in the gender pension gap, as there is a possible shift in the decision-making process among couples for financial matters. Additionally, couples may be able to mutualise their pension savings in order to manage their consumption smoothing. However, single retirees cannot, and the consequences of divorce or widowhood over retirement savings may be worse for women than for men (OECD, 2021[1]).

Gender stereotyping and gendered expectations may also play a role in several choices that can affect retirement savings (OECD, 2021[1]). They condition educational and career choices, with women being underrepresented in the fields of Science, Technology, Engineering and Mathematics (STEM) (Chapter 9). They may also partially explain why women often are the primary family caregiver. Women's higher involvement in unpaid work compared to men contributes to the labour market differences mentioned above. Women's higher risk aversion may also be reinforced by financial advisors who may be influenced by gender stereotypes and assume an even greater risk aversion, leading to overly conservative investment options for women.

Finally, communication campaigns and approaches may fail to engage women in retirement planning. Men and women may react differently to information depending on its context and how it is framed. For example, women tend to be more influenced by information going against their preconceived notions in their annuitisation decision (Agnew et al., 2008[3]). Additionally, the content of the communication may need to be different for men and women, given that their needs regarding retirement savings tend to be different.

An econometric analysis on Germany and Finland shows that behavioural, cultural, and societal factors may partly explain why women save less in their personal plans than men do. In both countries, women contribute less to and accumulate lower assets in their personal plans. This result proved true even after accounting for potential labour market differences between men and women (OECD, 2021[1]). The results suggest that something else, such as a behavioural disparity, might be at play.

The design of asset-backed pension arrangements can disadvantage women

The design of the asset-backed pension arrangement itself may bear some responsibility in the gender pension gap. Some rules and parameters of asset-backed pension arrangements are not gender neutral and tend to reduce women's capacity to join a plan, to contribute or accrue their own rights, to earn good returns on their investments, and to receive sufficient retirement income. Key aspects include:

- Sector of activity. Industries predominantly employing women are less likely to offer an occupational plan to their employees in some countries, thereby reducing women's access to asset-backed pension arrangements. In the United States for example, men are more likely to work in industries with higher occupation plan coverage compared with women. In several European countries with voluntary occupational systems, such as Belgium, Germany and Ireland, the proportion of women working in a given sector is inversely correlated with the coverage rate of occupational plans in this sector (OECD, 2021[1]). Women tend to work in sectors such as education or human health and social work where fewer individuals are covered by an occupational plan, with one exception being the public sector where women are highly represented and usually have access to an occupational plan. By contrast, women are underrepresented in manufacturing activities where employers tend to provide wider access to occupational plans.
- Eligibility criteria. Although asset-backed pension arrangements cannot discriminate plan access based on gender, certain eligibility criteria can have the effect of disadvantaging women compared to men. Since women are overrepresented among part-time workers, criteria based on a minimum number of working hours or on a minimum income threshold restrict women's ability to join asset-backed pension plans more than men's. These criteria exist for occupational plans in Canada, Japan, Switzerland and the United Kingdom (minimum income thresholds), as well as in Japan and Korea (minimum number of working hours).
- Child-related leave. Contributions or pension right accruals stop during periods of maternity and parental leave in several countries. Women would need to contribute more upon returning to work if they wished to compensate for the loss. In Australia, Austria, New Zealand and the United States, employers generally stop contributing on behalf of mothers on maternity leave. Even when contributions continue during leave, the earnings base used to calculate these contributions is lower than past earnings in some countries (e.g. Estonia, Iceland and Poland). This reduces the level of contributions compared to a period of full activity.
- Default investment options. In some countries (such as Italy and Latvia), the default investment option in asset-backed pension plans consists of a conservative investment strategy, thereby reinforcing women's natural bias against risk. Given that women already tend to hold conservative investments, they are less likely to switch to an alternative investment option if the default already matches their risk aversion level. This reduces the expected return that women could get on their savings over the entire accumulation phase.

- Marital and family status:
  - Retirement benefit entitlements are not always split automatically between former spouses upon divorce. If women take time off work or reduce their working hours to take care of the family, they will accumulate less in their own asset-backed pension plan. If retirement savings are considered as individual property, women who counted on their partner's savings to live on during retirement will lose access to those retirement benefits if they divorce (e.g. in Austria, Finland, France, Iceland, Latvia, Mexico, the Slovak Republic, Slovenia and Sweden). Even when retirement benefit entitlements are considered as joint property, they may not be split automatically upon divorce and may be overlooked in divorce settlements, as is the case in 71% of the cases in the United Kingdom (Now: Pensions, 2020[4]).
  - A pay-out option offering survivor income may not always be available, particularly where annuity markets are less developed. In most defined contribution plans, the surviving spouse, most likely a woman, inherits the assets as a lump sum. This does not protect the surviving women from the risk of outliving those assets, unlike survivor pensions.
- Indexation. There is no legal requirement for the indexation of asset-backed pensions in most OECD countries. Because of their longer lives, women are more exposed to the risk of losing purchasing power due to the compounding effects of inflation.

Reducing the gender gap in asset-backed pension arrangements

Policy makers can take actions to reduce the gender gap in asset-backed pension arrangements. The design of these arrangements alone cannot address and correct for all the drivers of the gender pension gap, particularly those stemming from the labour market. Nevertheless, it should strive to reduce the impact that these factors have on the retirement income of women or, at the very least, ensure that inequalities are not exacerbated. As such, asset-backed pension arrangements should aim to be gender neutral. The following policy guidelines, focusing on asset-backed pension arrangements, would contribute to reducing the gender pension gap. Meanwhile, it is also important to acknowledge that progress in public pensions (for instance, the equalisation of retirement ages of men and women) is also key to reduce the gender pension gap (OECD, 2021[5]; Lis and Bonthuis, 2019[6]).

Key actions to reduce the gender gap in asset-backed pension arrangements include:

- Promoting women's access to asset-backed pension arrangements. Increasing the availability of asset-backed pension arrangements in industries predominantly employing women and relaxing eligibility requirements to join a plan would improve women's access to these arrangements.
- Encouraging women's participation in asset-backed pension arrangements. Measures should also encourage women who have access to an asset-backed pension arrangement to join one and contribute to it. This can be done by nudging (e.g. automatic enrolment) and providing financial incentives to participate, as well as engaging women in retirement planning with tailored educational workshops and communication that convey the importance of having their own savings for retirement.
- Improving the level and frequency of women's contributions to asset-backed pension arrangements. This can be addressed through contributions from employers or spouses, financial incentives to contribute that target groups with large female representation (e.g. low-income group), subsidies for maternity and caregiving, allowance for catch-up contributions, and targeted communication to educate women about the importance of regular contributions.

- Adapting the design of asset-backed pension arrangements to the career patterns of women. The design of asset-backed pension arrangements could better accommodate the career patterns of women by being more flexible with respect to contribution levels, improving the portability of occupational plans and adapting the fee structure to avoid disadvantaging lower balances.
- Improving investment returns on women's retirement savings. Non-conservative default investment strategies and objective assessments of individual risk tolerance can help women overcome their conservative bias and take on a reasonable level of risk for the long-term horizon when saving for retirement.
- Increasing women's own retirement benefit entitlements. To ensure that women share a part of their spouse's retirement benefit accrual as well as their income, entitlements can be split either while the spouse accumulates them or upon the divorce of the couple. Communication around the options available should increase women's awareness of the possibility and importance of splitting retirement assets upon divorce.
- Increasing the level of retirement income that women receive. Women can expect to spend a longer period in retirement, and will therefore have to rely on their retirement savings for longer than men. For defined contribution plans, this often translates into a lower monthly retirement income for the same account value, and an increased risk of a loss in purchasing power. Options to help to address this inequality include equalising retirement ages between genders, calculating retirement income based on unisex mortality rates where appropriate, providing an explicit subsidy to women, promoting survivor income benefits, and encouraging the availability of pay-out options that increase retirement benefits over time.

Key policy messages

- While the design of asset-backed pension arrangements cannot correct for all the factors driving the gender pension gap, particularly those stemming from the labour market, it should not put women at a further disadvantage. As such, it should aim to be gender neutral.
- Reducing the gender pension gap in asset-backed pension arrangements can be achieved by increasing women's access to, and participation in asset-backed pension plans, raising women's level and frequency of contributions, accommodating contribution schedules, plan portability and fee structures to the career patterns of women, improving women's expected investment returns, facilitating the split of retirement benefit entitlements between spouses or ex-spouses, and accounting for women's longer life expectancy in the design of the pay-out phase.

References

Agnew, J. et al. (2008), "Who Chooses Annuities? An Experimental Investigation of the Role of Gender, Framing, and Defaults", *American Economic Review*, Vol. 98/2, pp. 418-422, https://doi.org/10.1257/aer.98.2.418. [3]

Lis, M. and B. Bonthuis (2019), "Drivers of the Gender Gap in Pensions: Evidence from EU-SILC and the OECD Pension Models", in *Progress and Challenges of Nonfinancial Defined Contribution Pension Schemes: Volume 2. Addressing Gender, Administration, and Communication*, The World Bank, https://doi.org/10.1596/978-1-4648-1455-6_ch18. [6]

Now: Pensions (2020), *Divorced women reach retirement with just £26,100, half of the average woman's savings, find NOW: Pensions and Pensions Policy Institute (PPI)*, https://www.nowpensions.com/press/divorced-women-reach-retirement-with-just-26100-half-of-the-average-womans-savings-find-now-pensions-and-pensions-policy-institute-ppi/. [4]

OECD (2021), *Pensions at a Glance 2021: OECD and G20 Indicators*, OECD Publishing, Paris, https://doi.org/10.1787/ca401ebd-en. [5]

OECD (2021), *Towards Improved Retirement Savings Outcomes for Women*, OECD Publishing, Paris, https://doi.org/10.1787/f7b48808-en. [1]

OECD (2020), *OECD/INFE 2020 International Survey of Adult Financial Literacy*, https://www.oecd.org/financial/education/launchoftheoecdinfeglobalfinancialliteracysurveyreport.htm (accessed on 13 March 2023). [2]

23 Supporting equal parenting: Paid parental leave

Jonas Fluchtmann

This chapter presents the wide variety of employment-protected paid parental leave leaves in OECD countries, spanning from maternity and paternity leave to parental leave with earmarked entitlements for mothers and fathers. It continues by discussing the impact parental leaves can have on family and child well-being, employment, and the division of paid and unpaid work in households. The chapter concludes with recent policy developments, which have often focussed on increasing earmarked entitlements to encourage more active participation of fathers in caregiving.

Key findings

- Except for the United States, all OECD countries have national statutory rights that entitle mothers to (de facto) paid maternity leave around childbirth. Paid paternity leave is also common, though usually shorter and provided in fewer countries.
- Despite widespread availability of paid leave options for fathers, and the numerous benefits fathers' leave taking has for families, their uptake of paternity and parental leave remains low.
- To encourage fathers to take more paid leave and take a more active role in childcare, many countries have recently introduced or expanded fathers' individual entitlements to paternity and parental leave. These increase the incentive for fathers' leave taking and hold the promise of slowly eroding the stubborn gender norms surrounding childcare and unpaid work.

Employment-protected paid leave entitlements are a major feature of family policy in OECD countries. Administered through maternity, paternity, parental and home-care or childcare leaves, these entitlements are designed to protect infants and mothers around childbirth, to give both parents the necessary time to provide childcare during the early stages of life of a new-born, and ensure that fathers and mothers are financially supported during their time on leave and can return to work afterwards (Rossin-Slater, 2017[1]). In line with the 2013 OECD Gender Recommendation, paid leave is also increasingly being used to promote gender equality and a more equal division of unpaid care and housework within families, by incentivising fathers to spend more time at home caring for their children (OECD, 2017[2]).

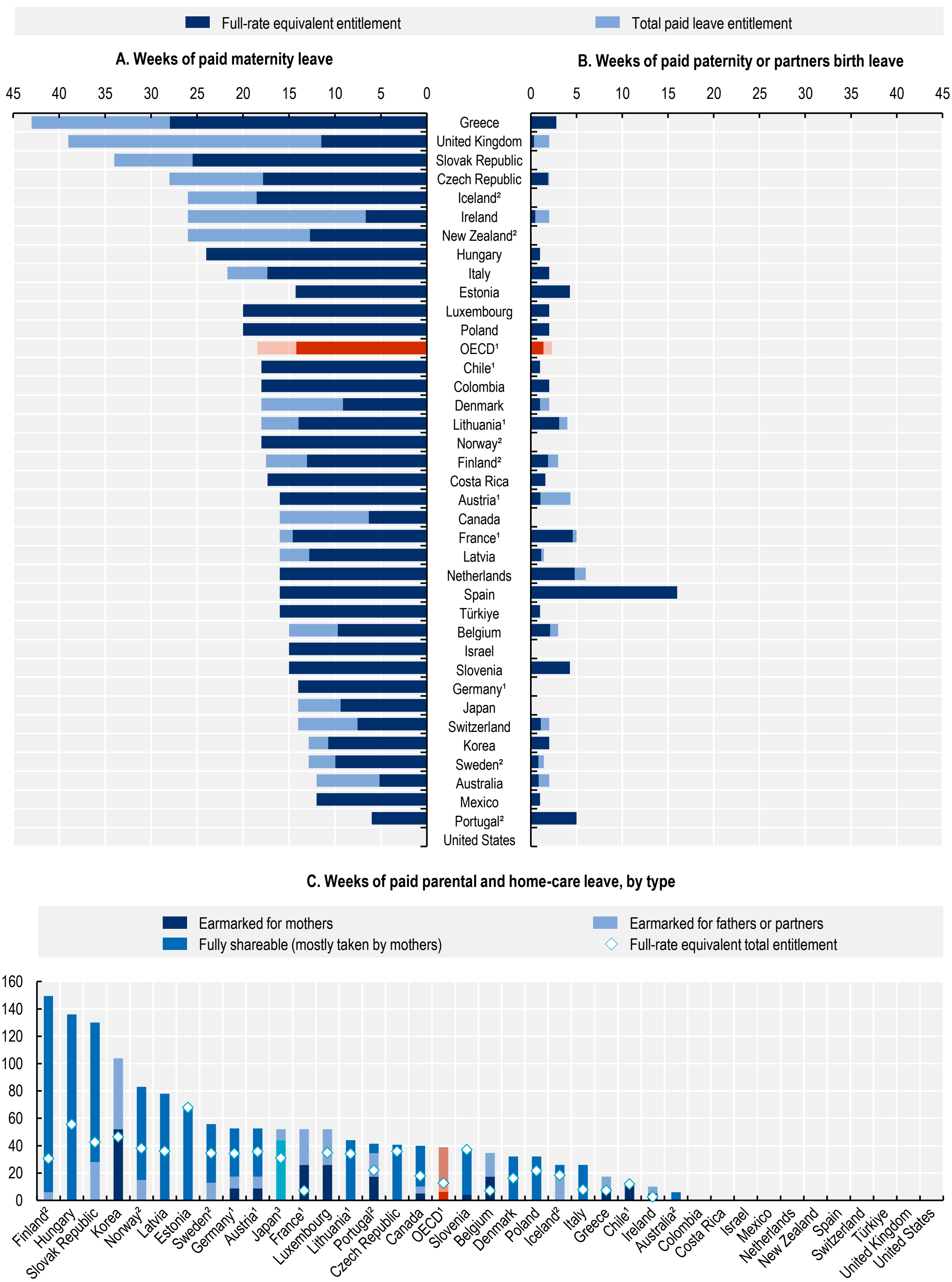
Parental leave entitlements across the OECD

Almost all OECD countries provide national or federal paid maternity and paternity leave programmes around childbirth to mothers and fathers (for same-sex couples, they generally provide paid leave for the biological or adoptive parent and sometimes also for her/his partner; see Box 23.1), though the extent of these entitlements varies in terms of duration and payment. Such entitlements usually grant paid and employment-protected leave of absence for employed parents directly around the time of childbirth as well as the first few months thereafter. For health and safety reasons, maternity leave is often (at least in part) compulsory for new mothers in the weeks before and after birth, while paternity leave is often, though not always, voluntary for fathers. In some countries, both entitlements are integrated into the parental leave scheme, so that there is no separate regulation for paid maternity and paternity leave. In this chapter, any specific entitlement to be taken directly around childbirth is treated as maternity/paternity leave – e.g. in Australia, Iceland, New Zealand, Norway, Portugal and Sweden; see notes to Figure 23.1 and the *OECD Family Database,* Indicator PF2.1 (OECD, 2022[3]).

Across the OECD, statutory rights to paid maternity leave are provided with an average length of 18.5 weeks as of April 2022 (Figure 23.1, Panel A), ranging from 43 weeks in Greece (the longest entitlement) to none in the United States – the only OECD member with no national provision of paid maternity leave, though a handful of states provide entitlements to paid family leave and/or income support during maternity leave in their state-level legislation (Adema, Clarke and Frey, 2015[4]; Gatenio Gabel et al., 2022[5]). On average across OECD countries that base payments on gross earnings (see note to Figure 23.1), mother's previous income is replaced for 14.2 full-rate equivalent weeks, i.e. the length of the paid leave in weeks if it were paid at 100% of previous gross earnings. Seventeen countries replace previous income fully for average earners throughout maternity leave – of which 14 countries base replacement on gross earnings and three on net earnings.

Figure 23.1. All OECD countries but one have a national scheme offering paid leave around childbirth

Duration of paid maternity leave, paid paternity leave and paid parental leave, in weeks, 2022



Note: Information refers to paid maternity, paternity, parental and home-care leave entitlements to care for young children in place as of April 2022. Data reflect entitlements at the national or federal level only. Because payment rates vary across countries and types of leave, entitlements are presented in both "duration in weeks" and "full-rate equivalent" (FRE – the length of the paid leave in weeks if it were paid at 100% of previous earnings) forms. These payment rates are the average payment rate available across the relevant paid leave for an individual on 100% of national average earnings.

It is assumed that: the relevant birth is of a healthy single child who is the first child in the household; the parents are employed in the private sector at 100% of average gross earnings prior to birth and meet the eligibility criteria for leave entitlements and payments; where there is more than one option regarding length and payment rate (as in Austria, Canada, the Czech Republic, Lithuania and Norway), parents are assumed here to take the option with the highest available weekly payment rate for an average earner; where participation of one of the parents (typically the father or partner) is rewarded with bonus weeks of paid leave, the number of weeks they need to take leave to qualify for the bonus are considered as "earmarked" for them; mothers are assumed here to maximise their pre-birth maternity leave. For more details on assumptions and methodology refer to detailed country notes in OECD (2022[3]), *OECD Family Database*, Indicator PF2.1, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf.

1. In Austria, Chile, France, Germany and Lithuania, leave payments are based on net earnings and should not be compared directly with payment rates based on gross earnings. The FRE for the OECD average is computed solely for those countries with payment rates based on gross earnings.

2. Iceland, Norway and Sweden do not have a separate maternity leave scheme. For international comparability, all maternal quotas in national parental schemes are instead classified as maternity leave and do not appear as earmarked parental leave for mothers. For Finland, "weeks of paid paternity leave" includes only the three weeks of fathers-only leave that can be taken at the same time as the mother. The remaining six weeks, which cannot be taken while the mother is on parental leave, are considered as weeks of "father-specific parental leave". For Australia, it is assumed that mothers take the first 12-week block of Parental Leave Pay right after birth are recorded as maternity leave. For New Zealand, the weeks of primary carer leave are recorded as maternity leave. For Portugal, the 30 days of "initial parental leave" that must be used by the father to qualify for the bonus weeks are recorded as father-specific leave.

3. In Japan, the periods of parental leave that earmarked for fathers and mothers must be used simultaneously if both parents are to use the entirety of their entitlement. These periods are represented by turquoise bars.

Source: OECD (2022[3]), *OECD Family Database*, Indicator PF2.1, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf.

StatLink https://stat.link/a0db14

Most OECD member countries also provide statutory rights to paid paternity leave, but with 2.3 weeks on average, these entitlements are much shorter than for maternity leave (Figure 23.1, Panel B). Spain grants the longest entitlement, providing fathers with up to 16 weeks of paid paternity leave with full income replacement for the average earner – more than three times as long as in Portugal (5 weeks), the second in the list. Across the OECD countries that base payments on gross earnings, fathers are on average entitled to 1.4 full-rate equivalent weeks. Four OECD countries do not provide more than a week of paid birth leave to fathers and nine do not provide any paid paternity leave at all.

In addition to paid leave entitlements for fathers and mothers directly around childbirth, many countries also grant parents paid parental leave and/or home-care leave, which allows fathers and/or mothers to take longer periods of paid employment-protected leave to care for their children during their first years of life. The payments associated with paid parental leave are often lower than for maternity and paternity leave, and the last part of extended leave periods, e.g. home-care leave generally involves a low flat-rate payment. The average entitlement to paid parental leave and/or home-care leave in the OECD is about 39 weeks, Finland provides 148.5 weeks of (mainly) home-care leave, while 11 countries do not provide for parental leave/home-care leave at all. The longest entitlement to paid parental leave and/or home-care leave is available in Finland, which grants 148.5 weeks to parents, more than two-thirds of which are home-care leave (Figure 23.1, Panel C).

Only Estonia and Slovenia fully replace the previous gross income of average earners on the parental leave portion typically taken by mothers (*OECD Family Database*). In Belgium and France, for example, parents receive a flat rate payment that is less than a quarter of previous income for average earners. Despite equal individual entitlements for both parents, this can discourage take-up of paid parental leave by fathers, who typically earn higher wages.

Paid parental leave is most often a family-based entitlement, meaning that at a given period only one parent is entitled to income support. To encourage increased parental leave take-up by men, some countries have reserved non-transferable periods of parental leave for exclusive use by mothers and/or fathers on a "use it or lose it" basis. These schemes are widely used in the Scandinavian countries, except for Denmark, which introduced a father quota in 1997 but abolished it in 2002 (even though it was reintroduced in late 2022). As a result, Danish fathers show lower take-up of parental leave relative to other Nordic countries, despite comparably strong societal preferences for gender equality (Rostgaard and Ejrnæs, 2021[6]). Other countries, such as Austria, Canada and Germany, have introduced "bonus" weeks, which offer additional weeks of paid leave if both parents use a certain portion of the family entitlement. If the family wishes to maximise the total length of the paid leave, this implies that a certain number of weeks are effectively "reserved" for fathers or partner. Parent-specific paid parental leave periods usually last for a couple of months, though both Japan and Korea provide fathers and mothers with around one year of non-transferable paid parental leave each (Figure 23.1, Panel C).

Box 23.1. Female same-sex parents are more likely to have access to parental leave than male same-sex parents

With the increasing number of OECD countries that formally recognise same-sex marriages or partnerships, the inclusion of same-sex partners in family leave legislation is slowly advancing. However, there are differences in access for male and female same-sex parents.

Parental leave is available to female same-sex parents in 25 OECD countries. Such availability often depends on the national legislation around leave entitlements. Some countries have gender-neutral leaves (e.g. Belgium, France, Iceland, Portugal, Spain and Sweden), while others have specific requirements that non-biological mothers in same-sex relationships need to fulfil to receive entitlements, such as an official recognition of their parenthood status (e.g. Norway).

Overall, male same-sex parents have access to parental leave in 23 OECD countries – in 14 countries without adoption and in nine through adoption. Fathers in same-sex partnerships often have to opt for adoption leave – if they have the legal right for adoption in the first place. This is one of the main reasons why male fathers in same-sex relationships are less likely to be entitled to leave on average across the OECD than opposite-sex or even same-sex female parents. In some countries, such as Estonia, same-sex parents are only eligible to adopt their partner's biological children, while joint adoption is illegal. In Italy and Greece, same-sex parents are not eligible for joint adoption, but they are allowed to foster children, which gives them access to adoption leave. However, when fathers in same-sex relationships have full access to adoption, they are generally offered similar entitlements as opposite-sex families, sometimes even with additional entitlements (e.g. in Finland).

Source: OECD (2022[3]), *OECD Family Database*, Indicator PF2.6, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf.

While non-transferable periods of parental leave can, in theory, lead to a shared provision of care over the first years of a child's life, mothers still use most paid parental leave entitlements in OECD countries. Indeed, except for Luxembourg, men are less likely to take up parental leave than women across all OECD countries for which data is available. In countries where data is available, women also take parental leave for substantially longer periods ((OECD, 2022[3]), *OECD Family Database,* Indicator PF2.2). In Luxembourg, most fathers take leave on a partial basis (e.g. one day a week), whereas most women leave-takers take full-time parental leave, if they do not return to work upon completion of maternity leave (Berger and Valentova, 2022[7]).

There are multiple reasons for these patterns. For example, men still have higher average incomes than women, which creates economic incentives for families to divide parental leave-taking in such a way that fathers minimise their time out of work, unless previous earnings are fully replaced (Marynissen et al., 2019[8]; Kaufman, 2017[9]). In addition, societal attitudes regarding mothers and fathers roles surrounding childcare and unpaid work are persistent and contribute to low uptake of parental leave by fathers (Li, Knoester and Petts, 2021[10]; Agerström, Carlsson and Erenel, 2023[11]).

Better leave sharing: A potential for better family well-being and women's employment

Evidence suggests that paid parental leaves carries substantial benefits, not just for parents but also for children and families, without noticeable negative effects for their employers and co-workers. Maternity and parental leave following childbirth carry positive effects for both mothers and children. Recent evidence suggests that that paid maternity leave is significantly linked to better physical and mental health for mothers and their children as well as a higher likelihood of breastfeeding, which also carries positive long-term effects on child development (Van Niel et al., 2020[12]). Paid leave can also support female employment, increase maternal employment continuity, and promote labour market re-entry after childbirth, at least up to a point (Canaan et al., 2022[13]). Nevertheless, extensions of leave entitlement do not seem to improve women's likelihood to make it to the top in companies and have no impact on gender gaps in hours and pay (Corekcioglu, Francesconi and Kunze, 2022[14]). Maternal leave-taking can also have negative consequences for women's human capital development and career progression, especially when leave entitlements and actual leave-taking are excessively long (Canaan et al., 2022[13]).

The prevailing social norms regarding female leave-taking create important trade-offs for mothers. For example, women on maternity leave tend to be seen as less competent at their workplace, while mothers who do not take maternity leave are seen as "bad parents" (Morgenroth and Heilman, 2017[15]). Firms that have few internal substitutes available may also hire fewer women of childbearing age (Huebener, Jessen and Oberfichtner, 2022[16]). Nevertheless, maternal leave-taking does not seem to carry negative effects for co-workers and firms' performance, even for small ones, as most firms are efficient in compensating for temporary absence (Brenøe et al., 2021[17]). However, unanticipated leave of absence, for example through the extension of paid leave entitlements, can negatively affect co-workers stress levels, firm survival and the retention of mothers on leave for smaller firms (Gallen, 2019[18]; Ginja, Karimi and Xiao, 2020[19]).

Despite their low average leave take-up across the OECD, fathers' leave-taking also comes with a range of benefits. For example, paternity leave can positively influence mothers' employment rates, while leaving the labour market attachment of fathers unaffected (Farré and González, 2019[20]; Rønsen and Kitterød, 2014[21]). Fathers' leave-taking is also linked to their higher involvement in unpaid work within their family, both for childcare and regular housework, an effect which persists well beyond the years of actual leave-taking (Tamm, 2019[22]; Knoester, Petts and Pragg, 2019[23]). This increased involvement additionally improves the communication and closeness between children and fathers (Petts, Knoester and Waldfogel, 2019[24]). At the same time, there are noticeable and positive peer affects when male co-workers take parental leave (Carlsson and Reshid, 2022[25]). The availability of reserved leave for fathers also increases the overall life satisfaction for both parents, but particularly for mothers (Korsgren and van Lent, 2022[26]). As such, policies that encourage fathers' uptake of paternity and parental leave could weaken the stubbornly persistent gender norm regarding paid and unpaid work in the long run and improve family well-being by strengthening father-child relationships.

Changes in systems to encourage more active participation of fathers in caregiving

Over the past years, many countries have improved their paid leave policies and strengthened the incentives for fathers to take leave (see Figure 23.2 for differences in entitlement between April 2017 and April 2022), as shown by some examples reported below (Koslowski et al., 2022[27]; MISSOC, 2022[28]).

The most significant changes have been spurred by efforts of European Union (EU) countries to align with the EU directive on work-life balance (Directive 2019/1158/EU), which postulates a minimum of ten working days paternity leave for fathers as well as an individual right to four months paid parental leave (of which at least two months will be non-transferable), and whose prescriptions must be implemented by August 2022. As a result, some EU countries newly introduced paid paternity leave. For example, in 2019, Austria added a one-month job protection for their paid "family-time bonus" (*Familienzeitbonus*), practically acting as a paid paternity leave, and in 2018, the Czech Republic introduced a one-week paternity leave with similar conditions to their maternity leave entitlements, which was extended to two weeks in 2022. Other EU countries have noticeably increased the length of paid paternity leave entitlements. For example, Spain has gradually extended paid paternity leave from 4 weeks in 2019 to 16 weeks in 2021, and Italy extended paid paternity leave from four to ten days over the same period. The Netherlands introduced a supplemental birth leave in July 2020, which grants up to five additional weeks of paid leave for the mother's partner. Since 2021, Greek fathers can take two weeks of paid paternity leave up from the previous two days. Other EU countries that introduced extensions of paternity leave entitlements were Belgium, France, Luxembourg and the Netherlands.

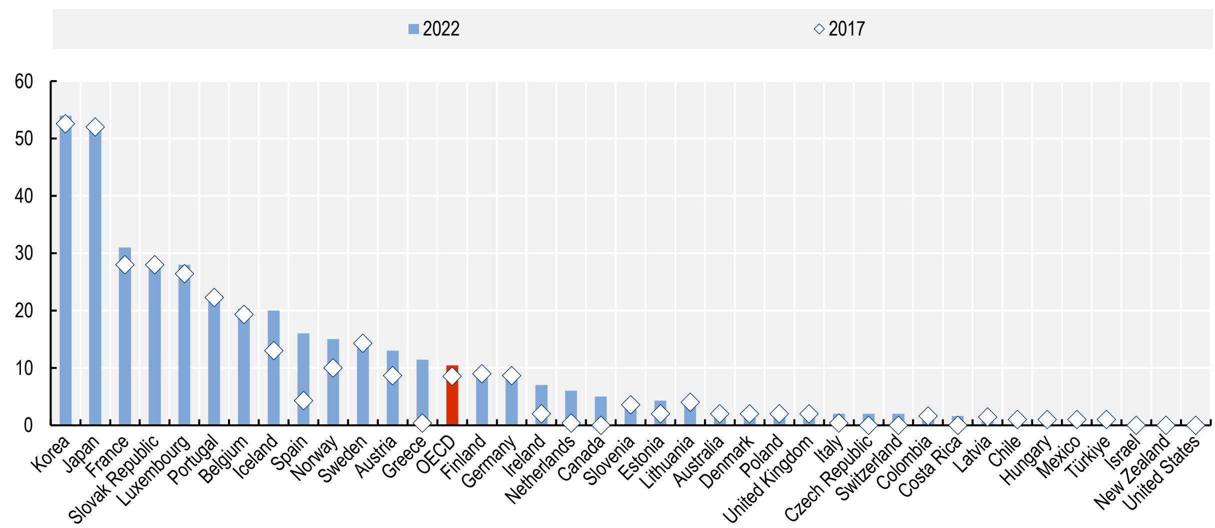
In terms of parental leave, some EU countries introduced non-transferable rights of leave for fathers, such as Estonia, which gave fathers a non-transferable right to 30 calendar days of paid parental leave in 2020, or Greece, which introduced individual entitlements to four months of parental leave to both parents in 2021, two months of which are paid. Extension of prevailing fathers' individual entitlements for paid parental or home-care leave was made in Ireland and Portugal, though many countries still have to make adjustments to align with the EU directive (Figure 23.2).

Other OECD member countries have also adapted their parental leave systems to encourage take-up among men. For example, Switzerland introduced a two-week paid paternity leave in 2021, granting fathers the same payment as mothers on maternity leave. In 2022, Costa Rica introduced a paternity leave of two days per week during the four weeks after the birth of the child (i.e. eight days in total). Colombia extended their paid paternity leave to two weeks at baseline in 2021, though this can be extended up to a total of five weeks, depending on the local unemployment rate, and Korea increased paid paternity leave entitlement from three to ten days in 2019. In Canada, a new employment insurance parental sharing benefit was introduced in 2019, which grants parents additional five weeks of benefits when parental leave is shared in such a way that one parent does not receive more than 35 weeks of parental benefits (under the standard parental leave option; additional 8 weeks under the extended option). In 2018, Norway extended both mothers' and fathers' quotas in paid parental leave from 10 to 15 weeks, with the sharable part of paid parental leave reduced to 16 weeks. Iceland gradually increased the individual entitlements for mothers and fathers between 2020 and 2021, so that each parent now has six months of available leave, while six weeks of each parents' entitlement can be transferred to the other.

Since April 2022, there have been further reforms of parental leave systems in various countries, including Australia, Belgium, Denmark, Finland, Japan, the Netherlands and the Slovak Republic.

Figure 23.2. In many countries, leave entitlements for fathers increased in recent years

Duration of paid paternity leave and paid parental leave entitlements reserved for fathers, in weeks



Note: The figure refers to paid leave entitlements in place as of April 2022 and April 2017. Information refers to entitlements to paid paternity leave, “father quotas” or periods of paid parental or home-care leave that can be used only by the father and cannot be transferred to the mother, and any weeks of sharable paid leave that must be taken by the father for the family to qualify for “bonus” weeks of parental leave. Data reflect entitlements at the national or federal level only and do not reflect regional variations or additional/alternative entitlements provided by states/provinces or local governments in some countries (e.g. Québec in Canada, or California in the United States).
Source: OECD (2022[3]), *OECD Family Database*, Indicator PF2.5, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf.

StatLink https://stat.link/8xh45l

Key policy messages

- Provide mothers with access to (well-) paid employment-protected maternity and parental leave, while ensuring that these entitlements do not or infringe on their career opportunities.
- Provide fathers with individual entitlements to paid leave. This could involve the reservation of part of the parental leave entitlement for the exclusive and non-transferable use by fathers, but also “bonus weeks” and similar incentives for parental leave sharing.
- Improve the monitoring of the uptake of parental leave, by enhancing the collection of data on leave-use by parents, disaggregated by gender.

References

Adema, W., C. Clarke and V. Frey (2015), "Paid Parental Leave: Lessons from OECD Countries and Selected U.S. States", *OECD Social, Employment and Migration Working Papers*, No. 172, OECD Publishing, Paris, https://doi.org/10.1787/5jrqgvqqb4vb-en. [4]

Agerström, J., M. Carlsson and A. Erenel (2023), "The effect of social gender norms on parental leave uptake intentions: evidence from two survey experiments on prospective fathers and mothers", *Applied Economics*, pp. 1-17, https://doi.org/10.1080/00036846.2022.2142192. [11]

Averett, S., L. Argys and S. Hoffman (eds.) (2017), *Maternity and Family Leave Policy*, Oxford University Press, https://doi.org/10.1093/oxfordhb/9780190628963.013.23. [1]

Brenøe, A. et al. (2021), *Is Parental Leave Costly for Firms and Coworkers?*, National Bureau of Economic Research, Cambridge, MA, https://doi.org/10.3386/w26622. [17]

Canaan, S. et al. (2022), "Maternity Leave and Paternity Leave: Evidence on the Economic Impact of Legislative Changes in High Income Countries", *IZA Discussion Paper* No. 15129, https://www.iza.org/publications/dp/15129. [13]

Carlsson, M. and A. Reshid (2022), "Coworker peer effects on parental leave take-up", *The Scandinavian Journal of Economics*, https://doi.org/10.1111/sjoe.12485. [25]

Corekcioglu, G., M. Francesconi and A. Kunze (2022), "Expansions in Paid Parental Leave and Mothers' Economic Progress", *mimeo*. [14]

Farré, L. and L. González (2019), "Does paternity leave reduce fertility?", *Journal of Public Economics*, Vol. 172, pp. 52-66, https://doi.org/10.1016/j.jpubeco.2018.12.002. [20]

Gallen, Y. (2019), "The effect of parental leave extensions on firms and coworkers.", *Working Paper*, https://harris.uchicago.edu/files/gallen_parentalleave_2019.pdf. [18]

Ginja, R., A. Karimi and P. Xiao (2020), "Employer Responses to Family Leave programs", *IZA Discussion Papers*, Vol. 13833, https://ftp.iza.org/dp13833.pdf. [19]

Huebener, M., J. Jessen and M. Oberfichtner (2022), "A Firm-Side Perspective on Parental Leave", *Berlin School of Economics Discussion Papers*, Vol. 7, https://opus4.kobv.de/opus4-hsog/frontdoor/index/index/docId/4674. [16]

Kaufman, G. (2017), "Barriers to equality: why British fathers do not use parental leave", *Community, Work & Family*, Vol. 21/3, pp. 310-325, https://doi.org/10.1080/13668803.2017.1307806. [9]

Knoester, C., R. Petts and B. Pragg (2019), "Paternity Leave-Taking and Father Involvement among Socioeconomically Disadvantaged U.S. Fathers", *Sex Roles*, Vol. 81/5-6, pp. 257-271, https://doi.org/10.1007/s11199-018-0994-5. [23]

Korsgren, P. and M. van Lent (2022), "Earmarked Paternity Leave and Well-Being", *IZA Discussion Paper* 15022, https://docs.iza.org/dp15022.pdf. [26]

Koslowski, A. et al. (2022), "18th International Review of Leave Policies and Related Research", *International Review on Leave Policies and Related Research*, https://doi.org/10.18445/20220909-122329-0. [27]

Koslowski, A. et al. (eds.) (2022), *Luxembourg country note*, https://www.leavenetwork.org/annual-review-reports/. [7]

Koslowski, A. et al. (eds.) (2022), *United States country note*, http://www.leavenetwork.org/lp_and_r_reports/. [5]

Li, Q., C. Knoester and R. Petts (2021), "Cross-national attitudes about paid parental leave offerings for fathers", *Social Science Research*, Vol. 96, p. 102540, https://doi.org/10.1016/j.ssresearch.2021.102540. [10]

Marynissen, L. et al. (2019), "Fathers' Parental Leave Uptake in Belgium and Sweden: Self-Evident or Subject to Employment Characteristics?", *Social Sciences*, Vol. 8/11, p. 312, https://doi.org/10.3390/socsci8110312. [8]

MISSOC (2022), *MISSOC comparative tables*, https://www.missoc.org/missoc-database/comparative-tables/. [28]

Morgenroth, T. and M. Heilman (2017), "Should I stay or should I go? Implications of maternity leave choice for perceptions of working mothers", *Journal of Experimental Social Psychology*, Vol. 72, pp. 53-56, https://doi.org/10.1016/j.jesp.2017.04.008. [15]

OECD (2022), "OECD Family Database, Indicator PF2.1", OECD, Paris, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf (accessed on 5 April 2023). [3]

OECD (2017), *2013 OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship*, OECD Publishing, Paris, https://doi.org/10.1787/9789264279391-en. [2]

Petts, R., C. Knoester and J. Waldfogel (2019), "Fathers' Paternity Leave-Taking and Children's Perceptions of Father-Child Relationships in the United States", *Sex Roles*, Vol. 82/3-4, pp. 173-188, https://doi.org/10.1007/s11199-019-01050-y. [24]

Rønsen, M. and R. Kitterød (2014), "Gender-Equalizing Family Policies and Mothers' Entry into Paid Work: Recent Evidence From Norway", *Feminist Economics*, Vol. 21/1, pp. 59-89, https://doi.org/10.1080/13545701.2014.927584. [21]

Rostgaard, T. and A. Ejrnæs (2021), "How Different Parental Leave Schemes Create Different Take-Up Patterns: Denmark in Nordic Comparison", *Social Inclusion*, Vol. 9/2, pp. 313-324, https://doi.org/10.17645/si.v9i2.3870. [6]

Tamm, M. (2019), "Fathers' parental leave-taking, childcare involvement and labor market participation", *Labour Economics*, Vol. 59, pp. 184-197, https://doi.org/10.1016/j.labeco.2019.04.007. [22]

Van Niel, M. et al. (2020), "The Impact of Paid Maternity Leave on the Mental and Physical Health of Mothers and Children: A Review of the Literature and Policy Implications", *Harvard Review of Psychiatry*, Vol. 28/2, pp. 113-126, https://doi.org/10.1097/hrp.0000000000000246. [12]

24 Ensuring the availability, quality and affordability of childcare

Lyydia Alajääskö and Jonas Fluchtmann

This chapter discusses the provision of early childhood education and care (ECEC) in OECD countries. It first considers differences in enrolment rates across OECD countries and age groups as well as recent policy efforts to increase childcare availability. It then discusses the variation in out-of-pocket childcare costs and how countries aim to support families that struggle with the affordability of ECEC. An overview of quality challenges in ECEC provision closes this chapter.

Key findings

- Childcare availability is crucial for supporting both parents' participation in the labour market. Enrolment rates vary widely across OECD countries and income groups – especially for children under three years of age. Much of this reflects differences in parental leave and public childcare supports as well as societal attitudes towards the provision of care to very young children.
- For many families, affordability remains a key issue and can critically dampen the incentives to work for second earners. Although most OECD countries provide support to low- and middle-income families, the policies in place are not always enough for those in vulnerable positions, including single mothers.
- Many OECD countries still face difficulties with ensuring high-quality ECEC, reasons for which include shortages of qualified childcare workers and bad employment conditions.

The first years of life lay the foundations for children's future. Children's participation in formal childcare in their early life is positively associated with child development, learning, increased equality of opportunities and reduced poverty (OECD, 2020[1]). Early childhood education and care (ECEC) is also essential to facilitate both parents' labour market engagement. This has recently been highlighted by the effects that extensive school and childcare facility closures during the COVID-19 pandemic had on working parents (OECD, 2021[2]). OECD countries have taken some lessons from the pandemic, and some are aiming to modernise educational and childcare systems – see OECD (2021[3]) for a stocktaking. However, as mothers continue to bear a disproportionate amount of the caregiving burden in most families, ECEC remains particularly important to combine their return to full- or part-time work with the coverage of the child's need for care (Sikirić, 2021[4]). ECEC is therefore a critical tool to advance on a range of family, child, and gender equality objectives.

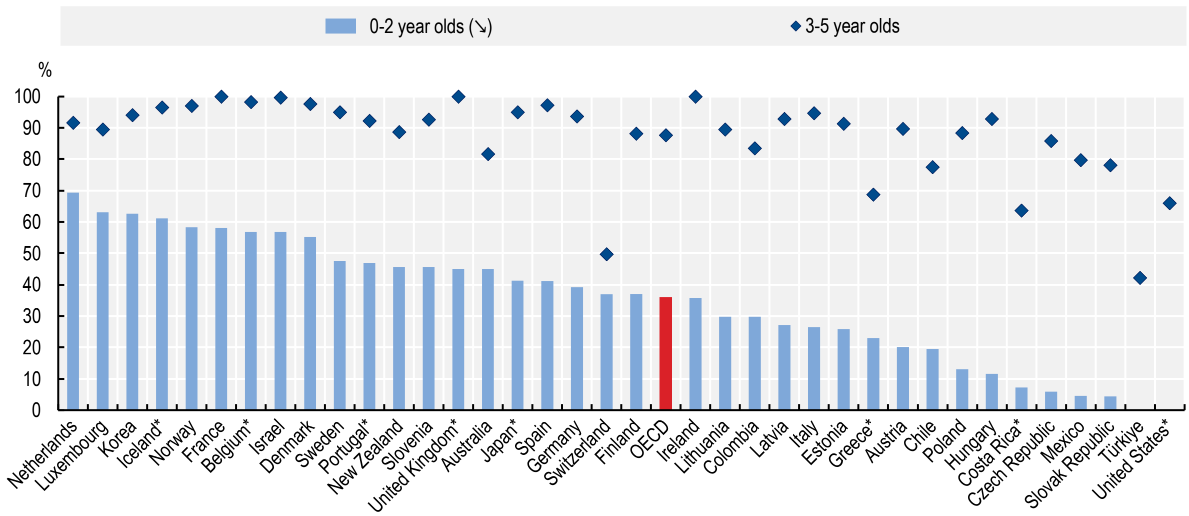
Participation in ECEC varies widely among 0-2 year-olds

Approaches to early life family supports, including childcare, differ widely across the OECD. Public spending on the ECEC sector ranges from a minimum expenditure of 0.2% of GDP in Türkiye to a maximum of 1.8% in Iceland, while averaging 0.8% of GDP across the OECD in 2019. Most of this expenditure is concentrated on pre-primary care for children over the age of three, but some countries also spend considerable amounts on ECEC for children aged zero to two (*OECD Family Database*).

The wide variation in public expenditure on childcare across countries and age-groups is mirrored in the ECEC enrolment rates (Figure 24.1). On average across the OECD, 36% of 0-2 year-olds were enrolled in ECEC in 2020, compared to 88% of 3-5 year-olds. These differences across countries can often be attributed to variation in parental leave entitlements, the degree of public childcare support, and societal attitudes towards the provision of care to very young children – see e.g. Fervers and Kurowska (2022[5]). For instance, in the Netherlands, almost 70% of 0-2 year-olds are enrolled in formal ECEC – the highest participation rate in the OECD. However, mothers often work part-time while their children attend childcare for one or two days per week only. Scandinavian countries typically aim to provide conditions that facilitate full-time labour market participation of both parents, resulting in a well-funded sector and high ECEC-participation rates from early ages. Enrolment is notably lower in the Slovak Republic, where parental leave lasts until the child turns three, as well as in Mexico and Türkiye, where maternal and/or informal care is prevalent and public investment in family supports is limited compared to other OECD countries – see e.g. OECD (2017[6]) and Pekkurnaz (2019[7]).

Figure 24.1. Enrolment in ECEC services differs widely for the youngest

Percentage of children aged between 0 and 2 enrolled in ECEC services and percentage of children aged between 3 and 5 enrolled pre-primary education and primary schools, 2020 or latest available



Note: The OECD average includes all OECD member countries with data available for both age groups. Data for 0-2 year-olds generally include children enrolled in early childhood education services (ISCED 2011 level 0) and other registered ECEC services (outside the scope of ISCED 0, because they are not in adherence with all ISCED-2011 criteria). Data for 3-5 year-olds include early childhood education services (ISCED 2011 level 0) and other registered ECEC services, as well as primary education (ISCED 2011 Level 1). For 0-2 year-olds, data for Costa Rica, Iceland, and the United Kingdom refer to 2018 and for Japan to 2019. No data on 0-2 year-olds is available for the United States. For 3-5 year-olds, data for Belgium, Greece and Portugal refer to 2019 and for the United States to 2018. More details are available in the OECD Family Database.

Source: OECD Family Database, *Indicator PF3.2*, https://www.oecd.org/els/soc/PF3_2_Enrolment_childcare_preschool.pdf.

StatLink https://stat.link/qvbrhx

To support the enrolment of younger children, in recent years many governments have lowered the age of mandatory enrolment or expanded the right to preschool education for younger children (Austria, Costa Rica, Greece, France, Lithuania and Norway). Australia, Austria, France, Germany, Greece, Hungary, Italy and Switzerland are among the countries that have increased subsidies towards investment in the ECEC system by local government or private providers over the past five years, including employer-provided childcare. Some government responses to the COVID-19 pandemic have also included aims for an expansion of ECEC capacity. For example, with the *Recovery and Resilience Plan*, Italy has committed investments to create about 264 000 new ECEC places by 2026 (Government of Italy, 2022[8]), while Germany's COVID-19 response committed an additional EUR 1 billion for the expansion of ECEC capacity between 2020 and 2022 (Eurydice, 2022[9]). Similarly, the United States has allocated parts of the pandemic response stimulus to the ECEC sector. For example, with the 2021 *American Rescue Plan Act*, the government authorised USD 39 billion for ECEC programmes and supports, of which USD 24 billion are allocated to childcare business grants by 2023, aiming to increase the capacity and quality of the sector (Quinton, 2022[10]).

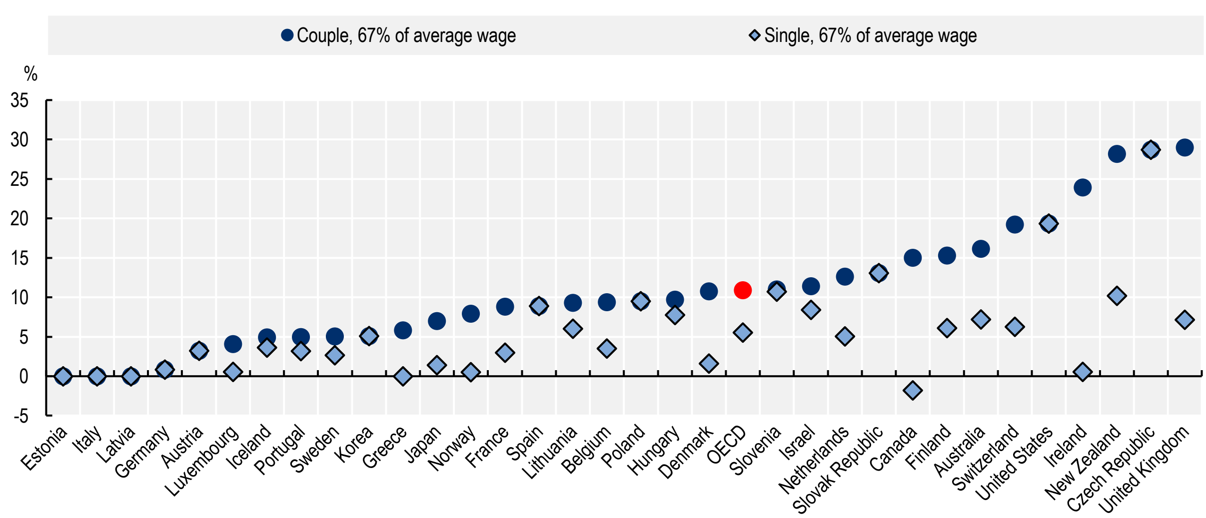
Additional impetus for investment in ECEC may come from the recent upward revision of the European Council's *Barcelona Targets,* which now prescribe a target ECEC enrolment rate of 45% among under 3 year-olds in European Union (EU) countries – with specific targets for countries that have yet to reach the original 2002 target of 33% by 2010 – and 96% from the age of 3 up to compulsory schooling age, to be reached by 2030 (European Commission, 2022[11]). Some countries have also improved ECEC access for children coming from vulnerable groups. For instance, in Lithuania preschool education is mandatory for children growing up in families at social risk.

Childcare costs can be a heavy financial burden for families and a substantial barrier to employment

Out-of-pocket costs for ECEC can be an important barrier to enrolment for many families in OECD countries, particularly those with lower paid jobs. On average, a dual-earner couple on low earnings with two young children pays about 10% of an average wage on childcare fees, but this can reach almost 30% in the Czech Republic, New Zealand and the United Kingdom (Figure 24.2). The design of support systems often accounts for the challenges working single parents face, so that they pay 6% of an average wage across the OECD, but out-of-pocket costs can be considerable in the Czech Republic and the United States. While high childcare costs can make childcare unaffordable for some families on lower incomes, they can also seriously dampen the financial incentives to work for second earners (often mothers) in median income households. By raising participation tax rates, high childcare costs frequently act as a barrier to maternal employment. In some countries, such as Ireland, Lithuania Switzerland and the United Kingdom, participation tax rates in median earnings households can be 70% or above, with childcare fees often contributing half or more (OECD, 2021[12]; 2022[13]).

Figure 24.2. Net childcare costs are sizeable in some countries

Out-of-pocket childcare costs for a two-child family as a proportion (%) of average wage, by family type, 2021



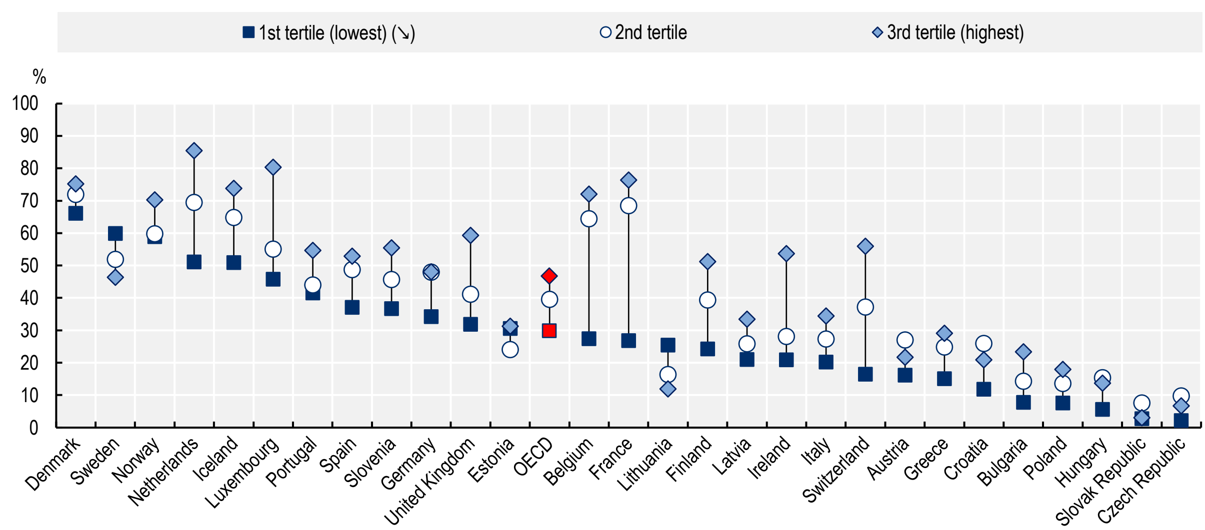
Note: Net childcare costs are equal to gross fees minus childcare benefits/rebates and tax deductions, plus any resulting changes in other taxes and benefits following the use of childcare. Calculations are for full-time care in a typical childcare centre for a two-child family, where both parents are in full-time employment and the children are aged two and three. Full-time care is defined as care for at least 40 hours per week. For couples, both parents earn 67% of the average wage. For more detail see the OECD Tax-Benefit model methodology.
Source: *OECD Tax and Benefit Models*, http://oe.cd/TaxBEN.

StatLink https://stat.link/5kov12

In many OECD countries, there is a significant gap in childcare use across income groups, particularly so among children under the age of three. For example, 0-2 year-olds from families with low incomes are much less likely to enrol in ECEC than those from high-income families in OECD-EU countries (Figure 24.3). As ECEC is also positively associated with a wide range of child and family outcomes – such as cognitive development, well-being and reduced poverty – this can perpetuate socio-economic inequalities in countries with substantial gaps in enrolment. Children from lower-income households, for which ECEC benefits are particularly valuable, may therefore be more likely to miss out later in life (OECD, 2020[1]). In some countries, such as Finland and Switzerland, relatively high net childcare costs likely contribute to the large gap in ECEC enrolment between children in families of the lowest and the highest income tertile. In other cases, such as in France, net childcare costs are below the OECD average as families are generally well supported; instead, the main issue is accessibility, with shortages in the supply of public places being a frequent problem, particularly in public crèche facilities catering to children below the age of three (OECD, 2020[1]). At the same time, higher-income neighbourhoods in France typically have noticeably higher supply of ECEC spaces than lower-income neighbourhoods (Gaudron et al., 2023[14]).

Figure 24.3. ECEC enrolment is lower among children in lower-income households

Participation rates in early childhood education and care, 0-2 year-olds, by equivalised disposable income tertile, 2020 or latest available, percentage



Note: Data for Iceland and the United Kingdom refer to 2018, for Germany and Italy to 2019. Data are OECD estimates based on information from EU-SILC. Equivalised disposable income tertiles are calculated using the disposable (post tax and transfer) income of the household in which the child lives – equivalised using the square root scale, to account for the effect of family size on the household's standard of living – and are based on the equivalised disposable incomes of children aged less than or equal to 12. See notes to Figure 24.1 for more information.
Source: OECD Family Database, *Indicator PF3.2*, https://www.oecd.org/els/soc/PF3_2_Enrolment_childcare_preschool.pdf.

StatLink https://stat.link/o0xbe1

OECD countries have made efforts to make ECEC more affordable

Ensuring that those who need help paying for ECEC will receive adequate financial support and/or fee discounts is crucial. OECD countries have implemented a variety of childcare support programmes for low-income households, ranging from childcare allowances, tax concessions and fee rebates to increases in other benefit entitlements, such as childcare provided at reduced fees. Some countries have extensive discount schemes that reduce the out-of-pocket costs of childcare to a minimum. For example, Estonia limits childcare fees to 20% of the monthly minimum wage, while Germany exempts low-income and other vulnerable households from paying ECEC fees. In Norway, childcare fees are capped at a maximum of 6% of gross household income, and the government recently introduced a right to 20 hours of free childcare for lower-earning parents. Between 2021 and 2026, Canada is rolling out a large-scale ECEC reform towards a country-wide *Early Learning and Childcare System* which, among others, includes a guarantee for a childcare fee of maximum CAD 10 a day. Earlier reforms with similar maximum fees (today CAD 8.7 a day) in the province of Québec contributed to an increase in mothers' labour force engagement (Cleveland, 2022[15]).

Many other countries have improved their supports to increase the affordability of childcare over recent years. Some countries have increased financial supports and raised the hours of childcare provision (e.g. Australia, the Czech Republic, Luxembourg, New Zealand and the United Kingdom). Others widened the scope of financial supports to cover a larger number of families by, for example, extending childcare support including free ECEC for all 3-5 year-olds (Japan), extending childcare allowances to all children under three and those with chronic diseases (Italy) as well as expanding availability of childcare vouchers to non-resident workers (Luxembourg). Some countries have aimed to help with childcare costs by increasing tax deductions for childcare expenses (e.g. the Czech Republic and Switzerland) or by providing tax-free childcare (the United Kingdom). However, these policies risk reverse targeting, as individuals earning low income already pay little to no income taxes (Thevenon, Adema and Clarke, 2016[16]; OECD, 2020[1]). A good practice of targeting through tax deductions can nevertheless be found in the Canadian province of Ontario, where some of the out-of-pocket ECEC costs to single parents on low incomes are paid back as a refundable tax credit and are thus paid out independent of the tax burden. In combination with other childcare supports and because childcare costs are not counted in the income test for a range of other benefits, the net childcare cost for the eligible families is therefore practically negative (Figure 24.2).

Children and childcare staff suffer under low quality ECEC

In addition to improving availability and affordability, promoting high quality in ECEC is increasingly seen as a policy priority. Importantly, a growing body of literature suggests that only high quality ECEC achieves positive effects on children’s development, especially for disadvantaged children (OECD, 2018[17]; Thevenon, Adema and Clarke, 2016[16]). While access to at least one year of ECEC is offered in most OECD countries, universal access is a not a guarantee for high quality ECEC anywhere (OECD, 2018[17]). More specifically, OECD countries are struggling to recruit and retain highly skilled workers as workforces are ageing (OECD, 2019[18]). Ongoing shortages in the ECEC workforce result from poor working conditions, including low wages, limited opportunities for professional development and a lack of status and public recognition of the profession. Perhaps related to this there is a trend of feminisation of the workforce, as women continue to disproportionally enrol in care-related educational fields (OECD, 2019[18]) (Chapter 9). The ECEC workforce needs increased enrolment of men to tackle existing staff shortages, so that a sufficiently large number of ECEC workers can ensure high-quality services.

Indeed, many OECD countries have developed strategies to achieve high quality preschool education. For instance, the Danish and Norwegian Governments have introduced minimum requirements for child-staff ratios. Other countries have introduced vocational standards or obligations for further education of carers (the Czech Republic) as well as devoted funds for further education of staff (Denmark). There have also been aims to improve quality by changing ECEC systems, such as integrating or dividing services according to needs (e.g. Korea) and by introducing more automation of administrative services (e.g. Hungary, Italy and Korea). Finally, several countries have implemented special support programmes for children in vulnerable situation to aid language learning (Austria and Luxembourg) and for children with disabilities or long-term illnesses (Hungary and Mexico). To bring more men into the ECEC workforce, some countries have run campaigns (Belgium, Denmark and Scotland [United Kingdom]) or affirmative action in ECEC hiring (Norway).

Key policy messages

- OECD countries need to sustain their effort to ensure availability and affordability of places in ECEC by increasing public investment.
- Governments need to reduce out-of-pocket costs for parents to a minimum, especially for low- to middle-income earners. In the face of public budget constraints it is important to ensure that targeted policies preserve work incentives.
- OECD countries need to increase efforts to enhance the quality of ECEC services. Actions include promoting both quality and accessibility of training, enabling in-service training, as well as improving the status and attractiveness of ECEC-jobs.

References

Cleveland, G. (2022), *Early Learning and Child Care in Canada: Where Have We Come From, Where Are We Going?*, https://irpp.org/wp-content/uploads/2022/10/Early-Learning-and-Child-Care-in-Canada-Where-Have-We-Come-From-Where-Are-We-Going.pdf. [15]

European Commission (2022), *Proposal for a Council Recommendation on the Revision of The Barcelona Targets on Early Childhood Education and Care*. [11]

Eurydice (2022), *National Educations Systems: Germany*, https://eurydice.eacea.ec.europa.eu/national-education-systems/germany/germany. [9]

Fervers, L. and A. Kurowska (2022), “Local cultural context as a moderator of the impact of childcare on maternal employment: Evidence from a natural experiment”, *Journal of European Social Policy*, Vol. 32/3, pp. 239-253, https://doi.org/10.1177/09589287221080395. [5]

Gaudron, C. et al. (2023), *L’ accueil dans les structures de la petite enfance des enfants de moins de 3 ans en situation de pauvreté: un état des savoirs [Childcare for children under 3 years of age living in poverty: a review of knowledge]*, https://hal-cnam.archives-ouvertes.fr/hal-03989894/document. [14]

Government of Italy (2022), *Piano nazionale di ripresa e resilienza [National Recovery and Resilience Plan]*, https://www.governo.it/sites/governo.it/files/PNRR.pdf. [8]

OECD (2022), “How taxation and income support policies shape the payoff from fulltime employment for single mothers and partnered women”, OECD, Paris, https://www.oecd.org/gender/Gender-Data-Expansion-TaxBen.pdf. [13]

OECD (2021), “Caregiving in Crisis: Gender inequality in paid and unpaid work during COVID-19”*, OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/3555d164-en. [2]

OECD (2021), *OECD Employment Outlook 2021: Navigating the COVID-19 Crisis and Recovery*, OECD Publishing, Paris, https://doi.org/10.1787/5a700c4b-en. [12]

OECD (2021), "The state of education during the COVID pandemic", OECD, Paris, https://www.oecd.org/education/state-of-school-education-one-year-into-covid.htm. [3]

OECD (2020), "Is Childcare Affordable?", OECD, Paris, https://www.oecd.org/els/family/OECD-Is-Childcare-Affordable.pdf. [1]

OECD (2019), *Good Practice for Good Jobs in Early Childhood Education and Care*, OECD Publishing, Paris, https://doi.org/10.1787/64562be6-en. [18]

OECD (2018), *Engaging Young Children: Lessons from Research about Quality in Early Childhood Education and Care*, Starting Strong, OECD Publishing, Paris, https://doi.org/10.1787/9789264085145-en. [17]

OECD (2017), *Building an Inclusive Mexico: Policies and Good Governance for Gender Equality*, OECD Publishing, Paris, https://doi.org/10.1787/9789264265493-en. [6]

Pekkurnaz, D. (2019), "Employment Status and Contraceptive Choices of Women With Young Children in Turkey", *Feminist Economics*, Vol. 26/1, pp. 98-120, https://doi.org/10.1080/13545701.2019.1642505. [7]

Quinton, S. (2022), *Federal Aid Is Propping Up Child Care. It Isn't a Long-Term Fix,*, https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/01/12/federal-aid-is-propping-up-child-care-it-isnt-a-long-term-fix. [10]

Sikirić, A. (2021), "The Effect of Childcare Use on Gender Equality in European Labor Markets", *Feminist Economics*, Vol. 27/4, pp. 90-113, https://doi.org/10.1080/13545701.2021.1933560. [4]

Thevenon, O., W. Adema and C. Clarke (2016), "Who uses childcare? Background brief on inequalities in the use of formal early childhood education and care (ECEC) among very young children", OECD, Paris, https://www.oecd.org/els/family/Who_uses_childcare-Backgrounder_inequalities_formal_ECEC.pdf. [16]

25 Tax systems and gender

Lorenzo Argirò, Michelle Harding and Julien Jarrige

This chapter considers the relationship between gender equity and tax and transfer systems. It first explores why it is important to consider gender equity in taxation: tax policy can be an effective tool contributing to gender fairness and governments' efforts to reduce gender inequalities. Secondly, the chapter examines the direct and indirect impacts tax policy choices may have on gender outcomes, finding that even gender-neutral tax systems can have adverse impacts on gender through their interactions with broader inequalities in societies. The chapter also analyses the impacts labour incentives may have on gender outcomes, showing that the design of income taxes can influence the incentives for workers to enter the labour market as well as the nature of their participation. Finally, the chapter discusses the case for governments assessing the impacts of tax policy and administration on gender outcomes.

Key findings

- Tax policy has a key role to play in supporting governments' efforts to ensure gender equality, not least because tax policy can have a material impact on women's participation in the economy. The impact of the tax system on gender equality outcomes in OECD countries is typically indirect.
- The progressivity of personal income taxes is a key feature in reducing post-tax income gaps between men and women, as well as between full-time and part-time workers. However, the tax system can create traps which disincentivise second earners (often women) from entering or re-entering the labour force, or that disincentivise part-time workers (also predominantly women) from working full-time. Even gender-neutral tax systems can have adverse impacts on gender equality.
- Governments around the world are aware of the potential impacts of taxation on gender equality outcomes, but routine assessment of these impacts in either tax policy or tax administration and compliance is less common.

The case for gender equity in taxation

Removing gender bias from taxation is important both to ensure that the tax system does not discriminate against women and because taxation is one of the policy instruments that governments have at their disposal to enhance gender equality and to support women's economic participation. The importance of addressing gender equality through tax policy was recognised by the G20, which identified it as one of the priorities of the G20 international tax agenda in 2021. This led to a recognition of the OECD analysis in this area at the G20 Finance Ministers and Central Bank Governors' communiqué of February 2022, which referred to the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) report on Tax Policy and Gender Equality and called for further OECD work on the tax policy implications of gender equality (G20 Bali FMCBG Meeting, 2022[1]).

In setting tax policies, policy makers must balance several objectives such as revenue generation, efficiency, equity, simplicity, and transparency. Common perspectives for considering the equity of taxation include horizontal, vertical, and intergenerational equity, but there is also a strong case for assessing the equity of tax systems from a gender perspective.

Tax policy may have an impact on gender equality both directly – where tax policies or administrations explicitly treat men and women differently – and indirectly, via the interaction of tax systems with differences in underlying economic characteristics or behaviours between men and women, including for instance income levels, labour force participation, entrepreneurship, or consumption and savings patterns. These indirect impacts can lead to implicit biases, where an ostensibly gender-neutral tax system has different impacts on men and women in practice.

The degree to which countries consider the impact of taxes on gender equality differs markedly around the world. *Tax Policy and Gender Equality: A Stocktake of Country Approaches* (OECD, 2022[2]) presents a cross-country review of governments' approaches to tax and gender, covering 43 countries from the OECD, the G20 and beyond. The report found that gender equality is an important consideration in tax policy design for most of the countries: approximately three-quarters of countries reported it was at least somewhat important. Similarly, 22 countries had introduced tax measures to improve gender equity, such as increasing tax subsidies for mothers, introducing individual taxation of labour income, and lowering VAT rates on feminine hygiene items.

Even neutral tax systems can affect gender outcomes

Tax and transfer systems can affect men and women differently via explicit or implicit biases (Stotsky, 1996[3]). *Explicit bias* arises when a tax provision is legally related to gender; these can target either men or women. Even though these provisions are becoming less common, they are still present in a few countries. Seven of the 43 countries indicated cases of explicit gender bias in their tax systems (OECD, 2022[2]). Among this group, Switzerland reported that their personal income tax (PIT) involves gender bias due to the combination of household taxation with a progressive rate schedule, which often leads to poor incentives for a second earner – often the female partner – to enter the labour market; whereas Hungary provides a specific PIT allowance to women with four or more children.

Implicit or hidden biases, on the other hand, are more common. As with explicit bias, they can be harmful to either men or women. A well-known source of implicit gender bias in tax systems arises from the joint taxation of personal income, whereby the income of the family is taxed together as one unit rather than taxed separately for each individual. This leads to second earners in a household – typically women – paying higher marginal tax rates on their income, disincentivising labour force participation. Other implicit biases also occur in individual income taxation (see below).

The majority of the countries surveyed tax personal income on an individual basis. Six countries use a household unit, while nine allow taxpayers to decide between an individual or a household unit. Several countries noted the positive impact of shifting to individual taxation on increasing the female labour supply and enhancing equality based on historical reforms in their countries. Half of the countries surveyed acknowledged that implicit biases may arise in their tax system. For instance, as noted by a few countries (Argentina, Austria, Finland, Norway, Sweden, and the United Kingdom), due to differences in the nature of income between men and women, the preferential taxation of capital income can create a risk of bias in favour of men.

Despite the fact that many countries recognised that their system may generate implicit bias, most countries have not undertaken work to examine implicit bias in these tax systems, and guidance on how to do so is scarce. Twenty-five countries, or over two-thirds of the respondents, have not conducted analysis to detect and/or assess pre-existing implicit biases, with only 16 countries saying that they have. In addition, just five countries have implemented guidelines on how to address implicit biases in tax policy design (Austria, New Zealand, San Marino, Spain, and Sweden).

A key area of impact is labour market participation

The design of income taxes can influence the financial incentives for workers to enter the labour market and the number of hours for which they participate.

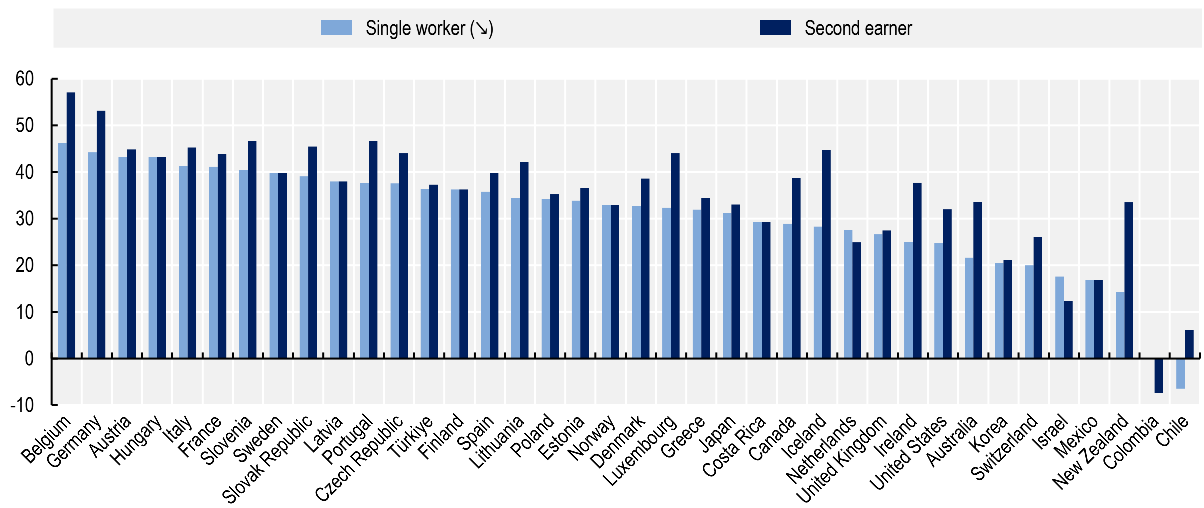
One of the most common sources of implicit bias noted by countries occurs in individual income taxation. Individual income taxation can interact with a number of key labour force characteristics that differ between men and women, including labour force participation, earnings levels and working hours, in ways that lead to implicit gender biases.

Women are more likely to work part-time or in non-standard work, receive a lower salary on average than males, and are less likely to engage in the labour force (Chapter 13). Consequently, women are more commonly second earners in a household than men: they make up more than three-quarters of second earners in almost all OECD countries. The impact of tax systems on second earners is well documented – see for example Thomas and O'Reilly (2016[4]) – with many systems providing disincentives for second earners to enter or re-enter the labour force, as well as affecting the nature of their participation. These impacts may arise either because of joint taxation, which results in second earners paying higher marginal tax rates on their income, or because of the withdrawal or removal of family-based tax credits or allowances when the second earner enters the labour force.

For these two reasons, the net personal average tax rates for second earners (the combined personal income tax and employee social security contribution burden net of cash benefits) are higher than for single individuals at the same earnings level in the majority of OECD countries (Figure 25.1). The difference is even higher for families with children, due to higher levels of child-related benefits – and exacerbated further when non-tax costs such as childcare are included.

Figure 25.1. Net personal average tax rates for second earners are higher than for single earners with the same earnings in most OECD countries

Net personal average tax rates, single and second earner at 67% of the average wage (primary earner at average wage), no children, 2021



Note: Results account for child tax credits and child allowances and do not account for housing benefits, social assistance supports and unemployment benefits that may be available to single and one-earner couples. See the OECD Tax-Benefit model at https://www.oecd.org/social/benefits-and-wages/.
Source: OECD calculations based on OECD (2022[5]), *Taxing Wages*, https://doi.org/10.1787/20725124.

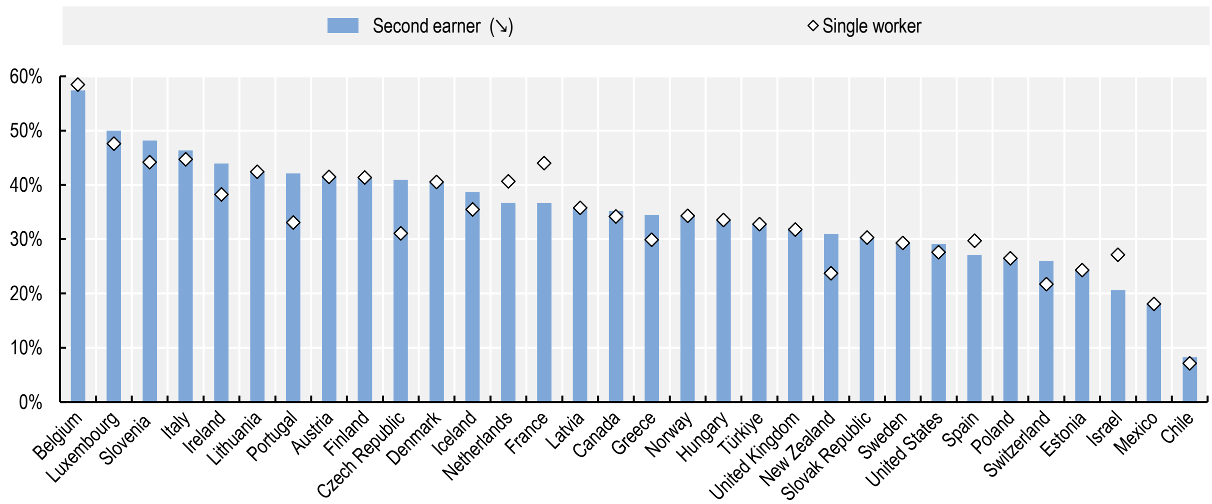
StatLink https://stat.link/2ka5ex

Focusing on part-time work is important. On average, women make up nearly two-thirds of the part-time labour-force, compared to only one-third of the full-time labour force. Across the OECD, women are three times as likely to work part-time as men (Chapter 13). Moreover, in 35 of the 38 OECD countries, female part-time workers earn less per hour than their male part-time counterparts. The taxation of part-time work therefore has major gender implications.

Tax systems generally reduce gender inequities between part-time and full-time wage, while creating disincentives for part-time workers to move to full-time work (Harding, Paturot and Simon, 2022[6]). As part-time workers earn considerably less (on average, around 40%) than full-time workers (predominantly men), the progressivity of the tax system reduces the differential in post-tax incomes, with positive gender implications. Similarly, the gap between male and female average part-time earnings is also reduced by taxation by around 1 percentage point, from 10.2% to 9.2%. However, the progressivity of the tax system, together with the removal of tax credits and allowances when a part-time worker enters full-time work, can lead to high marginal effective tax rates (METRs) on the transition from part-time to full-time work. These high METRs can result in a part-time work trap, by creating a disincentive to move from part-time to full-time work. Further, in all but five countries, the average METR on the transition from part-time to full-time employment is the same or higher for the second earner than for the single worker (Figure 25.2).

Figure 25.2. In most countries, marginal effective tax rates for the transition from part-time to full-time employment are the same or higher for the second earner than for the single worker

Marginal effective tax rates for single and second earner part-time workers, 2019



Source: Harding, Paturot and Simon (2022[6]), "Taxation of Part-Time Work in the OECD", https://doi.org/10.1787/572b72d3-en.

StatLink https://stat.link/zqj0sp

Evaluating gender impacts as part of the tax policy process is critical

The nature of implicit biases means that they may be less visible and harder to assess. One way of ensuring gender biases in the tax system are addressed is for policy makers to include an assessment of the impact of taxes on gender as a basic component of tax policy design. This can include processes such as gender budgeting – which ensures that gender equality considerations are taken systematically into account in tax and spending decisions (Chapter 4).

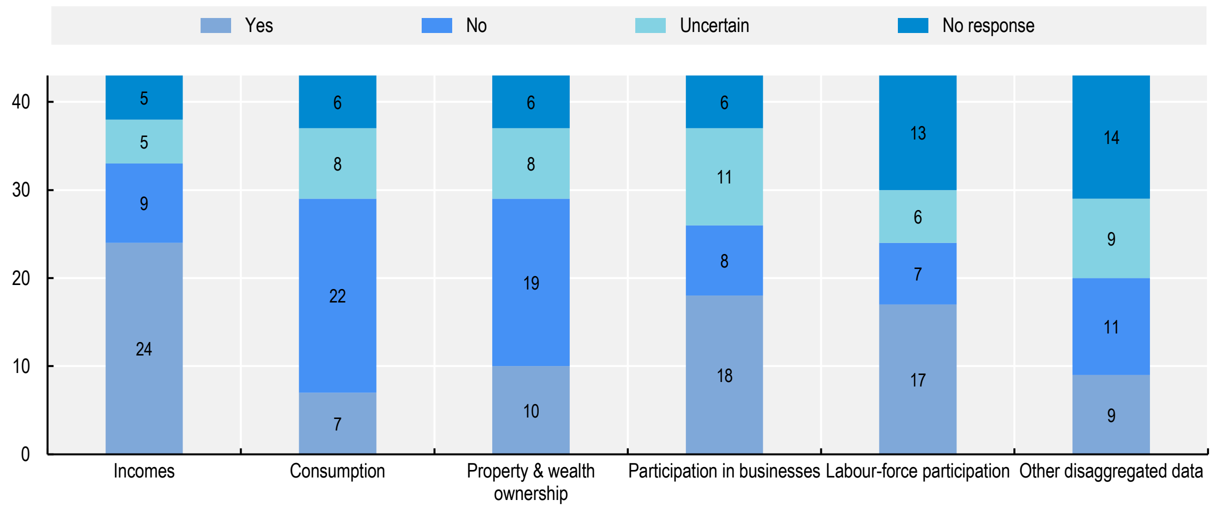
Routine assessment of gender outcomes in tax policy processes is not common across the countries surveyed. Sixteen out of the 43 responding countries undertake an ex-ante gender impact assessment for significant tax policies. Six of these countries have detailed instructions for policy makers in determining how taxes affect gender. Across all countries, almost half reported they use gender-disaggregated statistics and data across core policies and programmes to support tax policy choices. More broadly, while gender budgeting is used in 19 of the countries, only 5 of them include a requirement to do so for tax policy decisions, with 2 further countries considering introducing this in the future.

It is also important to assess the impact of tax administration on gender. In response to the survey, the vast majority of countries polled (34 out of 43) stated that they have not conducted any gender analysis of tax administration or compliance. Only three countries (Indonesia, New Zealand and Sweden) reported that they carry out gender analysis in tax administration or compliance. In addition, the majority of the surveyed countries (22 out of 43) do not collect gender-disaggregated statistics on tax compliance.

Moreover, countries have varying access to different forms of gender-disaggregated non-tax data for use in their analysis of the gender impact of tax policies and reforms (Figure 25.3). While 24 of the 43 respondent countries have access to detailed micro-data on income by men and women, and 17 of them reported that access to detailed micro-data on male and female labour-force participation is available, only 10 of them have access to detailed micro-data on male and female property and wealth taxes. Further, only seven of the respondent countries have detailed micro-data on male and female consumption. The fact that only a few countries are conducting analysis may be due to the lack of data, or to the fact that the impact of tax compliance and administration by gender has not yet arisen as a priority area in many countries.

Figure 25.3. Countries have varying access to different forms of gender-disaggregated non-tax data

Number of countries reporting access to detailed non-tax microdata on male and female



Source: OECD Tax and Gender Stocktaking Questionnaire 2021 in OECD (2022[2]), *Tax Policy and Gender Equality: A Stocktake of Country Approaches*, https://doi.org/10.1787/b8177aea-en.

StatLink https://stat.link/okl5ua

Box 25.1. OECD initiatives to promote gender equality within tax administrations and leadership

The OECD Forum on Tax Administration's Gender Balance Network

The OECD's Forum on Tax Administration (FTA) brings together Commissioners from over 53 advanced and emerging tax administrations. It has a broad work programme which looks to increase the fairness and effectiveness of tax administrations. Commissioners recognised that there was underrepresentation of women in senior executive roles in many FTA countries and female staff remain proportionally underrepresented in executive positions.

Therefore, in 2019, FTA Commissioners launched the Gender Balance Network. The Network aims to be a catalyst for positive institutional change to improve gender balance in tax administration leadership positions. It does this by developing mentoring and secondment programmes as well as exploring best practices across FTA member jurisdictions, including through the study *Advancing Gender Balance* (OECD, 2020[7]) and through reflections on the impact of COVID-19 on Gender Balance (OECD, 2020[8]).

Women leaders in tax transparency

Since 2011, the Secretariat of the Global Forum on Tax Transparency and Exchange of Information for Tax Purposes has been providing capacity-building assistance to its members. Reducing gender gaps in member jurisdictions is one of the goals of the Global Forum's capacity-building strategy. As part of this effort, the Secretariat started mainstreaming gender equality considerations and monitoring the gender balance of its capacity-building activities, in particular via training programmes. In 2022, 56% of participants that attended training activities and seminars were women. The percentage of women was higher than men in all regions except Africa. However, the gender gap in Africa has reduced over recent years, with 41% of female participation in 2022 compared to 40% in 2021 and 34% in 2020.

In 2021, the Global Forum launched the Women Leaders in Tax Transparency programme, to further reinforce gender equality in tax administrations. Twenty-two women from 22 developing countries took part in the 2022 pilot programme. Following the success of the pilot programme, the second edition of the programme is now underway.

The main objectives of the programme are:

- building strong skills in transparency and exchange of information for tax purposes (EOI) through a long-term programme
- promoting female leadership in tax transparency and EOI
- creating a female network to ensure further co-operation and experience sharing
- promoting gender equality and the advancement of women in administrations
- ensuring diverse views in decision-making spheres
- fostering higher female representation at international events.

Key policy messages

- Evaluate tax systems and tax reforms for both explicit and implicit forms of gender bias; and, where these worsen gender biases present in society, consider removing or reforming the relevant tax policy to avoid negative gender outcomes.
- To further address the impact of implicit bias in tax systems, governments could develop and issue guidance for officials on how to take gender into account in tax policy design, as well as for tax administration purposes. Consideration of the impact of changes in the tax structure and mix are also important to assess for their impact on gender outcomes.
- Seek to improve the quality of gender disaggregated non-tax data for analysis of tax policies, particularly on men and women's consumption and property and capital ownership.

References

G20 Bali FMCBG Meeting (2022), *G20 Bali FMCBGs' Communiqué*, http://G20-FMCBG-Communique-Jakarta-17-18-February-2022.pdf (utoronto.ca). [1]

Harding, M., D. Paturot and H. Simon (2022), "Taxation of part-time work in the OECD", *OECD Taxation Working Papers*, No. 57, OECD Publishing, Paris, https://doi.org/10.1787/572b72d3-en. [6]

OECD (2022), *Tax Policy and Gender Equality: A Stocktake of Country Approaches*, OECD Publishing, Paris, https://doi.org/10.1787/b8177aea-en. [2]

OECD (2022), *Taxing Wages*, OECD Publishing, Paris, https://doi.org/10.1787/20725124. [5]

OECD (2020), *Advancing Gender Balance in the Workforce: A Collective Responsibility*, OECD, Paris, https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/advancing-gender-balance-in-the-workforce-a-collective-responsibility.htm (accessed on 5 April 2023). [7]

OECD (2020), "Gender Balance and COVID-19", *Letter to the Forum on Tax Administration Commissioners from the FTA Chair and the Chair of the Gender Balance Network*, https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/letter-gender-balance-network-covid19-risks-challenges-opportunities.pdf. [8]

Stotsky, J. (1996), "Gender Bias in Tax Systems", *IMF Working Paper 96/99*, https://papers.ssrn.com/abstract=882995. [3]

Thomas, A. and P. O'Reilly (2016), "The Impact of Tax and Benefit Systems on the Workforce Participation Incentives of Women", *OECD Taxation Working Papers*, No. 29, OECD Publishing, Paris, https://doi.org/10.1787/d950acfc-en. [4]

26 Teleworking through a gender lens

Chloé Touzet

Based on an OECD working paper on telework and gender, this chapter takes stock of existing data and research on the gendered dimension of teleworking. First, it analyses existing data on work from home, teleworking, *teleworkability* and preferences for work from home. It then presents key insights from a literature review on the effects of teleworking on work-life balance inequalities, on the gender wage gap, and on gender disparities in career progression.

Key findings

- Teleworking, defined as "*work carried out in a physical location that is different from the default place of work, during normal hours, using information and communications technology"* is more adapted than the concept of "work from home" to describe the transformation of working practices unfolding since the pandemic. However most available data use the "work from home" concept. Gendered patterns vary between concepts: before the pandemic, men regularly *teleworked* more than women in most OECD countries, while more women than men *worked from home.*
- The pre-existing gender gap in work from home has increased since 2020, as the number of both men and women usually working from home increased dramatically, but at a higher rate among women. Although they teleworked less than men before the pandemic, women were more often in jobs that could theoretically be done remotely. Before the pandemic, women favoured frequent work from home more than men, and the gender gap in preferences for frequent work from home increased further during the pandemic.
- Evidence suggests that the effect of teleworking on gendered work-life balance inequalities reflects prevailing gender norms and managerial cultures; the teleworking wage premium boosts men's wages more systematically than women's, with mixed effects on the gender pay gap; while results on the effect of teleworking on career progression are scarce and mixed.

Recent trends of teleworking for men and women

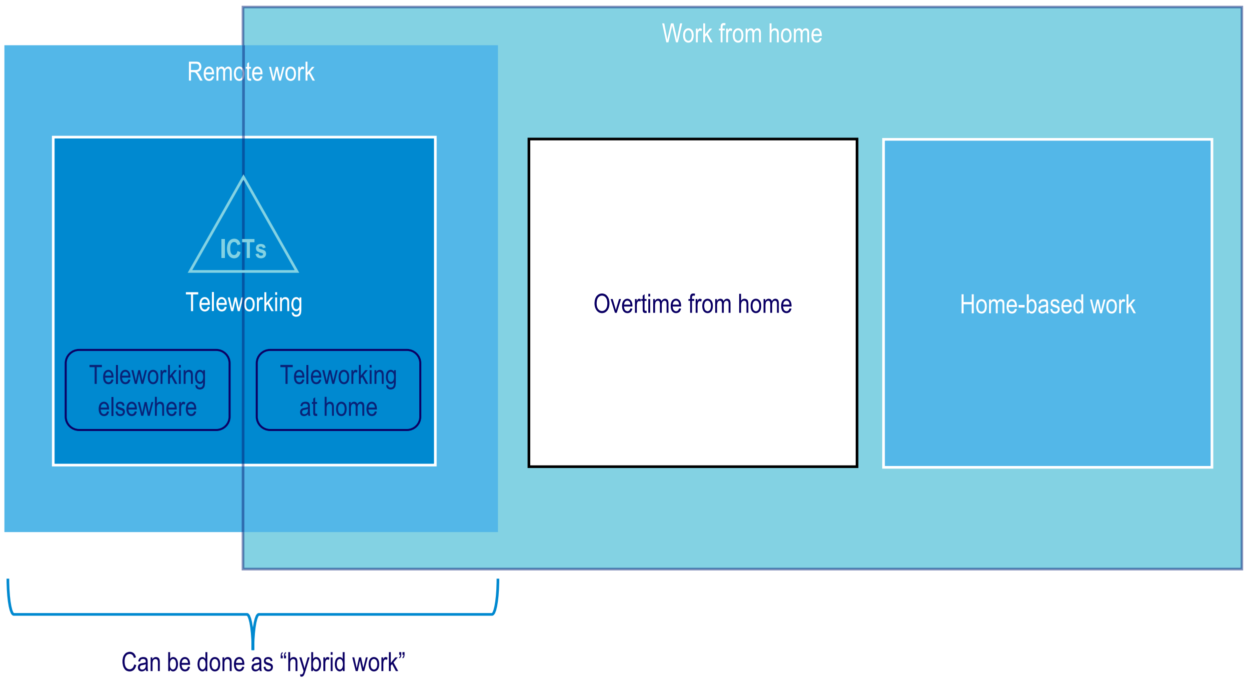
COVID-19 has brought teleworking to the fore, a practice that was marginal in OECD countries before the pandemic. As this new arrangement of working lives settles in, accurate data allowing to describe this phenomenon and to analyse its effects on labour market indicators, including gender disparities, are key to design well-informed polices. Data gaps and the use of inconsistent definitions only allow for a partial overview of this phenomenon. Despite these limitations, this section presents key trends in teleworking and neighbouring concepts, based on OECD research on the issue (Touzet, 2023[1]; OECD, 2021[2]).

Data gaps and inconsistent definitions limit the analysis of gender disparities in teleworking

Existing gender-disaggregated data on the use of teleworking suffer from issues of comparability (as the definition of teleworking varies between data sources) and a lack of longitudinal perspective. Moreover, datasets do not allow to research the *effect* of teleworking on gender inequalities, as gender-disaggregated data on teleworking use and relevant labour market indicators are not connected. Tackling these issues is key to research the implications of such changes in work patterns for gender equality.

Since the COVID-19 pandemic, concepts like "teleworking", "remote work", "work from home", or "hybrid work" have been used interchangeably, even if they cover slightly different concepts (Figure 26.1). The ILO proposes to differentiate between these concepts by looking at how they relate to the notions of "default place of work" and "physical location where the work is actually carried out" (ILO, 2020[3]). Following that logic, *remote work* is work carried out in a physical location that is different from the default place of work. *Teleworking* is a subcategory of that concept, which uses "information and communications technology/ telephones" to carry out remote work. By contrast, *work from home* is defined independently of the default place of work. In some data sources, work from home even includes overtime work from home, capturing cases when employees bring work home from the office outside of their normal hours of work. Finally, the term *hybrid work* refers to “a combination of telework and work on the employer’s premises” (ILO, 2021[4]) and is therefore not another type of work arrangement, but is rather used to describe a particular *mode* of teleworking (the other possible mode being full teleworking).

Figure 26.1. Understanding the difference between associated concepts



Source: Touzet (2023[1]), “Teleworking through the gender looking glass: Facts and gaps”, https://doi.org/10.1787/8aff1a74-en.

Conceptual differences complicate the comparative analysis of these phenomena. Pre-pandemic data sources include Working Conditions Surveys, which define teleworking as “regularly using ICTs and working in at least one other location than the employer’s premises several times a month”, and Labour Force Surveys, which focus on “employees working from home” (OECD, 2021[2]). Many of the new surveys launched since the spring of 2020 to track the growth of teleworking focus on work from home.

Teleworking defined as “*work carried out in a physical location that is different from the default place of work, during normal hours, using information and communications technology”* captures the transformation of working practices unfolding since the pandemic. Using this definition, surveys asking respondents about *intensity* (e.g. number of days spent teleworking per week on average) and *frequency* (e.g. whether this pattern is regular or more ad hoc/ occasional) could track the contemporary development of *hybrid work*.

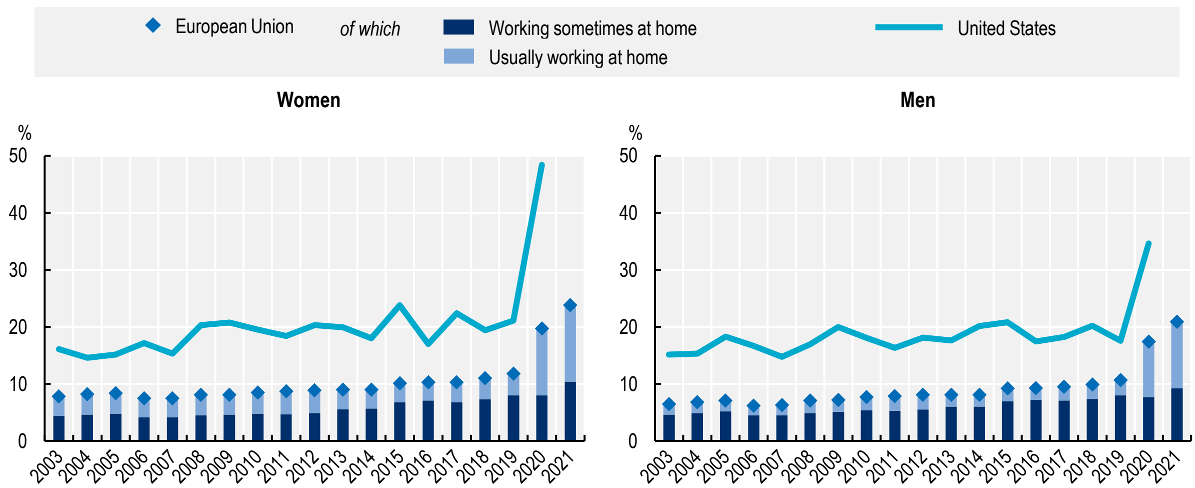
Before the pandemic, men teleworked more than women in most countries

As data do not allow reconstructing long-term trends in the use of teleworking in the pre-COVID era, Figure 26.2 looks at the evolution of “work from home” between 2003 and 2021, using labour force surveys.

In EU countries, between 2003 and 2019, trends in men and women working from home were largely parallel. Shares of employees working from home (usually or occasionally) increased slowly between 2003 and 2012, and a bit faster between 2012 and 2019 reaching 10.7% of men and 11.8% of women. Occasional work from home was more prevalent than regular work from home among both men and women. On average, a slightly higher proportion of women than men worked from home (usually or occasionally). United States data do not distinguish between occasional and regular work from home. The overall prevalence of working from home among both men and women was higher in the United States than in the European Union throughout the period, oscillating between 15 and 20% of men, and 15 and 23% of women.

Figure 26.2. Long-term trends in the evolution of "work from home" by gender

Percentage of employees aged 20-64 by gender, 2003-21



Note: For the United States, figures refer to the 10th of May to the 31st of December each year as published in the 2020 ATUS news release.
Source: Eurostat (2023[5]), *Employed persons working from home as a percentage of the total employment, by sex, age and professional status (%) (lfsa_ehomp)*, https://ec.europa.eu/eurostat/databrowser/product/page/lfsa_ehomp and OECD estimates based on the American Time Use Survey (ATUS).

StatLink https://stat.link/izb37p

Comparing "work from home" to "teleworking" data shows that the two concepts do not perfectly overlap. Data on teleworking show that more men than women regularly teleworked in 2015 in most countries covered (OECD, 2021[2]). On average, 10.4% of men worked outside of their employer's premises several times a month using ICTs, against 7.7% of women. This gap, relatively small on average, was observed in all but four of the 28 OECD countries represented (Italy, Lithuania, the Slovak Republic and the United States). In some countries, the teleworking gap was substantial: in Norway and Luxembourg respectively, 23% and 20% of men teleworked in 2015, compared to only 11% and 8% of women.

Before the pandemic, the gap between worker's ability to telework and use of teleworking was much larger for women

The fact that more men than women regularly teleworked before the pandemic in most OECD countries cannot be explained by a difference in the *technical feasibility* of teleworking in predominantly male and female occupations. On the contrary, in 2018 women were more often in occupations technically compatible with teleworking than men.

In the wake of the pandemic, several researchers attempted to measure the number of jobs that could materially be conducted away from the office. Dingel and Neiman (2020[6]) concluded that 37% of jobs in the United States could be conducted remotely in 2018; Sostero et al. (2020[7]) also concluded that 37% of jobs could be done remotely on average across EU countries in 2018. Individual level data for the United States and EU countries show that the gap between ability to telework and incidence of work from home before the pandemic was much larger for women than for men (Dey et al., 2020[8]; Sostero et al., 2020[7]).

This larger gap between potential and actual use observed for women might be due in part to their higher concentration in administrative and clerical support occupations; it could also owe to gender discrimination in access to teleworking, to pre-existing differences in the use of other flexible working arrangements, or to differences in preferences for teleworking between men and women.

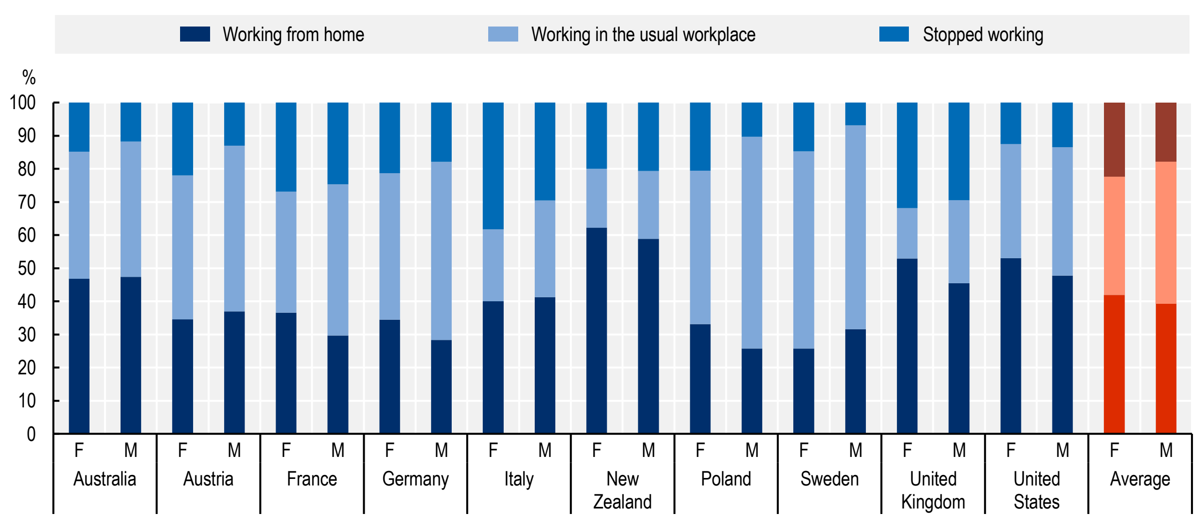
Since the pandemic, the gender gap in work from home has widened

Predictably, the most dramatic change on Figure 26.2 can be observed in the 2019-21 period. In the United States, the number of men working from home doubled between 2019 and 2020, jumping from 17.5 to 34.6%, while that of women increased even more sharply, from 21.1 to 48.4%. In EU countries, the number of men working from home (occasionally or regularly) also doubled, from 10.7 to 20.9%, and that of women also more than doubled, from 11.8 to 23.8% of female employees. Overall, gender disparities grew during the pandemic, as the increase in women working from home was steeper than that of men.

Trends shown in Figure 26.2 are coherent with trends emerging from high frequency data collected during the pandemic. Figure 26.3 shows data collected among employed individuals during the first lockdowns between March and May 2020. On average, in the 10 OECD countries covered, 39% of the men worked from home in March 2020, vs. 42% of women, with the highest gender gaps in favour of women in Poland, France and Germany. By contrast, more men than women worked from home in Australia, Austria, Italy, and Sweden.

Figure 26.3. Work from home during the pandemic by gender

Access to telework during the first lockdown by gender as a percentage of total workers usually employed before the onset of the crisis, selected OECD countries (March-May 2020)



Note: F: females; M: males. “Average” is the unweighted average of the OECD countries shown.
Source: Galasso and Foucault (2020[9]), *Working during COVID-19: Cross-country evidence from real-time survey data*, http://dx.doi.org/10.1787/34a2c306-en, based on the REPEAT (REpresentations, PErceptions and ATtitudes on the COVID-19) survey. This is a partial reproduction of Figure 5.16 in OECD (2021[2]), “Working time and its regulation in OECD countries: How much do we work and how?”, in *OECD Employment Outlook 2021: Navigating the COVID-19 Crisis and Recovery*, https://doi.org/10.1787/c18a4378-en.

StatLink https://stat.link/r3ivz7

Recent gender-disaggregated data on the preference for teleworking are not available. However, data on preference for *work from home* suggest that the gap between ability to telework and actual take-up (which as seen above is larger for women than men) is in fact unlikely to be attributable to different preferences between men and women. While women already expressed a stronger preference than men for frequent work from home in the beginning of the pandemic in the United States and EU countries, this gender gap was even larger a few months later. More women than men wanted to work from home daily or several times a week in the United States and EU countries. By contrast, more men than women supported “never” working from home at the beginning of the pandemic and this gender gap widened as the pandemic progressed.

Exploring the effect of teleworking on gender inequalities

Understanding how transformations in the use of teleworking might affect gender-based labour market disparities implies monitoring gender-disaggregated trends in the *use of* teleworking, but also analysing how teleworking might *affect* gender disparities in labour market. The following sections review findings in the literature on the effect of teleworking on gender disparities in work-life balance, job satisfaction, pay, and career progression, mainly focusing on studies based on pre-pandemic data.

Teleworking mirrors pre-existing gender inequalities

The issue of how teleworking affects work-life balance and job satisfaction has been frequently researched (Cazes et al., 2022[10]) – yet most results are correlational rather than causal. Studies point to teleworking’s potential to help reconcile work with private life and to increase job satisfaction through increased autonomy and reduced commuting time. Yet, they also point to risks related to increased work intensity and (unpaid) overtime hours (Chung, 2022[11]), or social and professional isolation (Charalampous et al., 2019[12]; Tavares, 2017[13]).

Studies analysing gender disparities in how teleworking affects work-life balance show mixed results. Some studies found small effects of teleworking on work-life balance, with minor differences by gender (Allen et al., 2013[14]; Rodríguez-Modroño and López-Igual, 2021[15]). Others found positive effects for women, as commuting is detrimental to self-perceived health satisfaction (Künn-Nelen, 2016[16]) and psychological health (Roberts, Hodgson and Dolan, 2011[17]). Other papers report (more) negative effects on women as regards work/family conflicts, fatigue and subjective well-being (Kim et al., 2020[18]; Song and Gao, 2020[19]; Yucel and Chung, 2021[20]). Some point to positive effects only for men, or for men and childless women (Giménez-Nadal, Molina and Velilla, 2019[21]), due to women’s lower job expectations, lower gains due to shorter commutes and differences in the use of the time freed up from commuting, often dedicated to housework by women, and to leisure by men (Pabilonia and Vernon, 2021[22]). Causal evidence by Angelici and Profeta (2020[23]) found that Italian workers who can autonomously define their work place and schedule saw improvements in their work-life balance, and that both male and female workers spent more time in care- and housework.

Overall, pre-pandemic evidence suggests that teleworking does not increase gender inequalities in work-life balance and job satisfaction but mirrors pre-existing gender inequalities, with effects depending on prevailing contextual gender norms, expectations about parental roles and firms’ management cultures (Chung and van der Lippe, 2020[24]; Chung and van der Horst, 2018[25]; Kurowska, 2018[26]; Gálvez, Martínez and Pérez, 2011[27]). In unequal contexts, mothers use teleworking mainly to balance work and family commitments, while fathers might use it for different reasons such as productivity enhancement (Craig and Powell, 2012[28]). In other cases, teleworking contributes to gender equality by fostering a more equal sharing of household work (Chung and van der Horst, 2018[25]) and reducing the gender care gap, as men teleworking might spend more time on primary care than their counterparts in the office (Pabilonia and Vernon, 2022[29]).

Positive effects could be enhanced by combining teleworking with family-friendly policies such as childcare and eldercare (Song and Gao, 2020[19]), flexible hours (Angelici and Profeta, 2020[23]), and/or supporting a more equal use of parental leave between mothers and fathers (Wanger and Zapf, 2021[30]).

The teleworking wage premium boosts men's wages more systematically than women's

Teleworking can be a means of increasing female labour force attachment and may lead to higher earnings for women (Arntz, Sarra and Berlingieri, 2019[31]; Cazes et al., 2022[10]). Yet, if the positive wage effect is similar between men and women, the gender pay gap will be unaffected; if the wage premium is higher for men, or if women face a wage penalty when taking up teleworking, the gender gap will increase.

Studies find that teleworking can be associated with a wage boost which, however, has benefited men more systematically than women (Pabilonia and Vernon, 2022[29]; Fuller and Hirsh, 2018[32]; Arntz, Sarra and Berlingieri, 2019[31]). This could reflect real gendered productivity effects, if women experience more interruptions in their work when teleworking. However, gendered stigma, social norms, and firms' managerial culture likely contribute to this unequal effect of teleworking by gender, given that this penalty also concerns childless women who regularly telework, and concentrates on highly-educated teleworking mothers while it helps closing the wage gap for other mothers (Chung, 2020[33]). Evidence on women and mothers' higher propensity to select into jobs offering work from home and on women's higher "willingness to pay" for that option suggest that counter-acting measures (e.g. pay transparency policies) might help to avoid adverse consequences on the gender pay gap owing to differentials in mothers and fathers' bargaining position when adopting teleworking (Arntz, Sarra and Berlingieri, 2019[31]; Cazes et al., 2022[10]; OECD, 2021[34]).

The gender disaggregated impact of teleworking on career progression is still unclear

Evidence on how teleworking affects men and women's career progression is scarce. Chung and van der Horst (2018[35]) argue that teleworking can help women's career progression, especially after childbirth, as teleworking mothers appear less likely to cut their hours. According to Chung (2020[33]), this could help close a career ladder gap, since teleworking is less stigmatised than part-time, thus less likely to lead to negative career outcomes. Arntz et al. (2019[31]) argue that promoting teleworking might strengthen women's careers since it has a positive effect on the number of monthly hours that mothers work.

However, if teleworking is used primarily by women as a means of coping with unequal sharing of housework and caring responsibilities, it carries a risk of penalising women's career advancement by diminishing their relative visibility to managers still using face time rather than outputs as a key element of performance appraisal (Tomei, 2021[36]), or by fostering preconceptions about women's diminished work investment when teleworking among managers granting career advancement opportunities (Leslie et al., 2012[37]; Chung and van der Lippe, 2020[24]). Teleworkers, and teleworking women in particular, are found to fear that teleworking poses a threat to their career progression (Charalampous et al., 2019[12]) and training opportunities (Redman, Snape and Ashurst, 2009[38]).

Empirical results on measurable effects of teleworking on career progression are mixed. Elements around the use of teleworking seem to negatively affect the career prospects of teleworkers – the fact that men telework less than women (i.e. reduced face time concerns more women than men), men telework for different reasons than women (i.e. reduced face time affects men differently than women), and that performance evaluation and career advancement hinge on visibility and input measurement, rather than output evaluation (i.e. face time matters in career progression) (McCloskey and Igbaria, 2003[39]; Richardson and McKenna, 2013[40]; Leslie et al., 2012[37]; Chung and van der Horst, 2018[25]).

Some authors argue that additional measures should be implemented alongside teleworking to avoid potential career costs for women, including managerial training, human resources policies promoting equal career opportunities between teleworkers and office workers, policies aimed at mainstreaming teleworking by increasing its take-up among men and non-parents, and the provision of high-quality child and elderly care services which would, by relieving women of some of their caring work, help getting rid of the suspicion that women workers perform less when teleworking (Tomei, 2021[36]; Chung, 2020[33]; Leslie et al., 2012[37]).

Key policy messages

- Applying a consistent definition of teleworking is fundamental to understand the extent of its use and impacts. A definition of teleworking fit for impactful data collection would need to retain the conceptual clarity of the ILO definition and add information about frequency contained in the Working Conditions Surveys definition; add information about intensity to allow deriving information about hybrid work, and include precisions regarding the timing of teleworking, to ensure that workers bringing overtime work back home but otherwise working in the office are not counted as teleworkers.
- Data collection efforts should allow linking gender-disaggregated data on teleworking use with gender-disaggregated labour market outcomes such as pay, career progression, job satisfaction, and work-life balance. Such data should be collected regularly.
- Research on teleworking should focus on understanding the determinants of gender differences in the *use of* teleworking; the causal effects of teleworking on gender disparities in labour market outcomes; and on evaluating the effectiveness of the policy interventions related to teleworking while identifying the potentially negative side-effects of teleworking on gender disparities.

References

Allen, T. et al. (2013), "Work-family conflict and flexible work arrangements: deconstructing flexibility?", *Personnel psychology*, Vol. 66, pp. 345-376, https://doi.org/10.1111/peps.12012. [14]

Angelici, M. and P. Profeta (2020), "Smart-Working: Work Flexibility Without Constraints", *SSRN Electronic Journal*, https://doi.org/10.2139/ssrn.3556304. [23]

Arntz, M., B. Sarra and F. Berlingieri (2019), "Working from Home: Heterogeneous Effects on Hours Worked and Wages", *SSRN Electronic Journal*, https://doi.org/10.2139/ssrn.3383408. [31]

Cazes, S. et al. (2022), "Well-being, productivity and employment: Squaring the working time policy circle", in *OECD Employment Outlook 2022: Building Back More Inclusive Labour Markets*, OECD Publishing, Paris, https://doi.org/10.1787/608c59f1-en. [10]

Charalampous, M. et al. (2019), "Systematically reviewing remote e-workers' well-being at work: a multidimensional approach", *European Journal of Work and Organizational Psychology*, Vol. 28/1, pp. 51-73, https://doi.org/10.1080/1359432X.2018.1541886. [12]

Chung, H. (2022), *The Flexibility Paradox*, Policy Press, https://doi.org/10.1332/policypress/9781447354772.001.0001. [11]

Chung, H. (2020), "Gender, Flexibility Stigma and the Perceived Negative Consequences of Flexible Working in the UK", *Social Indicators Research*, Vol. 151/2, pp. 521-545, https://doi.org/10.1007/S11205-018-2036-7/TABLES/5. [33]

Chung, H. and M. van der Horst (2018), "Flexible Working and Unpaid Overtime in the UK: The Role of Gender, Parental and Occupational Status", *Social Indicators Research*, Vol. 151/2, pp. 495-520, https://doi.org/10.1007/s11205-018-2028-7. [25]

Chung, H. and M. van der Horst (2018), "Women's employment patterns after childbirth and the perceived access to and use of flexitime and teleworking", *Human Relations*, Vol. 71/1, pp. 47-72, https://doi.org/10.1177/0018726717713828. [35]

Chung, H. and T. van der Lippe (2020), "Flexible Working, Work–Life Balance, and Gender Equality: Introduction", *Social Indicators Research*, Vol. 151/2, pp. 365-381, https://doi.org/10.1007/S11205-018-2025-X/FIGURES/2. [24]

Craig, L. and A. Powell (2012), "Dual-earner parents' work-family time: the effects of atypical work patterns and non-parental childcare", *Journal of Population Research*, Vol. 29/3, pp. 229-247, https://doi.org/10.1007/s12546-012-9086-5. [28]

Dey, M. et al. (2020), "Ability to work from home: evidence from two surveys and implications for the labor market in the COVID-19 pandemic", *Monthly Labor Review*, Vol. 2020, pp. 1-21, https://doi.org/10.21916/MLR.2020.14. [8]

Dingel, J. and B. Neiman (2020), "How many jobs can be done at home?", *Journal of Public Economics*, Vol. 189, p. 104235, https://doi.org/10.1016/j.jpubeco.2020.104235. [6]

Eurostat (2023), *Employed persons working from home as a percentage of the total employment, by sex, age and professional status (%) (dataset)*, Eurostat, https://ec.europa.eu/eurostat/databrowser/product/page/lfsa_ehomp (accessed on 13 March 2023). [5]

Fuller, S. and C. Hirsh (2018), ""Family-Friendly" Jobs and Motherhood Pay Penalties: The Impact of Flexible Work Arrangements Across the Educational Spectrum", *Work and Occupations*, Vol. 46/1, pp. 3-44, https://doi.org/10.1177/0730888418771116. [32]

Galasso, V. and M. Foucault (2020), "Working during COVID-19: Cross-country evidence from real-time survey data"*, OECD Social, Employment and Migration Working Papers*, No. 246, OECD Publishing, Paris, https://doi.org/10.1787/34a2c306-en. [9]

Gálvez, A., M. Martínez and C. Pérez (2011), "Telework and Work-Life Balance: Some Dimensions for Organisational Change", *Journal of Workplace Rights*, Vol. 16/3-4, pp. 273-297, https://doi.org/10.2190/wr.16.3-4.b. [27]

Giménez-Nadal, J., J. Molina and J. Velilla (2019), "Work time and well-being for workers at home: evidence from the American Time Use Survey", *International Journal of Manpower*, Vol. 41/2, pp. 184-206, https://doi.org/10.1108/IJM-04-2018-0134. [21]

ILO (2021), *Healthy and safe telework - technical brief*, International Labour Organisation, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---lab_admin/documents/publication/wcms_836250.pdf. [4]

ILO (2020), *Defining and measuring remote work, telework, work at home and home-based work*, International Labour Organisation, Geneva, https://www.ilo.org/global/statistics-and-databases/publications/WCMS_747075/lang--en/index.htm. [3]

Kim, J. et al. (2020), "Workplace Flexibility and Worker Well-Being by Gender", *Journal of Marriage and Family*, Vol. 82/3, pp. 892-910, https://doi.org/10.1111/jomf.12633. [18]

Künn-Nelen, A. (2016), “Does Commuting Affect Health?”, *Health Economics*, Vol. 25/8, pp. 984-1004, https://doi.org/10.1002/hec.3199. [16]

Kurowska, A. (2018), “Gendered Effects of Home-Based Work on Parents’ Capability to Balance Work with Non-work: Two Countries with Different Models of Division of Labour Compared”, *Social Indicators Research*, Vol. 151/2, pp. 405-425, https://doi.org/10.1007/s11205-018-2034-9. [26]

Leslie, L. et al. (2012), “Flexible Work Practices: A Source of Career Premiums or Penalties?”, *Academy of Management Journal*, Vol. 55/6, pp. 1407-1428, https://doi.org/10.5465/amj.2010.0651. [37]

McCloskey, D. and M. Igbaria (2003), “Does “Out of Sight” Mean “Out of Mind”? An Empirical Investigation of the Career Advancement Prospects of Telecommuters”, *Information Resources Management Journal*, Vol. 16/2, pp. 19-34, https://doi.org/10.4018/irmj.2003040102. [39]

OECD (2021), *Pay Transparency Tools to Close the Gender Wage Gap*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/eba5b91d-en. [34]

OECD (2021), “Working time and its regulation in OECD countries: How much do we work and how?”, in *OECD Employment Outlook 2021: Navigating the COVID-19 Crisis and Recovery*, OECD Publishing, Paris, https://doi.org/10.1787/c18a4378-en. [2]

Pabilonia, S. and V. Vernon (2022), “Telework, Wages, and Time Use in the United States”, *Review of Economics of the Household*, https://doi.org/10.1007/s11150-022-09601-1. [29]

Pabilonia, S. and V. Vernon (2021), “Telework and Time Use”, in Zimmerman, K. (ed.), *Handbook of Labor, Human Resources and Population Economics*, Springer, https://www.iza.org/publications/dp/14827/telework-and-time-use. [22]

Redman, T., E. Snape and C. Ashurst (2009), “Location, Location, Location: Does Place of Work Really Matter?”, *British Journal of Management*, Vol. 20, pp. S171-S181, https://doi.org/10.1111/j.1467-8551.2008.00640.x. [38]

Richardson, J. and S. McKenna (2013), “Reordering Spatial and Social Relations: A Case Study of Professional and Managerial Flexworkers”, *British Journal of Management*, Vol. 25/4, pp. 724-736, https://doi.org/10.1111/1467-8551.12017. [40]

Roberts, J., R. Hodgson and P. Dolan (2011), ““It’s driving her mad”: Gender differences in the effects of commuting on psychological health”, *Journal of Health Economics*, Vol. 30/5, pp. 1064-1076, https://doi.org/10.1016/j.jhealeco.2011.07.006. [17]

Rodríguez-Modroño, P. and P. López-Igual (2021), “Job Quality and Work—Life Balance of Teleworkers”, *International Journal of Environmental Research and Public Health*, Vol. 18/6, p. 3239, https://doi.org/10.3390/ijerph18063239. [15]

Song, Y. and J. Gao (2020), “Does Telework Stress Employees Out? A Study on Working at Home and Subjective Well-Being for Wage/Salary Workers”, *Journal of Happiness Studies*, Vol. 21/7, pp. 2649-2668, https://doi.org/10.1007/s10902-019-00196-6. [19]

Sostero, M. et al. (2020), “Teleworkability and the COVID-19 crisis: a new digital divide? A Joint European Commission-Eurofound Report”, https://joint-research-centre.ec.europa.eu/publications/teleworkability-and-covid-19-crisis-new-digital-divide_en (accessed on 31 May 2022). [7]

Tavares, A. (2017), “Telework and health effects review”, *International Journal of Healthcare*, Vol. 3/2, p. 30, https://doi.org/10.5430/ijh.v3n2p30. [13]

Tomei, M. (2021), “Teleworking: A Curse or a Blessing for Gender Equality and Work-Life Balance?”, *Intereconomics*, Vol. 56/5, pp. 260-264, https://doi.org/10.1007/s10272-021-0995-4. [36]

Touzet, C. (2023), “Teleworking through the gender looking glass: Facts and gaps”*, OECD Social, Employment and Migration Working Papers*, No. 285, OECD Publishing, Paris, https://doi.org/10.1787/8aff1a74-en. [1]

Wanger, S. and I. Zapf (2021), “For better or worse: How more flexibility in working time arrangements and parental leave experiences affect fathers’ working and childcare hours in Germany”, *Journal of Family Research*, https://doi.org/10.20377/jfr-644. [30]

Yucel, D. and H. Chung (2021), “Working from home, work–family conflict, and the role of gender and gender role attitudes”, *https://doi.org/10.1080/13668803.2021.1993138*, https://doi.org/10.1080/13668803.2021.1993138. [20]

27 Pay transparency to close the gender wage gap

Lyydia Alajääskö and Valerie Frey

This chapter first presents an overview of pay transparency tools in OECD countries, including a classification of countries by the presence of regulations requiring private sector pay reporting, pay auditing, or related measures. It then shows key findings from the limited evaluation evidence available on the application of these tools. The chapter continues by presenting key reasons that justify the need for pay transparency practices. It ends with policy recommendations, including detailed steps for countries that currently have pay transparency policies in place to help pay transparency tools close the gender wage gap.

Key findings

- Pay transparency policies are increasingly commonly used in OECD countries to close the gender wage gap.
- Twenty-one out of 38 OECD countries – 55% – require private sector firms to regularly report on the gender wage gap among their employees. These policies typically target firms with at least 30-50 employees.
- At least ten OECD countries require that job classification systems, when used, be designed in a gender-neutral way, to avoid embedding systematically lower pay in women-dominated jobs.

Pay transparency tools in OECD countries

Pay transparency – and gender pay gap reporting, specifically – is gaining momentum among OECD governments trying to close the gender wage gap (Chapter 16). The latest OECD stocktaking illustrates that 21 out of the 38 OECD countries mandate systematic, regular gender **wage gap reporting** by private sector firms (Figure 27.1) (OECD, 2023[1]). This can entail calculating and reporting a range of different wage gap statistics, or the simple overall wage gap, to stakeholders such as workers, their representatives, a government agency, and/or the public, typically every one or two years. Whether a company has to report is usually determined by company size. Mandatory reporting for companies with 30-50 employees or more is most common. Penalties for non-reporting include restrictions on government tenders, publicly publishing individual firms' publishing history, and the possibility of fines – but many countries do not closely monitor compliance.

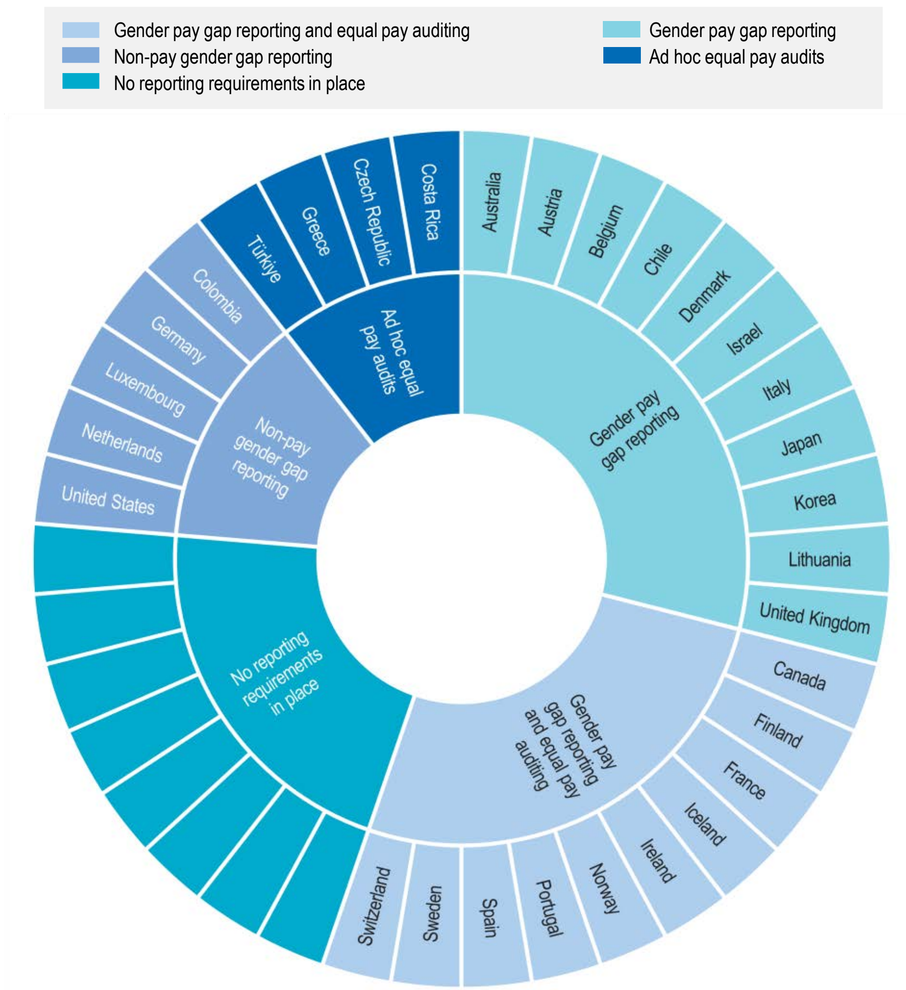
Within this group, ten OECD countries have implemented comprehensive **equal pay auditing** processes that apply to a pre-defined set of employers. Countries with equal pay audits include Canada (under the Pay Equity Act), Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden and Switzerland.

Equal pay audits are comparable to the new "joint pay assessments" proposed in the forthcoming European Union Pay Transparency Directive. These rules require additional gender data analysis and typically propose follow-up strategies to address inequalities. Audits typically require an analysis of the proportion of women and men in different positions, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. Audits can directly affect gender pay gaps in ways similar to simpler pay transparency measures, e.g. by raising awareness and giving employees information to fight unfair pay. However, the key contribution of audits is to mainstream gender-sensitive thinking within firms and provide evidence for more targeted action by policy makers and firms (OECD, 2022[2]).

Most of these policies were introduced in the past decade, and most of this movement took place in Europe, reflecting the 2014 European Commission Recommendation on strengthening the principle of equal pay between men and women through transparency. Many of these pay reporting rules cover the public sector, as well (OECD, 2021[3]). Pay transparency is also promoted by the 2013 OECD Recommendation on Gender Equality in Education, Employment and Entrepreneurship as a tool to eliminate the discriminatory gender wage gap (OECD, 2017[4]).

Figure 27.1. About half of OECD countries require pay gap reporting and/or auditing by private sector firms

Distribution of countries by the presence of regulations requiring private sector pay reporting, pay auditing, or related measures, OECD countries, 2021



Note: The chart shows the distribution of pay reporting measures across OECD countries.
Source: OECD Gender Pay Transparency Questionnaire in OECD (2021[3]), *Pay Transparency Tools to Close the Gender Wage Gap*, https://doi/org/10.1787/eba5b91d-en.

Many OECD countries use **job classification systems** in the public and/or private sector, which attempt to standardise pay and make it transparent across men and women within specific job categories (OECD, 2021[3]). Job classification systems can help objectively match roles and responsibilities with individuals who have the required skills. By providing more transparency regarding what is required for a promotion, job classification systems can contribute to more objective recruitment and promotion rounds, thus reducing discrimination. Both these factors can contribute to more women receiving promotions to better-paid roles and responsibilities within firms, which would contribute to reduce the wage gaps within firms (OECD, 2022[2]). These classifications, often presented as salary scales, are more common in the public sector. At least ten countries mandate that job classification systems, when they are used, be **gender-neutral**. This is an attempt to correct for gender biases in job valuations that can exacerbate pay disparities. Gender-neutral job classification systems are often embedded within equal pay auditing processes, suggesting they may become more widespread if auditing becomes more common.

Reflecting the autonomy of social partners, only a handful of OECD countries direct or encourage social partners to **discuss equal pay considerations during collective bargaining processes**. Yet workers' representatives play an important role in pay transparency processes. Collective bargaining processes can help introduce and monitor gender-neutral job classification or evaluation schemes; workers' representatives are often integral in the analysis, dissemination, and communication of the results of employer pay gap reporting and equal pay audits; and worker representatives can also help individual workers advocate for better pay when pay inequity is discovered (OECD, 2021[3]).

All of these pay transparency processes are based on important **legal principles of equal pay for work of equal value, or equal pay for equal work**. Nearly all OECD countries have clarified the concept of equal pay for equal work and/or work of equal value in national legislation. Those who have not clarified the concept in national legislation have clarified equal pay principles through the courts and case law (OECD, 2021[3]). Increasingly more countries, alongside social partners and other stakeholders, are part of the Equal Pay International Coalition (EPIC), the only multi-stakeholder partnership working to reduce the gender pay gap at the global, regional and national levels.

Each of these policies have the potential to narrow the gender wage gap. But strengthening reforms, greater stakeholder engagement, and more and better evaluations are needed.

Evaluations are limited, but pay transparency has intuitive appeal

Because most pay transparency policies are relatively new, there has been limited research carried out evaluating their effects on wage and employment outcomes. The available research on national pay transparency rules has largely concentrated on company pay reporting obligations (OECD, 2021[3]).

Studies of company pay reporting rules have typically found small reductions in the gender wage gap when reporting measures are accompanied by the threat of sanctions and/or relatively high policy visibility, as is the case in Denmark (Bennedsen et al., 2019[5]) and the United Kingdom (Blundell, 2021[6]; Duchini, Simion and Turrell, 2020[7]). The positive effects arise through a reduction in men's wages, rather than an increase in women's wages. Where enforcement mechanisms or wage gap visibility are weaker, however, these measures seem to have had fewer or no positive effects (Böheim and Gust, 2021[8]; Gulyas, Seitz and Sinha, 2020[9]). Studies looking at smaller, targeted populations of workers, such as university faculties in Canada and the United States, did find that publishing salaries helps to close the gender wage gap (Baker et al., 2019[10]; Obloj and Zenger, 2020[11]).

Pay transparency policies should continue to be evaluated in different contexts to see how features of different systems may affect gender wage gaps in different ways. Given that pay transparency policies are often phased in with rules based on firm size, these policies are ripe for rigorous, quasi-experimental evaluations with nearly comparable "treatment" and "control" groups around the policy threshold (OECD, 2021[3]).

Although the evidence base is still being built, pay transparency policies hold significant appeal. Pay transparency measures represent a relatively simple, intuitive tool both to identify and to take action against the gender wage gap in the workplace – particularly in mid-sized and larger organisations with dedicated human resources management that can calculate gender gaps.

Crucially, pay transparency policies give workers, employers and the public an important tool to combat gender inequality: they offer an acknowledgement of the existence and the size of gender pay gaps.

Why do we need pay transparency?

Closing the gender wage gap depends crucially on knowing whether, how, and to what extent such gaps exist. At the aggregate level – within a workplace, town, region, country, and so on – administrative and labour force data can help governments identify when gender wage gaps occur and their causes (OECD, 2021[3]). So-called observable factors driving the gender wage gap include an employee's age, level of education, field of study, sector of employment, workplace, parenthood status, and other variables (OECD, 2017[12]). Recent research using match employer-employee data suggests that about three-quarters of the gender wage gap, across a sample of 16 OECD countries, is attributable to pay inequity *within* firms (OECD, 2021[13]) (Chapter 16).

It is very difficult, however, for an *individual* worker to know whether she or he is being underpaid – and with whom their salary should be compared. Very few countries guarantee workers the right to learn a specific colleague's (or small group of colleagues') pay (OECD, 2021[3]).

Many countries identify privacy and data protections as a hurdle to sharing a specific, comparable colleague's pay. Logistical or operational barriers are another issue; as with other transparency requirements, some companies claim that identifying and sharing the salary of a "comparator" is too high an administrative burden (OECD, 2021[3]), though it is not clear that doing so would be much more difficult than other forms of pay reporting. Finally, the issue of finding either a hypothetical comparator or an accurate, real-life comparator is a longstanding challenge (European Commission, 2020[14]).

The comparator question remains a difficult, practical puzzle to solve when pay discrimination cases arise. Countries have used different approaches to address the comparator issue. Such approaches include legislation allowing the comparison of salary with the previous person who held a post, allowing comparison with a group of colleagues, requiring that the comparator be of an opposite sex, and/or requiring that the comparator be employed within the same company (European Commission, 2020[14]). New Zealand, notably, has recognised that the historic undervaluation of traditionally women's work necessitates a comparator being sourced from a different sector. Some other countries have said that a comparator should not be necessary at all to prove unfair pay (OECD, 2021[3]).

The limits of using pay information to (self) advocate

It must be emphasised that gender wage gaps represent a much broader problem, in both societies and labour markets, which cannot be fixed individually. When armed with the knowledge that they have been underpaid, a worker tends to have a limited number of options: do nothing, negotiate higher pay, or initiate a pay equity claim. In all three instances the onus of identifying, raising, and rectifying (possibly discriminatory) pay inequity rests on the individual. This is a very large burden (OECD, 2021[3]).

While pay transparency laws may give workers more information, their effectiveness largely relies upon workers having bargaining power to negotiate collectively or individually – and to negotiate without backlash, which is less likely the case for female workers. Research shows that women tend to be less likely than men to negotiate for a higher salary – and when they do negotiate, they tend to face backlash, or a "social penalty" (Bowles, 2014[15]).

This means that even if a female worker correctly *identifies* a pay equity issue, raising it with her employer may not be an easy step or a feasible solution. Additionally, pay equity claims that go through the legal system tend to be costly, both in time and money (OECD, 2021[3]).

Nevertheless, legal mechanisms must be in place for either an individual or a group of workers to seek recourse if they are indeed underpaid for their work. To support this, objective criteria to assess work of equal value should be used for pay equity claims. Access to justice should be streamlined and the burden of proof in pay discrimination cases should rest on the respondent (European Commission, 2020[14]).

Pay transparency policies: Shining a light on gender wage gaps

In many countries with pay auditing or pay reporting requirements, these rules only went into effect over the past decade. These recent innovations in pay transparency represent an important, relatively rapid, and large-scale shift to address pay inequality across OECD countries (OECD, 2021[3]).

Pay transparency measures can function at least as well as a right to request a comparator's pay, but only if they are designed and implemented well.

Countries that do not currently have pay transparency policies in place should strongly consider implementing them. For countries that *are* advancing pay transparency, the OECD recommends the following steps to help pay transparency tools close the gender wage gap. For more details, see (OECD, 2021[3]; 2023[1]).

Key policy messages

- Promote equal pay; allow individual workers to request pay information on comparable workers; and promote the use of intentionally gender-neutral job classification systems.
- Identify the most important wage gap statistics that should be reported, and provide clear guidelines and tools for reporting in order to simplify processes for employers; improve the quality of reporting and follow-up action plans across firms, and work to ensure that reporting processes are followed by actionable, tailored and enforceable plans to address wage gaps that are found; enforce reporting with a dedicated government actor, such as a labour inspector, rights ombudsman or a certified external auditor, to improve compliance and the quality of reporting; and dedicate resources to more and better impact evaluations, including research on both wage outcomes and policy process outcomes.
- Embed pay transparency within a broader, systematic, life course approach to promoting gender equality in society, labour markets, governance and public policy. This includes gender-equal access to all levels and subjects of schooling, family and work-life balance supports like childcare and parental leave, efforts to improve the division of unpaid work, anti-discrimination legislation, and improving women's access to leadership roles.

References

Baker, M. et al. (2019), "Pay Transparency and the Gender Gap", *NBER Working Paper No. 25834*, https://doi.org/10.3386/W25834. [10]

Bennedsen, M. et al. (2019), "Do Firms Respond to Gender Pay Gap Transparency?", *NBER Working Paper No. 25435*, https://doi.org/10.3386/W25435. [5]

Blundell, J. (2021), "Wage responses to gender pay gap reporting requirements", *CEP Discussion Papers dp1750*, Centre for Economic Performance, LSE, https://ideas.repec.org/p/cep/cepdps/dp1750.html. [6]

Böheim, R. and S. Gust (2021), "The Austrian Pay Transparency Law and the Gender Wage Gap", *IZA DP No. 14206*, http://www.iza.org. [8]

Bowles, H. (2014), "Why Women Don't Negotiate Their Job Offers", *Harvard Business Review*, https://hbr.org/2014/06/why-women-dont-negotiate-their-job-offers. [15]

Duchini, E., S. Simion and A. Turrell (2020), "Pay Transparency and Cracks in the Glass Ceiling", *CAGE Online Working Paper Series 482*, https://ideas.repec.org/p/cge/wacage/482.html. [7]

European Commission (2020), *Evaluation of the relevant provision in the Directive 2006/54/EC implementing the Treaty principle on "equal pay for equal work or work of equal value" (SWD(2020) 50 final)*, https://ec.europa.eu/info/sites/default/files/swd-2020-50_en.pdf. [14]

Gulyas, A., S. Seitz and S. Sinha (2020), "Does Pay Transparency Affect the Gender Wage Gap? Evidence From Austria", *CRC TR 224 Discussion Paper Series*, https://ideas.repec.org/p/bon/boncrc/crctr224_2020_194v1.html. [9]

Obloj, T. and T. Zenger (2020), "The Influence of Pay Transparency on Inequity, Inequality, and the Performance-Basis of Pay", *HEC Paris Research Paper No. SPE-2020-1359*, https://doi.org/10.2139/SSRN.3523828. [11]

OECD (2023), *Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform*, OECD Publishing, Paris, https://doi.org/10.1787/ea13aa68-en. [1]

OECD (2022), *Same skills, different pay: Tackling gender inequalities at firm level*, OECD, Paris, https://www.oecd.org/gender/Same-skills-Different-pay-2022.pdf. [2]

OECD (2021), *Pay Transparency Tools to Close the Gender Wage Gap*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/eba5b91d-en. [3]

OECD (2021), *The Role of Firms in Wage Inequality: Policy Lessons from a Large Scale Cross-Country Study*, OECD Publishing, Paris, https://doi.org/10.1787/7d9b2208-en. [13]

OECD (2017), *2013 OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship*, OECD Publishing, Paris, https://doi.org/10.1787/9789264279391-en. [4]

OECD (2017), *The Pursuit of Gender Equality: An Uphill Battle*, OECD Publishing, Paris, https://doi.org/10.1787/9789264281318-en. [12]

28 Gender gaps in entrepreneurship remain

David Halabisky and Helen Shymanski

The persistent gender gap in entrepreneurship continues to cost economies across the OECD. Prior to the COVID-19 pandemic, the gender gap had closed slightly in recent years. However, evidence suggests that the pandemic reversed some of this progress. This chapter presents data on trends in women's entrepreneurship and self-employment across OECD countries for the period 2016-21. The chapter calls for governments to go further to address gender gaps in entrepreneurship and self-employment, including through the use of direct and indirect policy measures. It proposes future policy directions, notably greater use of tailored policy interventions.

Key findings

- The gender gaps in entrepreneurship are persistent and costs economies ideas, innovation and jobs. These gender gaps are due to a range of factors, including gender differences in motivations for entrepreneurship and in the number and scale of barriers faced in the areas of entrepreneurship skills, access to finance and networks.
- Prior to the COVID-19 pandemic, there was evidence that the gender gaps in business creation and self-employment were closing in the majority of OECD countries. For example, the gender gap among those starting and managing new businesses closed in 15 out of 26 OECD countries between 2016 and 2021. Nonetheless, women remained about two-thirds as likely as men to be involved in business creation in 2021.
- However, emerging evidence suggests that some of the progress made in reducing gender gaps in entrepreneurship was reversed during the pandemic. Women-operated businesses were more likely to close during the COVID-19 pandemic than those operated by men and faced greater reductions in hours worked and income. This is largely due to sector effects but also due to a gender imbalance in taking on family responsibilities during the pandemic (e.g. home-schooling) and greater difficulties accessing emergency business support schemes due to eligibility criteria (e.g. revenue thresholds and sector).

The persistent gender gap in entrepreneurship is costing the economy

Long-standing gender gaps in entrepreneurship continue to cost the economy in missed opportunities for job creation, growth and innovation. For example, if women started and scaled businesses at the same rate as men, up to CAD 150 billion (EUR 105 billion) could be added to the Canadian economy (approximately 6% of GDP) (Government of Canada, 2021[1]). The OECD has had a strong role in pushing women's entrepreneurship as a policy priority in the G20, which the Indonesian presidency identified as one of the priority issues in the W20 (the official G20 engagement group on gender equity).

The COVID-19 pandemic has shone the spotlight on gender inequalities in entrepreneurship. Mounting evidence shows that women entrepreneurs experienced disproportionate negative impacts relative to men throughout the pandemic, including higher business closure rates and greater declines in income (OECD/European Commission, 2021[2]). The OECD/Facebook/World Bank Future of Business Survey (2020[3]) shows that women-led businesses were more likely to close than men-led businesses between January and May 2020 (26% vs. 20%). This gender gap in business closure rates narrowed as the pandemic continued but increased again in 2021. In July 2021, the same survey showed that 25% of women-led businesses reported closure relative to 17% of men-led businesses (META, 2022[4]). Similarly, national surveys consistently show that women entrepreneurs were more likely to have their volume of work and income reduced. For example, a survey in Germany showed that self-employed women were one-third more likely to face income loss due to the pandemic than self-employed men (Graeber, Kritikos and Seebauer, 2021[5]).

These gender gaps related to the COVID-19 pandemic are largely explained by sector effects as there was a higher concentration of women entrepreneurs operating in the hardest hit sectors (e.g. Personal services, Accommodation and food services, Arts and entertainment, and Retail trade) (OECD/European Commission, 2021[2]; Graeber, Kritikos and Seebauer, 2021[5]). However, a number of other factors also played a role. First, there is some evidence to suggest that women entrepreneurs were more likely to take on greater household responsibilities during the crisis compared to men, which reduced the amount of time that they could dedicate to their business. In an OECD survey, about one-quarter of all women business leaders reported spending six hours or more per day on unpaid domestic responsibilities between May and October 2020 compared to only 11% of all male business leaders (Facebook, OECD and World Bank, 2020[3]). Second, surveys during the first six months of the pandemic suggested that women entrepreneurs had difficulties accessing COVID-19 support schemes for entrepreneurs, often because their business did not meet revenue thresholds or because schemes were targeted at sectors where women are under-represented (OECD/European Commission, 2021[2]). However, an OECD survey in July 2021 showed that women-led businesses were as likely as those led by men to report that they could access support schemes as male-led businesses (META, 2022[4]). This suggests that access to support schemes improved over time.

Women are 30% less likely than men to be starting or managing a new business

The share of women involved in starting and managing new businesses (i.e. less than 42 months old) varies greatly across OECD countries. In 2021, women were the most active in starting and managing new businesses in Chile (25%), Brazil (19%) and Canada (16%) and least active in Poland (2%), Norway and Italy (less than 4% each) (Figure 28.1). Countries with high proportions of women involved in entrepreneurship tend to have higher levels of entrepreneurship overall and higher proportions of people reporting that they started a business due to a lack of employment opportunities. Across OECD countries, women entrepreneurs were about 20% more likely than male entrepreneurs to report that they started their business because they lack opportunities in employment (OECD/European Commission, 2021[2]).

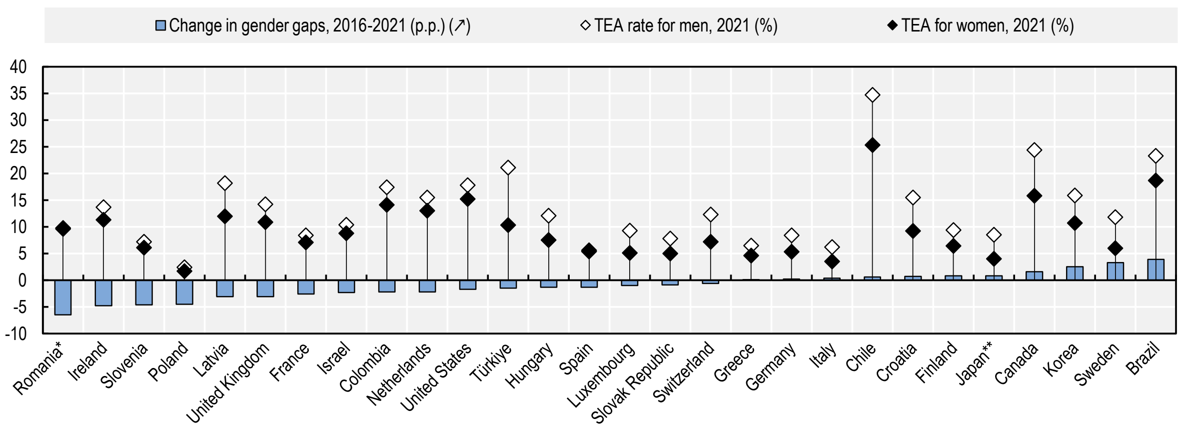
Overall, women were about 30% less likely than men to be involved in starting and managing a new business in OECD countries in 2021. The gap in early-stage entrepreneurship was substantial in many countries but virtually non-existent in a small number of countries, including Poland, Romania and Spain. The gender gap in early-stage entrepreneurship rates can be explained by a range of factors, including differences in access to finance, mentorship, networks as well as attitudes towards and motivations for entrepreneurship between women and men. Differences across countries are also explained by a variety of factors, including the regulatory framework, market conditions, access to finance, creation and diffusion of knowledge, entrepreneurial capabilities, and social attitudes towards entrepreneurship. Each of these factors often has different influences for men and women entrepreneurs.

In addition, women tend to face more and greater barriers to business creation than men and these barriers are often inter-related and reinforce each other. Research suggests that women have, on average, lower levels of basic financial knowledge, financial literacy skills and digital skills (OECD/European Commission, 2022[6]; OECD/European Commission, 2023[7]; Oggero, Rossi and Ughetto, 2019[8]) (Chapter 12). Moreover, women are about 75% as likely as men to report that they have the skills and knowledge needed to start a business, which reduces their capacity to identify external financing and build professional networks (OECD/European Commission, 2021[2]).

The gender gap among people starting and managing new businesses closed across OECD countries only slightly between 2016 and 2021. The gap closed by more than 5 percentage points in several countries, including Romania (-7 percentage points), Ireland, Slovenia and Poland (-5 percentage points each). However, the gap increased by more than 3 percentage points in Korea (3 percentage points), Sweden (3 percentage points) and Brazil (4 percentage points).

Figure 28.1. Women are less likely than men to be involved in early-stage entrepreneurship

Percent of the population (18-64 years old) involved in starting a business or who is the owner-operator of a business that is less than 42 months old, 2021, and changes in the difference between men and women (percentage points – p.p.), 2016-21



Note: TEA stands for Total early-stage Entrepreneurial Activity. * Data for Romania cover the period 2015-21. ** Data for Japan cover the period 2017-21.
Source: Global Entrepreneurship Monitor (GEM) (2016[9]; 2017[10]; 2018[11]; 2022[12]), *2015-16 Global Report*, https://gemconsortium.org/file/open?fileId=49480; *2016-17 Global Report*,, https://gemconsortium.org/report/49812; *2017-18 Global Report*, https://gemconsortium.org/file/open?fileId=50012; *2021-22 Global Report: Opportunity Amid Disruption*, https://gemconsortium.org/report/50900.

StatLink https://stat.link/0sm97g

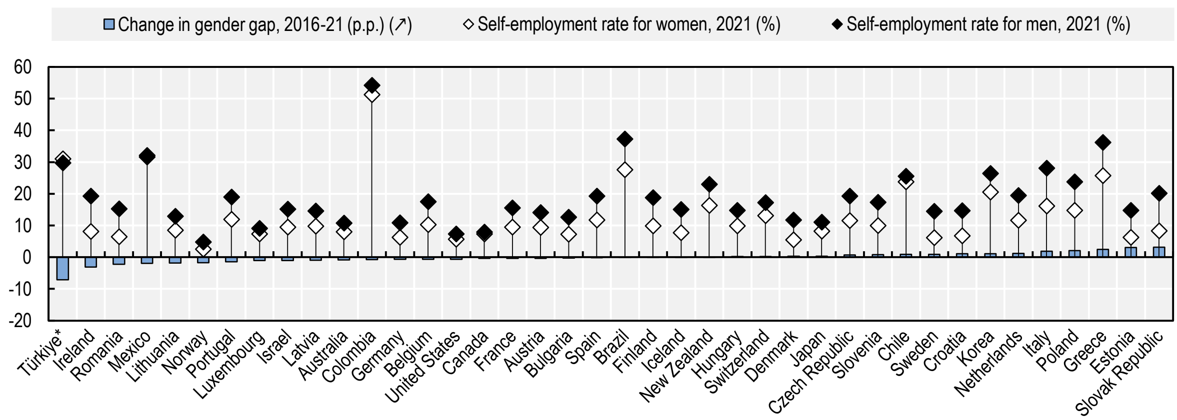
Women are about two-thirds as likely as men to be self-employed

Women were also less likely to be self-employed than men in most OECD countries between 2016 and 2021. Women were slightly more likely than men to be self-employed in only one OECD country in 2021 – Türkiye (31% vs. 30%). Self-employment rates among women were highest in countries such as Colombia (51%), Mexico (32%) and Türkiye (31%), where they were also high for men (Figure 28.2). The high self-employment rates in these countries can, in part, be explained by the high levels of informal work among the self-employed. Conversely, self-employment rates for men and women tended to be lower in countries such as Norway (3%), Denmark (6%) and Sweden (6%), where unemployment is low and social welfare systems provide greater support to individuals. These countries also tend to have a higher share of employment in the public sector.

The gender gap in self-employment closed in 24 OECD countries between 2016 and 2021. Most notably, the gap reversed in Türkiye and closed substantially in Ireland (3 percentage points). The reduction of the gap in most countries was due to an increase in the number of self-employed women as well as a decrease in the number of self-employed men (OECD, 2020[13]). Moreover, in Ireland, there was a disproportionate increase in self-employment among women over 50 years old, which is partly due to women pursuing more flexible career pathways after starting a family. Traditionally, self-employed women in Ireland have had greater difficulties accessing maternity benefits than those working as employees, which was widely viewed as being a disincentive to entrepreneurship for many young women (OECD, 2020[13]).

Figure 28.2. Women are less likely than men to be self-employed

Share of people in employment who are working as self-employed (%) by gender (15 to 64 years old), 2021 or latest available data, and changes in the difference between men and women (p.p.), 2016-21



Note: * Data for Türkiye cover the period 2016-20.
Source: Eurostat (2021[14]), *Labour Force Survey*, https://ec.europa.eu/eurostat/web/lfs/data/database; OECD (2023[15]), *Self-employment rate* (indicator), https://doi.org/10.1787/fb58715e-en.

StatLink https://stat.link/nk7zrp

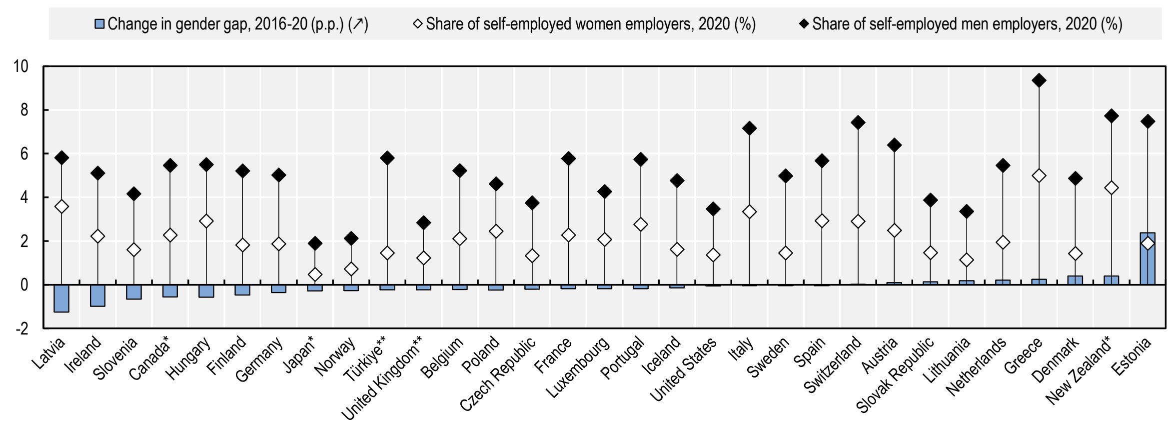
Self-employed women are 60% as likely as self-employed men to employ others

Overall, the share of self-employed workers who employ others has been trending downwards for more than 20 years. This trend is largely driven by an increase of part-time self-employment and the growth in freelance work. However, the share of self-employed workers who are employers has declined at a faster rate over the past two years due to the COVID-19 pandemic because a common response to the economic crisis by employers was to let employees go (OECD/European Commission, 2021[2]; Mindes and Lewin, 2021[16]). While non-standard workers such as the self-employed were often covered by job retention schemes, there were substantial gaps in coverage during the early months of the pandemic and the self-employed could not always qualify for business support schemes because they were below revenue thresholds (Spasova and Regazzoni, 2022[17]).

The gender gap among employers changed little in recent years. Between 2016 and 2020, it narrowed very slightly in 24 OECD countries but remained unchanged overall (Figure 28.3). Self-employed women are less likely to be employers than self-employed men for a variety of reasons, including differences in growth ambitions for their businesses. Data for the European Union show that self-employed women are slightly more likely than self-employed men to report a preference for working alone (31% vs. 26% in 2017) (OECD/EU, 2019[18]). In addition, women business owners often operate different types of businesses relative to men, on average, due to a range of factors, such as differences in motivations, the influence of traditional gender roles in society as well as the impact of policy (e.g. family policy, tax policy) on labour market decisions (Halabisky, 2018[19]). On average, women entrepreneurs tend to operate in sectors that are less conducive to growth (e.g. personal services) and are less likely to use growth-oriented business strategies (e.g. women entrepreneurs are less likely to export – Chapter 30) (OECD/EU, 2019[18]; OECD/European Commission, 2021[2]).

Figure 28.3. Self-employed women are less likely than men to employ others

Share of self-employed workers with employees rates (%) by gender, 15-64 years old, 2020 or latest available data, and changes in the difference between men and women (p.p.), 2016-20



Note: * Data for Canada, Japan and New Zealand are for 2021 rather than 2020. ** Data for Türkiye and the United Kingdom are for 2019 rather than 2020.
Source: Eurostat (2021[14]), *Labour Force Survey*, https://ec.europa.eu/eurostat/web/lfs/data/database; OECD (2023[15]), *Self-employment rate* (indicator), https://doi.org/10.1787/fb58715e-en.

StatLink https://stat.link/c21y57

More effective policy actions are needed to address gender gaps in entrepreneurship and self-employment

Many governments seek to reduce gender gaps in entrepreneurship using a range of policy measures that aim to minimise market (e.g. access to finance – Chapter 29), institutional (e.g. maternity benefits – Chapter 23) and policy implementation failures (e.g. beneficiary selection bias) that constrain women entrepreneurs. Governments in OECD countries commonly offer a suite of direct measures that aim to address gaps in access to resources, including dedicated entrepreneurship training schemes, coaching and mentoring offers, dedicated networking supports and a range of instruments to address financial gaps. Estimates suggest that women and men are about 4% more likely to start a business after they have participated in an entrepreneurship training course (Cowling, 2009[20]), while more intensive and selective formats of entrepreneurship training tend to report stronger outcomes (OECD/European Commission, 2023[7]). This is the case, for example, for the Women in Rural, Regional and Remote Enterprises (WiRE) Program (Australia). Evaluations of this entrepreneurship bootcamp for women entrepreneurs found that 82% of participants reported an increase in entrepreneurship skills and 86% in building networks (Wiesner, 2018[21]).

Governments can go further by building a more gender inclusive infrastructure to support entrepreneurs. Some countries such as Australia, Canada, Costa Rica, the United Kingdom and the United States have implemented policies that address the overall entrepreneurial ecosystem, which tend to focus on expanding gender inclusivity to ensure that women entrepreneurs benefit from existing supports (OECD, 2021[22]). For example, the Government of Canada launched the Women's Entrepreneurship Strategy (WES) in 2018 which represents an investment of CAD 6 billion (EUR 4.3 billion), including CAD 165 million (EUR 115 million) for the WES Ecosystem Fund to support women in starting and scaling their businesses; CAD 13.6 million (EUR 9.5 million) towards the Women Entrepreneurship Knowledge Hub to improve access to entrepreneurial knowledge, data and best practices; CAD 55 million

(EUR 38 million) towards the Women Entrepreneurship Loan Fund to provide loans to diverse women entrepreneurs; and CAD 15 million (EUR 10.4 million) towards the Inclusive Women Venture Capital Initiative to build a more inclusive risk and venture capital environment (Government of Canada, 2021[1]).

Governments also use indirect measures that address the fundamental challenges to gender equity, social justice, economic security and empowerment, which all have an influence on labour market and entrepreneurship decisions. These types of interventions focus on shifting institutional, cultural and normative characteristics to be more women-focussed. Common approaches include encouraging the participation of women in the labour market, addressing the inequitable distribution of care work, promoting entrepreneurial women role models, publicising profiles of women entrepreneurs through award programmes, and ensuring that the education system encourages women to pursue entrepreneurship and self-employment, especially in Science, Technology, Engineering and Mathematics (STEM) fields (Chapter 9). While empirical evidence is limited on the impact of indirect measures, conceptual research acknowledges the importance of the influence of these measures on entrepreneurial intentions (Bosma et al., 2012[23]; Laviolette, Lefebvre and Brunel, 2012[24]; Greene, Han and Marlow, 2013[25]). Some examples of initiatives that promote positive role models have demonstrated positive impacts, such as the National Women's Enterprise Day in Ireland which showcases a range of women entrepreneurs to counter gender stereotypes by highlighting women entrepreneurs who work in sectors that are traditionally perceived as "masculine" (Halabisky, 2018[19]). This programme receives wide coverage in newspapers and national public television and reaches an estimated 2 million people.

To close gender gaps in entrepreneurship, women's entrepreneurship policies need to be better adapted to the needs and challenges of women entrepreneurs. Governments could do more to strengthen policy frameworks and delivery systems. Greater efforts are needed to implement policy actions designed to address the underpinning biases in society and the labour market, including the introduction of systemic methods for monitoring the impacts of women's entrepreneurship policy against policy objectives and for identifying progress relative to targets and the effectiveness of different measures as these types of interventions remain limited.

Key policy messages

- After a reduction in many of the gender gaps in entrepreneurship over the past decade, COVID-19 has reversed some of the progress made. This calls for renewed attention from governments to address persistent gender inequalities in entrepreneurship through packages of direct and indirect support measures.
- There is a need for greater use of tailored policy interventions to meet the diverse needs of women entrepreneurs. The COVID-19 crisis re-emphasised the importance of tailored support schemes as women were among the most impacted yet faced challenges in accessing support.
- Governments could do a better job of measuring women's entrepreneurship and the impacts of policy. This will improve policy design and facilitate knowledge sharing and policy transfers.

References

Bosma, N. et al. (2012), "Entrepreneurship and role models", *Journal of Economic Psychology*, Vol. 33/2, https://doi.org/10.1016/j.joep.2011.03.004. [23]

Cowling, M. (2009), "Impact of Entrepreneurship Training and Small Business Experience on Future Entrepreneurial Activity in the UK", *IES Working Paper*, No. 21, http://www.employment-studies.co.uk/system/files/resources/files/wp21.pdf. [20]

Eurostat (2021), *Labour Force Survey*, https://ec.europa.eu/eurostat/web/lfs/data/database (accessed on 25 February 2022). [14]

Facebook, OECD and World Bank (2020), *The Future of Business Survey*, https://dataforgood.fb.com/global-state-of-smb (accessed on 23 May 2022). [3]

Global Entrepreneurship Monitor (2022), *2021/2022 Global Report: Opportunity Amid Disruption*, https://gemconsortium.org/report/50900. [12]

Global Entrepreneurship Monitor (2018), *Global Report 2017/18*, https://gemconsortium.org/file/open?fileId=50012. [11]

Global Entrepreneurship Monitor (2017), *2016/2017 Global Report*, https://gemconsortium.org/report/49812. [10]

Global Entrepreneurship Monitor (2016), *2015/16 Global Report*, https://gemconsortium.org/file/open?fileId=49480. [9]

Government of Canada (2021), *Women Entrepreneurship Strategy*, Innovation, Science and Economic Development Canada, https://ised-isde.canada.ca/site/women-entrepreneurship-strategy/en. [1]

Graeber, D., A. Kritikos and J. Seebauer (2021), "COVID-19: a crisis of the female self-employed", *Journal of Population Economics*, Vol. 34/4, pp. 1141-1187, https://doi.org/10.1007/s00148-021-00849-y. [5]

Greene, F., L. Han and S. Marlow (2013), "Like Mother, Like Daughter? Analyzing Maternal Influences Upon Women's Entrepreneurial Propensity", *Entrepreneurship: Theory and Practice*, Vol. 37/4, https://doi.org/10.1111/j.1540-6520.2011.00484.x. [25]

Halabisky, D. (2018), "Policy Brief on Women's Entrepreneurship", *OECD SME and Entrepreneurship Papers*, No. 8, OECD Publishing, Paris, https://doi.org/10.1787/dd2d79e7-en. [19]

Laviolette, E., M. Lefebvre and O. Brunel (2012), "The impact of story bound entrepreneurial role models on self-efficacy and entrepreneurial intention", *International Journal of Entrepreneurial Behaviour and Research*, Vol. 18/6, https://doi.org/10.1108/13552551211268148. [24]

META (2022), *Global State of Small Business: A look at the continuing recovery in 2022, with insights on women-led and minority-led SMBs*, https://dataforgood.facebook.com/dfg/resources/March-2022-Global-State-of-Small-Business-Report (accessed on 26 September 2022). [4]

Mindes, S. and P. Lewin (2021), "Self-employment through the COVID-19 pandemic: An analysis of linked monthly CPS data", *Journal of Business Venturing Insights*, Vol. 16, p. e00280, https://doi.org/10.1016/j.jbvi.2021.e00280. [16]

OECD (2023), *Self-employment rate* (indicator), https://doi.org/10.1787/fb58715e-en (accessed on 10 January 2023). [15]

OECD (2021), *Entrepreneurship Policies through a Gender Lens*, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, https://doi.org/10.1787/71c8f9c9-en. [22]

OECD (2020), *Inclusive Entrepreneurship Policies: Country Assessment Notes*, OECD, Paris, https://www.oecd.org/cfe/smes/Ireland-IE-2020.pdf. [13]

OECD/EU (2019), *The Missing Entrepreneurs 2019: Policies for Inclusive Entrepreneurship*, OECD Publishing, Paris, https://doi.org/10.1787/3ed84801-en. [18]

OECD/European Commission (2023), "Improving the effectiveness of inclusive and social entrepreneurship training schemes", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2023/05, OECD Publishing, Paris, https://doi.org/10.1787/8386c4de-en. [7]

OECD/European Commission (2022), "Policy brief on access to finance for inclusive and social entrepreneurship: What role can fintech and financial literacy play?", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2022/06, OECD Publishing, Paris, https://doi.org/10.1787/77a15208-en. [6]

OECD/European Commission (2021), *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris, https://doi.org/10.1787/71b7a9bb-en. [2]

Oggero, N., M. Rossi and E. Ughetto (2019), "Entrepreneurial spirits in women and men. The role of financial literacy and digital skills", *Small Business Economics*, https://doi.org/10.1007/s11187-019-00299-7. [8]

Spasova, S. and P. Regazzoni (2022), "Income protection for self-employed and non-standard workers during the COVID-19 pandemic", *International Social Security Review*, Vol. 75/2, pp. 3-24, https://doi.org/10.1111/issr.12292. [17]

Wiesner, R. (2018), "The WiRE program: advancing women in rural, regional and remote enterprises through entrepreneurship, detailed final report to the Department of Industry", *Innovation and Science*, https://eprints.usq.edu.au/36247/. [21]

29 Addressing gender disparities in access to finance for business creation

David Halabisky, María Camila Jiménez, Miriam Koreen, Marco Marchese and Helen Shymanski

Women entrepreneurs have long faced barriers in access to finance for business creation and growth. This chapter presents data on the barriers faced by women entrepreneurs and highlights recent public policy measures that aim to address the gender gap in entrepreneurship finance. The chapter discusses the need to increase the use of microfinance to support business creation by women and improve the quality of accompanying non-financial services. It also covers the potential of fintech to improve access to debt and equity financing and the need to scale up measures to support growth-oriented women. The chapter underlines the need for more action in the collection of gender-disaggregated data to support policy making. It then presents key policy messages on future directions for public policy.

Key findings

- Women entrepreneurs continue to face greater difficulties in accessing finance to start a business than men due to a range of supply-side issues (e.g. financial products and services that are not suitable for the types of businesses led by women, unconscious bias among lenders and investors) and demand-side factors (e.g. lower levels of financial literacy).
- Traditional government measures to support women entrepreneurs include loan guarantees and grants. The use of microfinance schemes is growing in some OECD countries, notably in Eastern Europe. Moreover, offers are becoming more sophisticated and increasingly bundled with professional non-financial services. However, substantial unmet demand for microfinance remains, especially in the European Union (EU), and there is a need to improve the quality of non-financial services provided.
- Two emerging policy approaches that facilitate access to finance for women entrepreneurs are gaining traction. First, fintech is increasingly viewed as a tool to address finance gaps for women entrepreneurs. This includes new financial markets such as crowdfunding platforms where women entrepreneurs have been very successful, as well as innovations (e.g. big data) that inform investing and lending decisions. In addition, governments continue to increase investments that support growth-oriented women entrepreneurs. This includes equity instruments as well as building networks of female investors.

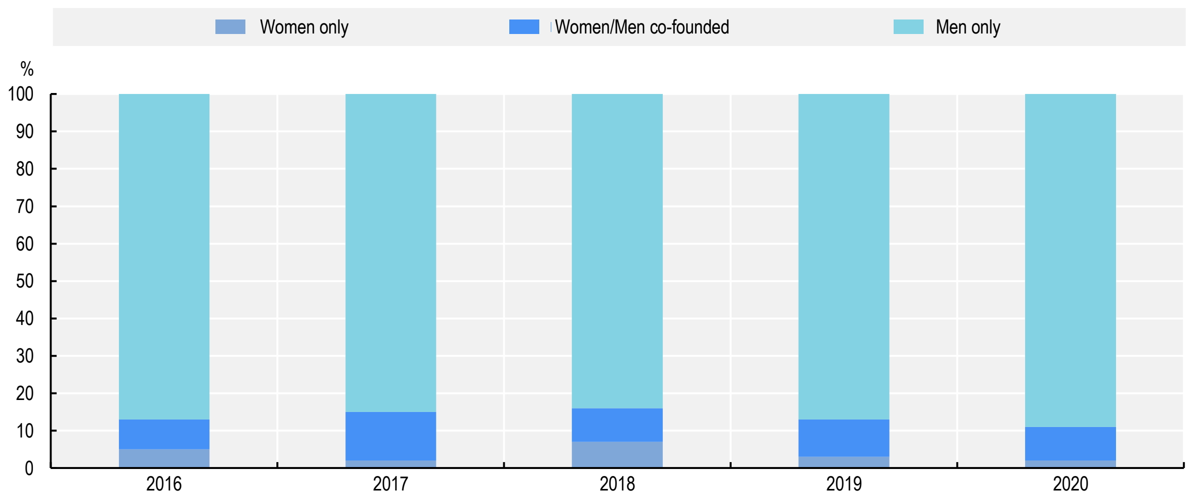
Women entrepreneurs face greater barriers than male entrepreneurs in accessing funding

Women entrepreneurs have long faced barriers in accessing finance for business creation and growth (OECD/European Commission, 2021[1]) and are less likely to successfully access debt and equity financing than their male counterparts. When they do, they typically receive less funding, pay higher interest rates and are required to provide more collateral (Lassébie et al., 2019[2]; Thebaud and Sharkey, 2016[3]). For example, in Latin America and the Caribbean, women owned micro-enterprises receive USD 5 billion (EUR 4.7 billion) less in financing than those owned by men, while the finance gap between women-owned and men-owned SMEs reached USD 93 billion (EUR 86.6 billion) (UN Women, 2021[4]). This gender gap is particularly noticeable among growth-oriented businesses, notably in Science, Technology, Engineering and Mathematics (STEM) sectors, where women entrepreneurs are under-represented (OECD, 2021[5]). Businesses owned or led by women receive only about 2% of total venture capitalist investments (Figure 29.1). Moreover, women entrepreneurs who acquire venture capital investment only receive about 70% of the funding that men receive on average (Lassébie et al., 2019[2]). Addressing long-standing barriers for women entrepreneurs to access finance could create USD 5-6 trillion (EUR 4.7-5.6 trillion) in potential net value addition worldwide (Women Entrepreneurs Finance Initiative, 2022[6]). For financial institutions, this could represent a USD 1.7 trillion (EUR 1.6 trillion) in growth opportunity (International Finance Corporation, 2017[7]).

Gender gaps in access to finance are often due to institutional and market failures on both sides of financial markets, as well as to specific characteristics of women-owned firms (size, sector, age of the firm). Supply-side factors include gender biases in lending practices and investor preferences, largely due to the small number of women investors and lenders. For example, women represent nearly 40% of the top wealth holders in the United States yet only account for 19.5% of angel investors (Jeffrey Sohl, 2018[8]). Other factors include a mismatch of financial products and services for the needs of women-led businesses and unconscious bias from those assessing funding proposals (Halabisky, 2015[9]). On the demand-side, women entrepreneurs, on average, have lower levels of financial literacy than men (Chapter 12). This can reduce their ability to identify funding opportunities for their businesses and can also negatively impact how they pitch their business to lenders and investors (Halabisky, 2015[9]).

Figure 29.1. Women-only founded companies received 2% of venture capital funding in 2020

Distribution of USD invested in growth-oriented companies by gender of leadership team (women, women/men co-founded, men), 2016-20, percentage



Note: Start-ups without founders listed in the Crunch base system were excluded from the dataset. Private equity is also excluded.
Source: Teare (2020[10]), *Global VC Funding to Female Founders Dropped Dramatically this Year*, https://news.crunchbase.com/news/global-vc-funding-to-female-founders/.

StatLink https://stat.link/dimt3o

Governments can play an important role in supporting a more diverse and inclusive entrepreneurship pipeline by doing more to address the gender gap in entrepreneurship finance. It is important for governments to utilise the entire range of financial instruments available to support the wide spectrum of women-led businesses, as the needs and challenges experienced by women entrepreneurs and potential entrepreneurs vary depending on an array of factors (e.g. type of business, sector of operation, size of business, growth objectives, etc.). Traditional policy responses include loan guarantees, grants and investor readiness training (OECD/European Commission, 2013[11]) but the governments' toolkit is growing.

Microfinance is evolving and plays a critical role in supporting women entrepreneurs

Microfinance is an important financial tool for people who experience financial exclusion from mainstream financial markets. While microfinance is commonly offered through dedicated microfinance institutes (MFIs) in developing countries, it is increasingly used to support business creation in many OECD countries, particularly in eastern European Union Member States and in Central and South American countries. Women are the most significant target client group for MFIs, accounting for as much as 80% of microfinance borrowers in developing countries (Sweidan, 2016[12]) and nearly 60% in the EU (Corsi, 2021[13]). The total global loan portfolio is currently estimated to be about USD 145-160 billion (approximately EUR 124-137 billion) (MEDICI, 2021[14]; ReportLinker Consulting, 2021[15]) and this could grow to reach about USD 400 billion (approximately EUR 342 billion) by 2027 (ReportLinker Consulting, 2021[15]).

Governments can do more to improve access to finance for women entrepreneurs by strengthening microfinance markets. There is significant unmet demand for microfinance for entrepreneurship, especially in the EU where the market gap is expected to grow to nearly EUR 17 billion by 2027 (Drexler et al., 2020[16]). A short-term priority is to inject more capital into the microfinance sector, which was heavily impacted by the COVID-19 pandemic (Box 29.1). Several options are available to governments to increase the supply of microfinance, including providing more dedicated funding for microfinance schemes for women entrepreneurs, increasing guarantees to MFIs so that they lend more and offering greater incentives to attract new entrants into the microfinance market (OECD/European Commission, 2021[1]), providing funds for microfinance with softer conditions (e.g. longer term maturities) and offering relief to MFIs by deferring non-critical supervisory processes.

In addition, governments can offer technical support to MFIs to strengthen their non-financial services offer and improve the efficiency of their business models. The vast majority of MFIs in OECD countries bundle microloans with a variety of non-financial services, such as training and coaching that aim to improve the performance of the business to increase the chances of the microloan being repaid. Evaluations tend to show that these non-financial services are effective (OECD/European Commission, 2021[1]) but many offers are relatively basic (Drexler et al., 2020[16]) and are less commonly offered by MFIs in certain regions (e.g. Eastern Europe) (Diriker, Landoni and Benaglio, 2018[17]). These non-financial services are typically more impactful for women entrepreneurs given their relatively greater skills gaps and, on average, a lack of professionals in their networks (Halabisky, 2015[9]). In addition, the business practices of MFIs could go further in leveraging digital tools to improve the efficiency of internal business processes. For example, the introduction of an electronic signature or "e-signature" by Adie in France has reduced loan processing times and accelerated the disbursement of funds (OECD/European Commission, 2021[1]).

Box 29.1. Challenges faced by the microfinance sector in the wake of the COVID-19 pandemic

The microfinance sector experienced several immediate challenges in the wake of the COVID-19 pandemic, notably short-term liquidity pressures. Both the demand (i.e. client repayments) and supply (i.e. access to capital and liquidity) sides of the market were impacted and many MFIs have responded by adjusting their products and services. This includes introducing new products to provide liquidity, providing greater support for the pivoting of business activities (e.g. reduced administrative fees, training) and offering business support services (e.g. training, coaching and mentoring) through online platforms to ensure continuity while social distancing measures were in place. Public funding has supported many of these new offerings. For example, the Government of Italy introduced several policy actions to mitigate the impact of COVID-19 on the microcredit sector, including, a moratorium on loan repayments, loan guarantees of up to 80% of the loan amount and an increase in the maximum loan amount of business microcredits from EUR 25 000 to EUR 40 000.

Source: OECD/European Commission (2021[1]), *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, https://doi.org/10.1787/71b7a9bb-en.

Fintech holds potential for reducing finance gaps for women entrepreneurs but there are risks

The rapid evolution of fintech in recent years is creating new funding opportunities for women entrepreneurs and others that have difficulties accessing funding in traditional markets. This includes new debt and equity instruments, new actors such as online challenger banks (i.e. new banks that typically rely on fintech products and services to compete with traditional banks), new marketplaces (e.g. online crowdfunding platforms) and the digital transformation of private equity instruments (i.e. digitalisation of investment assessment and monitoring, including the influence on investor objectives) (Halabisky, 2015[9]). Fintech innovations also include new data analytical possibilities (e.g. big data) and distributed ledger technologies (e.g. blockchain) that can inform new methods of evaluation of loan and investment opportunities.

Women entrepreneurs have been successful in many of these new fintech markets. They appear to be more successful than male entrepreneurs on crowdfunding platforms (Wesemann and Wincent, 2021[18]; Johnson, Stevenson and Letwin, 2018[19]). Research suggests that this is due to women entrepreneurs being more active in crowdfunding markets relative to traditional financing markets and “activist homophily”, i.e. women investors support female-led projects over male-led projects (Greenberg and Mollick, 2017[20]).

Despite some of these successes, there is a risk that fintech may reinforce financial exclusion for women entrepreneurs due to a greater reliance on algorithms in decision making by lenders and investors. Such algorithms are likely embedded with the unconscious gender biases of those who are designing, coding and using them – often men (Halabisky, 2015[9]). A greater use of algorithms could also direct funding away from projects that do not seek to generate high levels of growth and profits, putting women entrepreneurs at a disadvantage because they tend to operate small and less growth-oriented businesses (Halabisky, 2015[9]). In addition, there will be fewer opportunities for entrepreneurs, lenders and investors to have face-to-face interactions where “soft” information can be exchanged. This removes opportunities for lenders and investors to learn about entrepreneurs, their motivations and ambitions and gives greater weight to financial history and collateral, which also puts women entrepreneurs at a disadvantage (Malmström and Wincent, 2018[21]). This also reduces the ability of women entrepreneurs to acquire knowledge through interactions with lenders and investors, a potential source of coaching. This is likely more significant for women entrepreneurs since they, on average, have greater knowledge and skills gaps (OECD/European Commission, 2021[1]) and fewer opportunities to acquire such knowledge in their networks (Halabisky, 2015[9]).

It is, therefore, important that governments do more to monitor developments in fintech to ensure that they contribute to financial inclusion. This includes supporting research projects that monitor and measure discrimination in the financial sector – as done by the Swedish Innovation Agency (VINNOVA) – and ensuring that financial regulators effectively balance the need to protect consumers and the integrity of financial systems without stifling innovation. Governments can also do more to equip women entrepreneurs to be able to leverage the new opportunities offered by fintech by investing more in financial literacy training and entrepreneurship education such as the Power for Entrepreneurs initiative in Spain (Box 29.2), covering new issues such as crowdfunding and blockchain in entrepreneurship training. Another approach is to provide support to existing infrastructures that utilise industry expertise to support women entrepreneurs already in fintech fields, such offering dedicated technology incubation and accelerator programmes for women entrepreneurs (Halabisky, 2015[9]). The WILLA Women in Fintech accelerator programme in France was created after research found that start-ups with at least one female founder performed 63% better than those founded exclusively by men, but only 1 in 10 fintech start-ups were founded by women in 2018 (WILLA, 2018[22]).

Box 29.2. Power for Female Entrepreneurs, Spain

The United States Embassy in Madrid and the United States Consulate General in Barcelona, in collaboration with the Sevillian One to Corp consultancy company, held “Power for Entrepreneurs” (*POWER para EMPRENDEDORAS*) in Summer 2021. This is part of a larger project on “Providing Opportunities for Women’s Economic Rise Initiative”, launched by the Academy of Women Entrepreneurs (AWE), which aims to support the female entrepreneurial ecosystem in Spain. Power for Female Entrepreneurs was designed for women entrepreneurs to participate in an e-commerce and digital marketing bootcamp, providing women with learning and networking opportunities. Women entrepreneurs from across Spain were able to connect with the larger AWE entrepreneurial network, including over 7 000 entrepreneurs across 80 countries as well as local networks across Spain. Entrepreneurs were also able to participate in a competition after carrying out a micro-test and creating a video. There were eight prizes available, including a Digital Marketing programme in English entirely financed by the US Embassy.

Source: US Embassy and Consulate in Spain and Andorra (2021[23]), *Power for Entrepreneurs*.

Governments are providing more direct investments to support growth-oriented women entrepreneurs

Governments are increasingly supporting strategies and initiatives that address the gender gap in access to finance for growth-oriented women entrepreneurs. Two broad approaches are observed across OECD countries. The first approach is to offer support through direct funding instruments to women founders. An example is the Women in Technology Venture Fund (Canada) that was launched in 2018. The Business Development Bank of Canada manages the Fund, which invests in women-led technology companies in the seed to series B investment stages (i.e. from the first official equity funding stage to the second round of funding). The current portfolio is CAD 200 million (EUR 138 million), and investments have been made in more than 30 women-led companies (BDC, 2022[24]). Similarly, the Female Founders Initiative was launched in Australia in 2020 (Box 29.3) and other more established initiatives such as Enterprise Ireland’s Competitive Start-Fund for Female Entrepreneurs were significantly scaled-up in recent years. The latter provides EUR 50 000 in equity funding to female-led early-stage start-ups that have the potential to employ more than ten people and achieve EUR 1 million in export sales within three years. The size of the fund has doubled since 2016, reaching EUR 1 million in 2020 (Enterprise Ireland, 2021[25]).

Box 29.3. Boosting Female Founders Initiative, Australia

The Government of Australia introduced the Boosting Female Founders Initiative through the 2018 Women's Economic Security Statement and expanded it through the 2020 Women's Economic Security Statement. The Initiative seeks to boost the economy through increasing the diversity of start-ups and encouraging private sector investments into innovative women-led start-ups by providing targeted support to women entrepreneurs that wish to scale into domestic and global markets. The programme provides matched funding grants, allowing women founders to apply for grants ranging between.

AUD 25 000 to AUD 400 000 (EUR 160 000 to EUR 257 000) for Rounds One and Two. In Round Three, grants of AUD 100 000 to 400 000 (EUR 64 000 to EUR 257 000) are available. More generous matched funding is available (up to AUD 480 000 or EUR 309 000) for those who face additional barriers, such as women who are regional, rural or remote founders; those who identify as being Indigenous Australian; humanitarian migrant and refugee founders; and founders with a disability. Across the first two rounds of the Boosting Female Founders Initiative, AUD 23 million.

(EUR 14.8 million) in funding was awarded to 89 companies. The third round opened in May 2022 and has AUD 11.6 million (EUR 7.3 million) in grant funding available. The Initiative also provides access to expert mentoring and advice to help women entrepreneurs grow and scale their start-ups.

Source: Government of Australia (2022[26]), *Funding for female founders of startup businesses to scale their startups into domestic and global markets*, https://business.gov.au/grants-and-programs/boosting-female-founders-initiative-round-3.

Governments also appear to be taking a more active role in supporting investor networks for women to encourage more investment in women entrepreneurs. Many such programmes combine education, networking and direct investments to support the creation of female investor networks. For example, the Women Business Angels for Europe's Entrepreneurs (WA4E) was launched in 2017 to increase the presence and action of women in business angel financing market in several countries (e.g. Belgium, France, Italy, Portugal, Spain and the United Kingdom), generating over EUR 20 million in angel financing by women (Tooth, 2018[27]; BAE, 2022[28]).

National and international initiatives are seeking to leverage better data collection to strengthen women entrepreneurs' access to finance

There have been increasing efforts at both national and international levels to better understand the gender dimension in access to finance. A 2022 pilot initiative in the context of the OECD flagship *Financing SMEs and Entrepreneurs: An OECD Scoreboard*, showed that only very few countries collect traditional SME financing indicators by gender of the business owner (OECD, 2023[29]). In 2013, the G20 recognised the importance of data collection and analysis as a priority action in addressing the SME finance gender gap and developed a basic set of gender-disaggregated financial indicators, as part of the G20 Global Partnership on Financial Inclusion (GPFI) and its SME Finance Subgroup indicators (World Bank, 2020[30]). The 2022 Updated G20/OECD High-Level Principles on SME Financing also call for gender-disaggregated data collection (OECD, 2022[31]).

Several country-level initiatives are underway to leverage better data collection in order to strengthen women entrepreneurs' access to finance. For example, the Investing in Women Code is a public commitment launched by the UK Government to support the advancement of female entrepreneurship by improving their access to tools, resources and finance from the financial services sector. Signatory financial institutions commit to collating and publishing a set of financing data by the gender of the business owner

(GOV.UK, 2019[32]) (Box 29.4). This builds on earlier experiences, including efforts in Mexico to collect gender-disaggregated data in supply- and demand-side financial inclusion surveys progressively since 2012. In 2014, the Mexican Government approved the Financial Reform law, with the mandate to promote gender equality in access to financial services and in programmes led by national development banks (Data2x, 2019[33]).

Box 29.4. Investing in Women Code, the United Kingdom

In 2019 the UK Government asked Alison Rose, CEO of commercial and private banking at the Royal Bank of Scotland and one of the leading British businesswomen, to undertake a review of the barriers faced by women entrepreneurs in the United Kingdom. The review confirmed many of the barriers preventing women from starting and growing their business in the United Kingdom: the starting capital of British women entrepreneurs is only half that of men; 55% more women than men cite the fear of starting a business alone as a constraint; and women spend 50% more time on childcare than men.

In response, the UK Government developed the Investing in Women Code, which aims to strengthen the quantity and quality of information on gender gaps in access to finance and mobilise financial institutions to help bridge this gap. Signatory financial institutions commit to:

- Nominating a member of the senior leadership team who is responsible for supporting equality in all its interactions with entrepreneurs.
- Providing HM Treasury, or a relevant industry body designated by HM Treasury, a commonly agreed set of data concerning all-female-led businesses; mixed-gender-led businesses and all-male-led businesses.
- Agreeing that these data can be published by HM Treasury in aggregated and anonymised form.
- Adopting internal practices to improve the potential for female entrepreneurs to successfully access the tools, resources, investment and finance they need to build and grow their businesses.

As of early 2023, 79 financial institutions had signed up to the Code.

Source: GOV.UK (2019[32]), *Investing in Women Code*, https://www.gov.uk/government/publications/investing-in-women-code.

The Women Entrepreneurs Finance (We-Fi) Code is a global multi-stakeholder effort which follows the UK example by seeking to expand the quality and quantity of data on women-led firms' financing across a larger group of countries. Other initiatives that work towards improving the collection of gender-disaggregated data include the Alliance for Financial Inclusion, which developed a data portal to include financial inclusion data from financial institutions of around 65 countries (World Bank, 2020[30]). The Women's Financial Inclusion Data Partnership is an alliance between the Inter-American Development Bank, the Data 2X and the Global Banking Alliance that aims to increase the production, availability, and use of gender-disaggregated data on both supply and demand of financial services. At the moment of writing, the initiative has undertaken pilot projects in six developing countries to support the development of supply-side interventions (Data2x, 2023[34]).

In addition to the OECD, through its SME and entrepreneurship financing Scoreboard, other international organisations have initiatives to include gender elements in their datasets and improve the collection of gender SME finance data; these include the World Bank Enterprise Surveys, the EBRD Business Environment and Enterprise Performance Surveys, and the IMF Financial Access Survey (World Bank, 2020[30]).

Key policy messages

- Governments should continue to use, scale up and further develop the suite of traditional policy measures (e.g. loan guarantees, investor readiness training) to address persistent barriers faced by women entrepreneurs on both the supply-side (e.g. under-representation of female decision makers and mismatch of financial products and services) and demand-side (e.g. low levels of financial literacy) of financial markets.
- Governments should explore additional approaches to improve access and increase the supply of finance available to women entrepreneurs, including microfinance and fintech, with due consideration to ensure sufficient supply and strengthen financial inclusion. It is also important to increase the supply of growth financing for high-potential women entrepreneurs (e.g. dedicated funds with competitive selection mechanisms) and to offer non-financial supports such as management training when relevant.
- Better collection of data on access to debt and non-debt finance by women entrepreneurs is critical to understand persistent gender gaps and to better tailor financial support.

References

BAE (2022), *WA4E - Women Business Angels for Europe's Entrepreneurs*, https://www.femmesbusinessangels.org/en/women-business-angels/about-us/ (accessed on 12 April 2022). [28]

BDC (2022), *Women in Technology Venture Fund*, https://www.bdc.ca/en/bdc-capital/venture-capital/funds/women-tech-fund (accessed on 12 April 2022). [24]

Corsi, M. (2021), *European Microfinance Survey 2018-2019*. [13]

Data2x (2023), *Women Financial Inclusion Data Partnership*, https://data2x.org/financial-inclusion/. [34]

Data2x (2019), *Enabling Women's Financial Inclusion through Data: The Case of Mexico*, https://data2x.org/wp-content/uploads/2019/08/WFID-Mexico-Case-Study_FINAL.pdf. [33]

Diriker, D., P. Landoni and N. Benaglio (2018), *Microfinance in Europe: Survey Report 2016-2017*, European Microfinance Network / Microfinance Centre. [17]

Drexler, B. et al. (2020), *Microfinance in the European Union: Market analysis and recommendations for delivery options in 2021-2027*, Publications Office of the European Union, Luxembourg, https://data.europa.eu/doi/10.2767/005692. [16]

Enterprise Ireland (2021), *Competitive Start Fund - Women Entrepreneurs*. [25]

GOV.UK (2019), *Investing in Women Code*, https://www.gov.uk/government/publications/investing-in-women-code. [32]

Government of Australia (2022), *Funding for female founders of startup businesses to scale their startups into domestic and global markets*, https://business.gov.au/grants-and-programs/boosting-female-founders-initiative-round-3 (accessed on 13 January 2023). [26]

Greenberg, J. and E. Mollick (2017), "Activist Choice Homophily and the Crowdfunding of Female Founders", *Administrative Science Quarterly*, Vol. 62/2, pp. 341-374, https://doi.org/10.1177/0001839216678847. [20]

Halabisky, D. (2015), "Entrepreneurial Activities in Europe - Expanding Networks for Inclusive Entrepreneurship", *OECD Employment Policy Papers*, No. 7, OECD Publishing, Paris, https://doi.org/10.1787/5jrtpbz29mjh-en. [9]

International Finance Corporation (2017), *MSME Finance Gap: Assessment of the shortfalls and opportunities in financing*, https://www.ifc.org/wps/wcm/connect/03522e90-a13d-4a02-87cd-9ee9a297b311/121264-WP-PUBLIC-MSMEReportFINAL.pdf?MOD=AJPERES&CVID=m5SwAQA. [7]

Jeffrey Sohl (2018), "The Angel Market in 2017: Angels Remain Bullish for Seed and Start-Up Investing", *Center for Venture Research*, Vol. 16. [8]

Johnson, M., R. Stevenson and C. Letwin (2018), "A woman's place is in the… startup! Crowdfunder judgments, implicit bias, and the stereotype content model", *Journal of Business Venturing*, Vol. 33/6, pp. 813-831, https://doi.org/10.1016/j.jbusvent.2018.04.003. [19]

Lassébie, J. et al. (2019), "Levelling the playing field : Dissecting the gender gap in the funding of start-ups", *OECD Science Technology and Industry Policy Paper*, No. 73, OECD Publishing, Paris, https://doi.org/10.1787/23074957. [2]

Malmström, M. and J. Wincent (2018), "The Digitization of Banks Disproportionately Hurts Women Entrepreneurs", *Harvard Business Review*. [21]

MEDICI (2021), *Understanding the Microlending Landscape: Slow but steady growth*. [14]

OECD (2023), "OECD Financing SMEs and Entrepreneurs Scoreboard: 2023 Highlights", *OECD SME and Entrepreneurship Papers*, No. 36, OECD Publishing, Paris, https://doi.org/10.1787/a8d13e55-en. [29]

OECD (2022), *2022 Updated G20/OECD High-Level Principles on SME Financing*, OECD, Paris, https://www.oecd.org/cfe/smes/2022-Update-OECD-G20-HLP-on-SME-Financing.pdf. [31]

OECD (2021), *Entrepreneurship Policies through a Gender Lens*, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, https://doi.org/10.1787/71c8f9c9-en. [5]

OECD/European Commission (2021), *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris, https://doi.org/10.1787/71b7a9bb-en. [1]

OECD/European Commission (2013), *The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship in Europe*, OECD Publishing, Paris, https://doi.org/10.1787/9789264188167-en. [11]

ReportLinker Consulting (2021), *Global Microfinance Industry*, https://www.reportlinker.com/p05799111/Global-Microfinance-Industry.html?utm_source=GNW (accessed on 22 September 2021). [15]

Sweidan, M. (2016), *A Gender Perspective on Measuring Asset Ownership for Sustainable Development in Jordan*, United Nations, https://unstats.un.org/unsd/gender/finland_oct2016/documents/jordan_paper.pdf. [12]

Teare, G. (2020), *Global VC Funding to Female Founders Dropped Dramatically this Year*, https://news.crunchbase.com/news/global-vc-funding-to-female-founders/. [10]

Thebaud, S. and A. Sharkey (2016), "Unequal Hard Times: The Influence of the Great Recession on Gender Bias in Entrepreneurial Financing", *Sociological Science*, Vol. 3, pp. 1-31, https://doi.org/10.15195/v3.a1. [3]

Tooth, J. (2018), *The Barriers and Opportunities for Women Angel Investing in Europe*, UK Business Angels Europe. [27]

UN Women (2021), *Investing in women: a profitable path to empowerment and equality*, http://Investing in women: a profitable path to empowerment and equality (accessed on 13 January 2023). [4]

US Embassy and Consulate in Spain and Andorra (2021), *Power for Entrepreneurs*. [23]

Wesemann, H. and J. Wincent (2021), "A whole new world: Counterintuitive crowdfunding insights for female founders", *Journal of Business Venturing Insights*, Vol. 15, p. e00235, https://doi.org/10.1016/j.jbvi.2021.e00235. [18]

WILLA (2018), *The Willa Manifesto*, For Inclusive Growth, https://hellowilla.co/le-manifeste-willa/ (accessed on 30 November 2022). [22]

Women Entrepreneurs Finance Initiative (2022), *The case for investing in women entrepreneurs*, https://we-fi.org/wp-content/uploads/2022/06/We-Fi-Case-for-Investment.pdf. [6]

World Bank (2020), *G-20: Data enhancement and coordination in SME Finance Stocktaking Report*, https://www.gpfi.org/sites/gpfi/files/g20_SME_stock_2020.pdf. [30]

30 Women entrepreneurs and international trade

Jane Korinek and Elisabeth van Lieshout

This chapter analyses key characteristics of the exporting behaviours of women-led firms, based on data of 14 000 businesses in OECD countries, collected through the Future of Business Survey. It then analyses the key challenges that women entrepreneurs face in accessing international markets, in part related to factors such as the company sector, size and obstacles for international sales. It also provides some evidence on the impact of COVID-19 on women-led businesses. It then presents an overview of key policies to support women business leaders in trade, touching upon issues such as trade agreements, market access, trade facilitation, trade promotion services, finance, networks and data.

Key findings

- There exists a large gender export gap: firms led by men are almost twice as likely to sell in foreign markets as firms led by women.
- These differences in exporting are in part due to women-led firms' smaller size and concentration in the services sector. However, these factors do not fully account for the gap.
- Women-led firms face a variety of obstacles to exporting, including less access to financing and high barriers to trade in services. However, there are also potential opportunities, including the shift to increased online sales due to the COVID-19 pandemic.

Exporting by women entrepreneurs

In most OECD countries, international trade is an important part of the national economy and a major driver of economic growth. Exporting firms earn higher profits, pay higher wages, and grow faster than non-exporting firms (Baldwin and Yan, 2015[1]; Melitz and Redding, 2014[2]; Schank, Schnable and Wagner, 2007[3]; Singh, 2010[4]; Bernard and Jensen, 1999[5]; Bernard et al., 2007[6]). Ensuring that businesses led by women entrepreneurs are able to take advantage of the opportunities provided by international trade will support greater gender equality in addition to contributing to higher economic growth. Supporting women in trade can also help to close gender gaps that have grown during the COVID-19 pandemic.

OECD analyses of the *Future of Business Survey* data (Box 30.1) show that women-led businesses are substantially less likely to sell their products and services internationally than those led by men. Such findings are relevant to businesses with an online Facebook presence and they are consistent with findings from existing research (International Trade Centre, 2015[7]; 2019[8]; Bélanger Baur, 2019[9]; Ministry of Foreign Affairs and Trade of New Zealand, 2022[10]). When asked whether they engage in international trade, only 13% of women-led firms reported they export, compared to 25% of men-led and 18% of equal-led firms. These gender differences are in part due to differences in the characteristics of women-led and men-led businesses. Women are more likely to lead firms in services sectors (93% of women-led versus 75% of men-led businesses among those surveyed), and services are generally less likely to be traded internationally (World Bank Group/WTO, 2020[11]). Women-led firms are also generally smaller and newer in OECD countries, while exporting is done more by firms that are larger and more established. For example, only 13% of women-led firms that responded to the survey have over 50 employees while 60% have fewer than five, compared to 24% and 43% respectively for men-led businesses; similarly, in emerging markets, women's entrepreneurship is concentrated in micro firms (International Finance Corporation, 2011[12]; World Trade Organization, 2016[13]). Particularly important in emerging markets, firms that trade are less likely to be in the informal sector (World Bank Group/WTO, 2020[11]; International Finance Corporation, 2011[12]).

Box 30.1. The Future of Business Survey

This chapter makes use of data from the *OECD-World Bank-Meta Future of Business Survey* of firms with an online presence on Facebook. A questionnaire on firm characteristics and economic activity was distributed among a random sample of businesses in March 2022. This resulted in information on almost 14 000 businesses in OECD countries, including whether or not they engage in trade, the gender make-up of their leadership and other business characteristics such as size and sector of activity.

In the analysis of the survey data, firms are weighted in order to ensure the random sample resembles the population of Facebook page administrators. Since this group is not identical to the wider business population, the survey should be regarded as representative of firms with an online Facebook presence rather than businesses generally.

Firms are defined in this analysis as women-led if they report that the majority of their leadership is women, with the reverse for men, while equal-led businesses are those with a 50-50 division at the time of the survey. Among the surveyed firms, 28% reported they were women-led, 28% were equal-led, and 44% were men-led. For more information on the survey methodology, see Schneider (2020[14]).

Some of the export gap can be attributed to underlying differences in firm types such as sector of activity and size using the Kitagawa-Oaxaca-Blinder (KOB) decomposition, a statistical method often used to analyse gender pay gaps (Jann, 2008[15]). Of the gender difference in exporting, 39% is due to the concentration of women-led firms in industries less inclined towards international trade. Another 30% can be attributed to the smaller average size of women-led firms, with little variation captured by business age and country of activity. The remaining 26% cannot be explained by firms' features and instead seems to be associated with gender differences.

The concentration of women-led firms in sectors less engaged in exporting is not only due to their greater likelihood of working in services. Women are also less likely to lead firms in industries in which their country has a revealed comparative advantage (i.e. where the country exports more than it imports). Based on regression analysis controlling for country and sector, firms led by women are 3% less likely than those led by men to be in an industry with a comparative advantage. Similarly, a survey of women-owned firms in emerging markets suggests that they are more likely to be in lower value-added sectors (International Trade Centre, 2015[16]). This suggests that attaining leadership positions in competitive sectors may be more difficult for women, and this may present another obstacle to them engaging in international trade.

The gender exporting gap is present in most OECD countries (Figure 30.1), with major differences across countries, and in a handful of countries it is absent or even reversed (such as Costa Rica and Türkiye). In some cases such as Canada and New Zealand, women-owned firms are also less likely to import goods and services than those owned by men (Ministry of Foreign Affairs and Trade of New Zealand, 2022[10]; Bélanger Baur, 2019[9]). The level of exports and the size of the gender gap are not highly correlated: some countries see large numbers of businesses selling abroad and a small difference between men- and women-led businesses, and vice versa. A gender exporting gap is also present in almost all industries, although it is most pronounced in the manufacturing sector where exports are most common. Moreover, there is some relationship between the size of a business and its trading behaviour: as businesses grow, their likelihood of exporting increases, but this effect is stronger for men-led businesses. Thus, the gender gap also increases with business size.

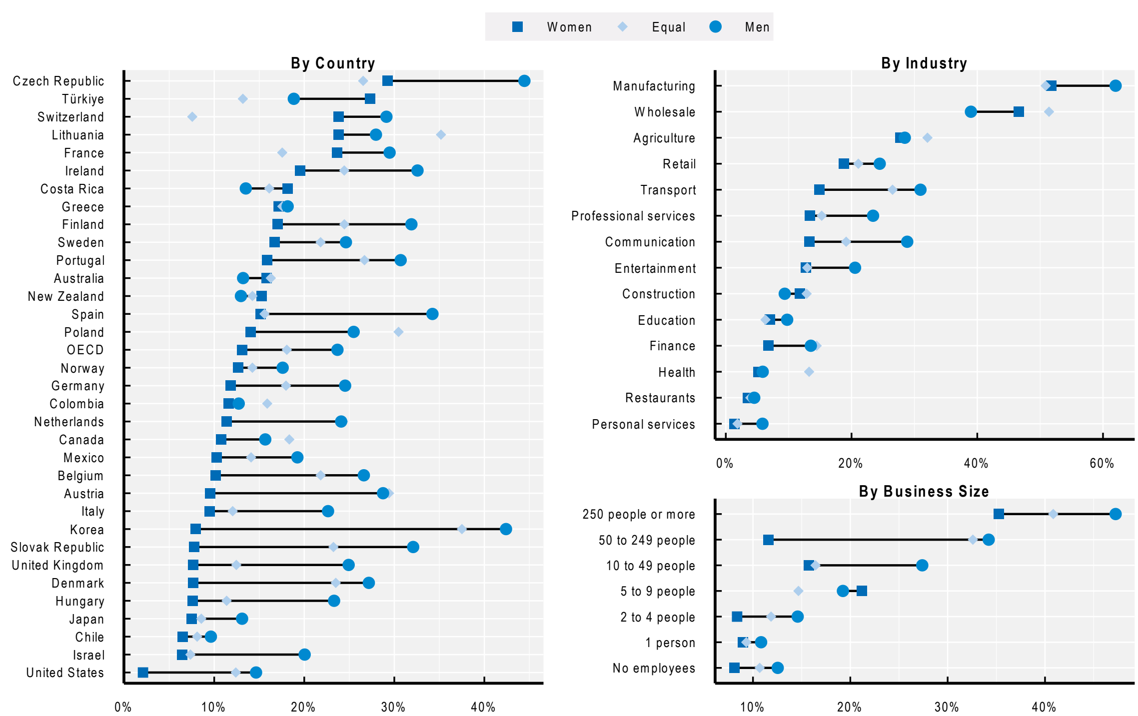
Not only do women-led businesses generally export less than men-led ones, there are also differences in their export patterns. On average, women-led businesses in the *Future of Business Survey* sample sell to fewer destination countries: 45% export to five or more markets, compared to 51% for men-led businesses.

Two-thirds of this gap is due to the smaller average size of women-led firms, while most of the remaining difference is unexplained by firm characteristics. Fewer export destinations means less potential for greater export volume and an increased vulnerability to demand shocks in foreign markets for women-led businesses.

Furthermore, women-led firms tend to export more directly to consumers and less to other businesses. Business-to-business sales are often larger and more scalable, meaning they offer more opportunity to increase exports along the intensive margin, i.e. increasing the average size of orders. While 89% of the surveyed men-led firms engaged in exporting report selling to foreign companies, only 64% of women-led firms do so. This difference is 16% due to the industries in which these firms operate, 23% to average size differences, and 5% to the younger age of women-led businesses in the survey, but most of the remaining gap, i.e. over half of the difference, is not explained by the features of men- and women-led firms.

Figure 30.1. The gender exporting gap is present in most OECD countries

Percentage of firms in a given group who indicate they engage in either "exporting" or "both importing and exporting" by leadership status



Source: Authors' calculations based on a sample of 14 000 businesses covered in the OECD-World Bank-Meta *Future of Business Survey*.

StatLink https://stat.link/1emw7i

Challenges accessing international markets

The lower rates of exporting among women-led businesses raises the question of what obstacles women face in engaging on international markets. Identifying such challenges may help to suggest policy solutions that support women's ability to engage in trade. The analysis in the section uses the *Future of Business Survey* data and should be considered as relevant to businesses with an online Facebook presence.

Sector-related challenges

A substantial part of the gap in exporting is due to women more frequently leading businesses in services sectors. Generally, services are exported less and are more costly to provide across borders (Ariu, 2012[17]). Moreover, policy barriers to services trade are higher than barriers to trade in goods such as tariffs. Trade costs in services are almost double those in goods, and a large share of these costs results from policy barriers (World Trade Organization, 2016[13]; 2019[18]). Removing services trade barriers is particularly important to increasing gender equality in trade, as it will open up foreign markets for women-led businesses that are more commonly found in services sectors. Evidence also suggests that women-owned and women-led firms find barriers to trade more costly to overcome than men-led firms (Davies and Mazhikeyev, 2020[19]).

Size-related challenges

Another component of the gender export gap is the smaller average size of women-led businesses. Larger businesses engage in exporting more in part because there are a number of fixed costs involved, such as gathering information on foreign markets and customs procedures.

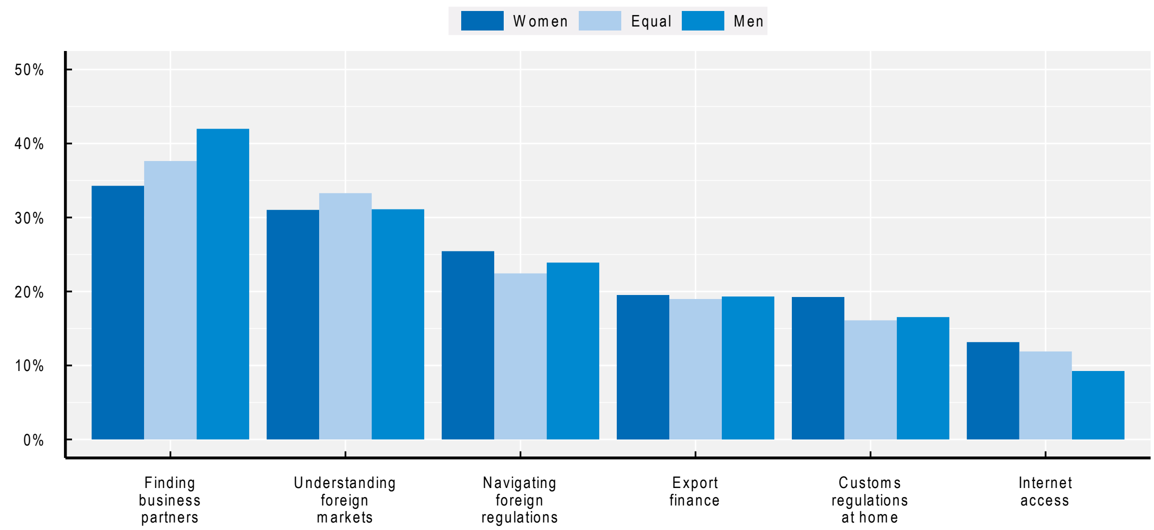
Obstacles that women face when it comes to growing their business include less available time due to care obligations and lower access to financing (International Trade Centre, 2015[7]; 2019[8]; Korinek, Moïsé and Tange, 2021[20]) (Chapter 29). Among the businesses surveyed, 11% of women-led firms currently had a bank loan compared to 18% of men-led firms. Including other types of financing such as family and friends and equity investors, 27% of women-led firms and 35% of men-led firms surveyed had access to outside financing. Research has found that women-owned firms face 50% more rejections in applications for traditional trade finance than men-owned businesses, and it is unclear why this is so; as such, women are more likely to seek out alternative finance than male-led businesses (DiCaprio, Kim and Beck, 2017[21]). Supporting easier access to finance for women-led businesses will play a role in both their growth and ability to export. Other surveys suggest that women-led firms find alternative methods of financing to commercial banks such as through family and friends, and using credit card debt (International Finance Corporation, 2022[22]), or applying for European Union (EU) funding (International Trade Centre, 2019[8]), more frequently than men. Lack of collateral, inadequate financial infrastructure and other barriers involving gender-based social and cultural barriers restrict the access of women-owned SMEs to more formal sources of financing (International Finance Corporation, 2022[22]; 2011[12]; International Trade Centre, 2015[7]).

Challenges to selling abroad

As part of the *Future of Business survey*, firms were asked what challenges they face in selling abroad. As show in Figure 30.2, for the most part, the obstacles to trade identified by men- and women-led firms were similar. This finding contrasts with a survey of women exporters in Canada, where women-led firms are more affected by logistics, border procedures and administrative barriers to exporting as compared with men-led firms (Sekkel, 2020[23]). Women in the EU, however, do not say they experience difficulties in obtaining up-to-date trade-related information (International Trade Centre, 2019[8]). Firms that responded to the *Future of Business Survey* indicated difficulties in finding local business partners (the most common challenge), understanding foreign markets and navigating domestic customs and foreign regulations. Women-led businesses in turn are more concerned with the quality of internet access, in line with the finding below that they are more likely to sell goods online.

Figure 30.2. Difficulties in finding local business partners are a key challenge to exporting

Responses of firms that are currently exporting or have considered selling abroad, indicating the percentage of respondents that selected each available option for the question “What are the most important challenges your business currently faces selling in other countries?”, by leadership



Source: Authors’ calculations based on a sample of over 14 000 businesses covered in the OECD-World Bank-Meta *Future of Business Survey*.

StatLink https://stat.link/r4nxgh

Firms that already export listed different obstacles than those not yet selling abroad. Both men- and women-led firms that do not yet export are more likely to identify export finance as a barrier than firms already selling abroad. Firms that already trade, conversely, are more likely to point to customs regulations as a barrier. Women-led firms in particular are more likely to identify the need to find business partners as a challenge when they are already engaged in exporting. This finding mirrors the challenge women face in accessing professional networks: women’s professional networks are generally shallower and smaller than those of men whereas such networks can provide information on foreign markets, and potential partners and distributors. Thus, the types of policy responses and support needed may be different for firms that are aiming to export compared with those that are looking to expand existing export operations.

Impact of the COVID-19 pandemic

The COVID-19 pandemic had wide-reaching economic impacts and was particularly challenging for small- and medium-sized enterprises (SMEs). Comparing the answers given in the March 2022 survey with those given in an earlier edition of the same survey in July 2019 allows investigating the effects of the pandemic.

Men-led and women-led businesses experienced different challenges during the pandemic. Between 2019 and 2022, men-led businesses reported a significant increase in the difficulty in finding and retaining skilled employees. Conversely, more women-led businesses reported that they could not obtain the necessary financing for daily operations. This may have been exacerbated also because risk assessments in financial institutions were heightened during the pandemic.

The greater difficulty of women-led businesses in access to funding is also seen in their reduced ability to access government support (Chapter 29). Many governments implemented extensive support programmes for firms during the pandemic. The results of the 2022 survey show that, in most domains, women- and men-led businesses were equally supported. However, men-led businesses were more likely to have received non-repayable grants and subsidies than those led by women (26% versus 22% of firms). The lack of both private and public funding may hinder the ability of women-led firms to recover.

One of the consequences of the pandemic was significant strain on international supply chains; these challenges were felt more strongly by male business leaders, who were more likely than women-led firms to indicate they experience supply challenges, most prominently "delay in receiving supplies" and "an increase in shipping costs". This may be due to the higher prevalence of men-led businesses in manufacturing and the higher rates of importing and exporting of men-led firms, all of which may have left them more vulnerable to supply chain shocks.

Another effect of the pandemic was a switch to the digital sphere, as working and shopping moved online. Women-led businesses in particular took advantage of this: while in 2019 a similar percentage of women- and men-led businesses made at least a quarter of their sales online (37% and 36% respectively), by 2022 these shares had shifted to 52% and 44% respectively. 68% of women-led and 65% of men-led businesses agreed that the COVID-19 crisis would change their use of digital technologies permanently. This increasing importance of digital business presents a significant opportunity for women entrepreneurs.

Policies to support women business leaders in trade

As shown above, the gender exporting gap is wide and it widens as firms grow. Since engaging in international markets generally makes firms more competitive and offers them greater opportunities to grow, targeted policies to support women in trade may be a low-hanging fruit to promote gender equality.

Many countries have implemented policies to support women entrepreneurs in their export journey, to ensure that trade opportunities are available to them, and to lessen barriers to trade and international expansion that particularly impact women. Some policies target SMEs or generally aim to improve the ease of doing business but are not gender-specific; others support women entrepreneurs but are not specific to trade. Some countries, such as Canada and Ireland, have developed an overarching strategy to support women entrepreneurs and business leaders in trade. In 2020, Enterprise Ireland launched an *Action Plan for Women in Business* which included as a priority doubling the number of women-led companies growing internationally, including through greater gender mainstreaming across all of Enterprise Ireland's work, more accessible funding and financing, and greater outreach and engagement to support growth in global markets. Spain has implemented measures to increase women's participation in trade in the areas of access to finance, trade-related training for women, data and information, and ensuring compliance with Spain's Gender Equality Law. APEC (Asia-Pacific Economic Co-operation)'s *La Serena Roadmap for Women and Inclusive Growth* provides a clear strategic direction for women's economic empowerment, including through trade, for countries seeking to mainstream gender-responsive policies and drive structural reforms.

Some of the main policy areas supporting women in trade are outlined below, with illustrative examples of programmes implemented in selected OECD countries.

Applying a gender lens to trade agreements

Increasingly, countries include gender-specific provisions in their trade agreements. This is particularly the case of newer trade agreements negotiated by Canada, Chile and the EU. The preceding analysis indicates that much of the gender gap in exporting is unexplained by firms' characteristics, which suggests the gap may be due in part to unconscious bias and wider societal norms. Many trade agreements include provisions to reaffirm trading partners' commitments to international standards of gender equality, such as those defined by ILO Conventions on non-discrimination and equal remuneration, or the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Such provisions can go some way to ensuring basic equal rights, especially if the provisions are subject to dispute settlement within the agreement.

Trade agreements increasingly call for co-operation and implement joint activities between the trading partners that aim to reduce gender discrimination and barriers to trade and labour market participation for women. A wide-ranging co-operation agreement on trade and women's empowerment is the Global Trade and Gender Arrangement (2020[24]), signed in 2020 by Canada, Chile and New Zealand, and then by Mexico, Colombia and Peru. This arrangement provides a forum for the adhering countries to share good practices in trade and wider domestic policies that affect women's ability to engage in labour markets and in trade such as access to finance, parental leave and care policies, women's representation in Science, Technology, Engineering and Mathematics (STEM), and improving women's business and digital skills.

Ensuring market access for goods and services produced and consumed by women and their businesses

One way that trade policy makers can support women is to prioritise sectors where women work in market access negotiations, in particular services, where women often work and lead businesses in OECD countries, and barriers to trade are generally higher.

In December 2021, 67 WTO member countries agreed on a Joint Initiative on Services Domestic Regulation (World Trade Organization, 2021[25]) which included, for the first time in the history of the WTO, a clause on non-discrimination between men and women. This means that the signatory countries agree not to discriminate on the basis of gender when adopting and applying measures relating to the authorisation of services suppliers.

In order to understand the impacts of trade agreements on workers, consumers and entrepreneurs, it is desirable to undertake *ex ante* impact assessments including measuring gender-differentiated effects, as also suggested by the ILO (2011[26]) and the World Bank and WTO (2020[11]). Women work and own businesses in different sectors than men, so they are affected differently by the opportunities and competition that result from trade agreements. They can inform negotiating strategies, for example by prioritising sectors where women export for market access in partner countries.

Implementing trade facilitating measures

The preceding analysis found that 30% of the gender exporting gap can be attributed to the smaller size of women-owned and women-led firms – which are therefore more strongly impacted by non-transparent and cumbersome border processes that increase the trade costs of smaller businesses more (International Trade Centre, 2019[8]; World Bank Group/WTO, 2020[11]). The gender exporting gap is also more pronounced in manufacturing, where more trade takes place and where trade facilitation measures are most effective.

Trade facilitation reforms making border processes more efficient can reduce trade costs on average for OECD countries by more than 10%. Moreover, smaller firms benefit more from such improvements relative to large firms (López González and Sorescu, 2019[27]). Even modest improvements in trade facilitation policies such as transparency, automation, streamlining of processes at borders and border agency co-operation, have a positive impact on exports of parcels of between 6% and 14% (López González and Sorescu, 2021[28]). Increasing the ease of trade in parcels may affect women-owned businesses, which export more to individuals, even more than those owned by men, which export more to other businesses.

Many countries have implemented trade-facilitating policies that have lowered barriers to trade. The OECD benchmarks such measures in the Trade Facilitation Indicators dataset (OECD, n.d.[29]). Since women entrepreneurs have less time than men due to their greater unpaid responsibilities in the home, measures that ease importing and exporting procedures are particularly beneficial to them. Greater automation of border procedures is key to facilitating border crossings, and preferred exporter programmes also help to save time for traders. Some countries particularly target women exporters in their trade facilitation programmes. For example, Australia's export promotion agency AusTrade has developed a programme called *Women in Export* that offers market information, resources and advice that caters specifically to women exporters.

Ensuring trade promotion services reach women exporters and cater to their needs

Targeted export support to women entrepreneurs could help close the gender exporting gap, given that a large part of it cannot be explained by differences in firm characteristics. Trade promotion agencies support exporters and potential exporters with information, trade promotion and trade missions. APEC created a toolkit for trade promotion organisations to better understand the challenges in providing gender responsive support services, and suggest actions to support women entrepreneurs in building their export readiness and capacity to access global markets (APEC, 2018[30]).

Trade promotion services are more effective when they cater to the stage of businesses' export readiness. Early stage exporters may be helped by programmes that provide export readiness assessments and information about export procedures. Global Affairs Canada (see quiz at https://www.international.gc.ca/gac-amc/campaign-campagne/ceta-aecg/quiz.aspx?lang=eng), AusTrade (see quiz at https://export.business.gov.au/guide-to-exporting) and the International Trade Centre (see SME Trade Academy course at https://learning.intracen.org/course/info.php?id=189 and export potential map at https://exportpotential.intracen.org/en/), for example, provide online export readiness assessments. The Canadian Trade Commissioner Service offers step-by-step guides for women business leaders exporting to the EU (available at https://www.tradecommissioner.gc.ca/guides/exporter-exportateurs/exporting-guide-exportation.aspx?lang=eng), while other guides focus on particular dimensions of exporting such as customs procedures or supply chain management. More seasoned exporters may be helped more by stronger business networks, and specific services catering to them in order to close the gender exporting gap that widens with firm size. Chile's trade promotion agency ProChile's *Mujer Exporta* programme provides export training, business planning (including for digital transformation), coaching, workshops and support networks aimed at women exporters.

Trade promotion agencies support exporters also by organising trade missions where entrepreneurs benefit from the networks established by trade officials in partner countries. Monitoring and ensuring gender balance in such missions can provide better opportunities to women entrepreneurs. Some countries and organisations such as Canada, Chile, Switzerland, the United States and the Organization of Women in Trade (OWIT) organise women-focused trade missions.

Providing adequate finance, including trade finance, and promoting financial literacy

To tackle the barriers in access to credit and equity as well as in export financing, some countries have put in place targeted export financing mechanisms like Export Development Canada's Women in Trade programme (Export Development Canada, n.d.[31]). Other initiatives tackle gender gaps in financial literacy (Chapter 12) and the need for financial institutions to be more gender sensitive. The International Finance Corporation's Banking on Women Global Trade Finance Programme (BOW-GTFP) aims to close gender gaps in trade financing by creating incentives for partner banks in emerging markets to lend more to women entrepreneurs for importing and exporting, and encouraging partner banks to better serve women-owned SMEs. Specifically, the BOW-GTFP programme has issued USD 120 million in loans and loan guarantees since it started in 2019. Banks in emerging markets that loan to women-owned or women-led SMEs receive a rebate of 20 basis points (for loans financed above 100 basis points per annum) on the funds they borrow for those loans from the International Finance Corporation. BancoEstado, Chile's state-owned bank, similarly offers training to increase women's financial knowledge and management skills.

Ensuring professional and business networks are inclusive of women

Strong networks can be crucial for enabling access to capital and for smaller businesses to manage common problems, reduce information asymmetry, and build social capital to engage in more distant markets (Ernst and Young, 2013[32]; Bamber and Staritz, 2016[33]). Women report that they benefit less from traditional, male-dominated professional and business networks (International Trade Centre, 2019[8]).

This suggests they have less access to information, fewer contacts and less mentoring and support than men. It was seen above that women entrepreneurs that export indicate challenges in navigating customs procedures and foreign regulations, and finding foreign partners. Stronger networks can reduce these informational barriers and can provide the types of information that are not readily available such as recommendations for partners and services in-country.

Some countries facilitate networking among women exporters. The *Women Entrepreneurs Network Program* run by the Turkish Directorate General for Exports, for example, has created a peer-to-peer network to share information about best practices in exporting. The Pacific Alliance of Chile, Colombia, Mexico and Peru have created a Women's Entrepreneurship Community within the ConnectAmericas network to link women entrepreneurs in Pacific Alliance countries to buyers and suppliers.

Closing data gaps

Comprehensive gender-differentiated data related to international trade is lacking in most countries. Filling such gaps in data availability is key to ensure good policy making. Chile's *Radiografía a la participación de las mujeres en las exportaciones chilenas* collects gender-disaggregated data by industry, sector, market destination and total value. Some studies have combined data sources in innovative ways, an example being the Trade and Gender Review of New Zealand, a joint study by OECD and the Ministry of Foreign Affairs and Trade of New Zealand (OECD, 2022[34]). Closing data gaps also implies collecting data on, and monitoring, gender balance in trade programmes and policies such as export promotion services, women entrepreneurs' engagement in preferential exporter programmes, and women's participation in trade policy making both on negotiating teams and as engaged stakeholders.

Key policy messages

- There are a number of policy areas where governments can support women business leaders in their export journeys. These include making trade agreements more gender-sensitive; ensuring market access in products and services that women and their businesses produce and consume; facilitating trade and the crossing of borders; applying a gender lens to trade promotion; providing adequate trade finance; ensuring business and professional networks are inclusive of women; and collecting and monitoring information regarding women in trade.
- It is necessary that domestic policies that favour women's participation in labour markets complement gender-sensitive trade policies. Domestic policies that promote sharing the burden of unpaid work, closing gender wage gaps, promoting women in leadership, closing gaps in access to finance and supporting women-owned and women-led firms in government procurement, increase women's ability to lead and expand their businesses, thereby allowing them to benefit from the gains from trade.

References

APEC (2018), *Supporting Women's Access to Global Markets: A Toolkit for Trade Promotion Organisers*, https://www.apec.org/publications/2018/04/supporting-womens-access-to-global-markets---a-toolkit-for-trade-promotion-organisers. [30]

Ariu, A. (2012), "Services Versus Goods Trade: Are they the Same?", *SSRN Electronic Journal*, https://doi.org/10.2139/ssrn.2185851. [17]

Baldwin, J. and B. Yan (2015), *Trade and Productivity: Insights from Canadian Firm-level data*, Institute for Research on Public Policy, https://irpp.org/research-studies/trade-and-productivity/. [1]

Bamber, P. and C. Staritz (2016), *The Gender Dimensions of Global Value Chains*, International Centre for Trade and Sustainable Development (ICTSD), Geneva. [33]

Bélanger Baur, A. (2019), *Women-owned Exporting Small and Medium Enterprises: Descriptive and Comparative Analysis*, Office of the Chief Economist, Global Affairs Canada, draft, 3 October. [9]

Bernard, A. and J. Jensen (1999), *Exporting and Productivity*, National Bureau of Economic Research, Cambridge, MA, https://doi.org/10.3386/w7135. [5]

Bernard, A. et al. (2007), "Firms in International Trade", *Journal of Economic Perspectives*, Vol. 21/3, pp. 105-130, https://doi.org/10.1257/jep.21.3.105. [6]

Davies, R. and A. Mazhikeyev (2020), "The glass border: Gender and exporting in developing countries", *The World Economy*, Vol. 44/4, pp. 879-903, https://doi.org/10.1111/twec.13075. [19]

DiCaprio, A., K. Kim and S. Beck (2017), *2017 Trade Finance Gaps, Growth, and Jobs Survey*, ADB, Manila. [21]

Ernst and Young (2013), *It's who you know: women entrepreneurs and the impact of networks*, https://www.ey.com/Publication/vwLUAssets/EY_Its_who_you_know_Women_entrepreneurs_and_the_impact_of_networks/$FILE/EY-Its-who-you-know-Women-entrepreneurs.pdf. [32]

Export Development Canada (n.d.), *Women in Trade programme*, https://www.edc.ca/en/tag/women-in-trade.html. [31]

Global Trade and Gender Arrangement (2020), , https://www.international.gc.ca/trade-commerce/inclusive_trade-commerce_inclusif/itag-gaci/arrangement.aspx?lang=eng. [24]

ILO (2011), *Trade and Employment: From Myths to Facts*, M. Jansen, R. Peters, J-M Salazar-Xirinachs, https://www.ilo.org/wcmsp5/groups/public/@ed_emp/documents/publication/wcms_162297.pdf. [26]

International Finance Corporation (2022), *Banking on Women who Trade, presentation to WTO Gender Research Hub Think Up! Conference*. [22]

International Finance Corporation (2011), *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*, https://www.ifc.org/wps/wcm/connect/2a9123b3-d369-4115-8cbf-19083218ce64/G20_Women_Report.pdf?MOD=AJPERES&CVID=jqeI-xk. [12]

International Trade Centre (2019), *From Europe to the World: Understanding Challenges for European Businesswomen*, https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/From%20Europe%20to%20World%20Women%20EU_final_web.pdf. [8]

International Trade Centre (2015), *SME Competitiveness Report 2015*, https://legacy.intracen.org/uploadedFiles/intracenorg/Content/Publications/SME_Comp_2015_Jan_version_low_res.pdf. [16]

International Trade Centre (2015), *Unlocking Markets for Women to Trade*, https://intracen.org/resources/publications/unlocking-markets-for-women-to-trade. [7]

Jann, B. (2008), "The Blinder–Oaxaca decomposition for linear regression models", *The Stata Journal*, Vol. 8/4, pp. 453-479, https://doi.org/10.1177/1536867X0800800. [15]

Korinek, J., E. Moïsé and J. Tange (2021), "Trade and gender: A Framework of analysis", *OECD Trade Policy Papers*, No. 246, OECD Publishing, Paris, https://doi.org/10.1787/6db59d80-en. [20]

López González, J. and S. Sorescu (2021), "Trade in the time of parcels", *OECD Trade Policy Papers*, No. 249, OECD Publishing, Paris, https://doi.org/10.1787/0faac348-en. [28]

López González, J. and S. Sorescu (2019), "Helping SMEs internationalise through trade facilitation", *OECD Trade Policy Papers*, No. 229, OECD Publishing, Paris, https://doi.org/10.1787/2050e6b0-en. [27]

Melitz, M. and S. Redding (2014), *Heterogeneous Firms and Trade*, G. Gopinath, E. Helpman and K. Rogoff editors, North Holland. [2]

Ministry of Foreign Affairs and Trade of New Zealand (2022), *Inclusive and productive characteristics of New Zealand goods exporting firms*, MFAT working paper, https://www.mfat.govt.nz/assets/Trade-General/Trade-stats-and-economic-research. [10]

OECD (2022), *Trade and Gender Review of New Zealand*, OECD Publishing, Paris, https://doi.org/10.1787/923576ea-en. [34]

OECD (n.d.), *Trade Facilitation Indicators dataset*, https://www.compareyourcountry.org/trade-facilitation. [29]

Schank, T., C. Schnable and J. Wagner (2007), "Do exporters really pay higher wages? First evidence from German linked employer-employee data", *Journal of International Economics*, Vol. 72, pp. 52-74, https://doi.org/10.1016/j.jinteco.2006.08.004. [3]

Schneider, J. (2020), *Future of Business Survey Methodology Note, mimeo*, https://dataforgood.facebook.com/dfg/tools/future-of-business-survey. [14]

Sekkel, J. (2020), *Women-owned SMEs and Trade Barriers*, https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/women_owned_smes_trade-pme_commerce_appartenant_femmes.aspx?lang=eng. [23]

Singh, T. (2010), "Does International Trade Cause Economic Growth? A Survey", *The World Economy*, Vol. 33/11, pp. 1517-1564, https://doi.org/10.1111/j.1467-9701.2010.01243.x. [4]

World Bank Group/WTO (2020), *Women in Trade: The Role of Trade in Promoting Gender Equality*, https://www.wto.org/english/res_e/publications_e/women_trade_pub2807_e.htm. [11]

World Trade Organization (2021), *Joint Initiative on Services Domestic Regulation*, https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/L/1129.pdf&Open=True . [25]

World Trade Organization (2019), *World Trade Report 2019: The Future of Services Trade*, https://www.wto.org/english/res_e/booksp_e/00_wtr19_e.pdf. [18]

World Trade Organization (2016), *World Trade Report 2016: Levelling the trading field for SMEs*, https://www.wto.org/english/res_e/booksp_e/world_trade_report16_e.pdf. [13]

31 Harnessing foreign direct investment for gender equality

Letizia Montinari

This chapter examines how foreign direct investment (FDI) influences gender equality in host countries by contributing to the development of sectors where many women work or have the potential to work and through the activities of foreign affiliates of multinational enterprises (MNEs). It examines institutional frameworks and policies that can enhance the positive impact of FDI on gender equality, providing examples of good practices from OECD and non-OECD countries. Finally, it discusses how development co-operation can play an important role in mobilising and improving the impact of FDI on gender equality.

Key findings

- The OECD Foreign Direct investment (FDI) Qualities indicators show that FDI tends to be higher in sectors with a lower share of women and higher gender wage gaps. They also show that, on average, foreign affiliates of multinational enterprises (MNEs) employ higher shares of women, but do not always perform better in terms of promoting women to higher levels of management and supporting women's participation in business ownership.
- The impact of FDI on gender equality is not automatically positive. Domestic legal and regulatory frameworks and a range of technical and financial support measures may be needed to allow FDI to create quality jobs and enable women to take advantage of these opportunities.
- Official development assistance for private sector development, which includes FDI-related assistance, has grown steadily in recent years, but the link with gender equality objectives remains weak. By incorporating a gender equality focus in FDI interventions, donors and development co-operation partners can help mobilise and leverage FDI for gender equality.

The impact of FDI on gender equality is not clear cut and many factors are at play

FDI can influence gender equality outcomes in host countries. It can contribute to the development of sectors that employ or have the potential to employ many women, such as services (e.g. professional services, hospitality, information and communication). It can also affect the employment and working conditions of local women through the activities of foreign affiliates of MNEs, such as recruitment, remuneration, promotion and other work practices (OECD, 2019[1]; 2022[2]). FDI can also influence gender outcomes in domestic firms through business linkages, competition and labour mobility. For instance, FDI could create jobs for women in domestic firms through the business opportunities along domestic supply chains. Evidence on these channels, however, remains limited to specific countries due to the lack of internationally comparable data (OECD, 2019[1]; OECD, 2022[2]).

The OECD FDI Qualities Indicators (Box 31.1) show that new establishments by foreign companies (e.g. greenfield FDI) are concentrated in sectors with smaller shares of women in both OECD and non-OECD countries. In the OECD area and in most regions, significant portions of FDI are directed to manufacturing, construction and, especially in resource-rich countries, mining and energy (Figure 31.1). Smaller shares of FDI are channelled into services, which globally employ larger shares of women. The indicators also show that the gap between earnings of women and men is on average higher in manufacturing and services. The gap tends to be lower in construction and mining and energy – sectors that employ relatively fewer and proportionally more higher-skilled women. These regional and sectoral aggregates hide significant variations between countries. Moreover, the indicators provide only a partial picture of the impact of FDI, as they reflect greenfield projects and not foreign mergers and acquisitions (i.e. a consolidation of companies through a merger or an acquisition).

Figure 31.1. Greenfield FDI is higher in sectors with lower shares of women and larger gender pay gaps

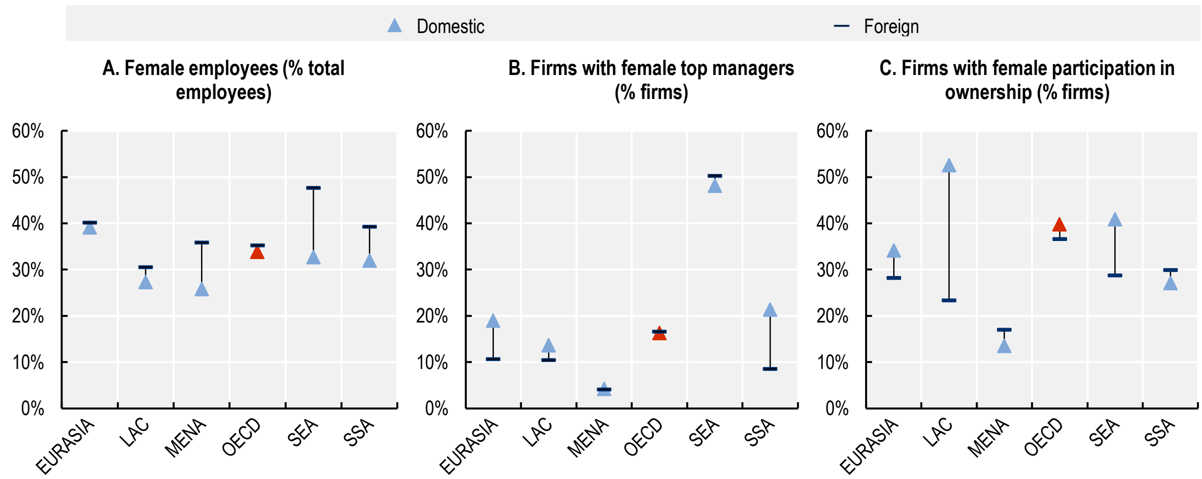
Note: Greenfield FDI is a type of foreign direct investment in which a parent company sets up a subsidiary in another country. Greenfield FDI stocks measure the level of greenfield FDI at a given point in time in a country. In this figure they are shown as sectoral shares in the total greenfield FDI stocks of a region, therefore add up to 100%, while female employees are shares in the total number of employees in a given sector, and do not add up to 100%.

Source: OECD elaboration based on Financial Markets' Greenfield FDI (2022[3]), https://www.fdimarkets.com/ and ILOSTAT (2022[4]), *Labour statistics 2022*, https://ilostat.ilo.org/data/.

StatLink https://stat.link/6fn79h

In most countries foreign affiliates of MNEs are, on average, more productive and pay higher wages than domestic firms (OECD, 2019[1]; OECD, 2022[5]). This is because foreign firms tend to be larger and more technology-intensive, given their access to technologies and knowledge of the parent company (Javorcik, 2004[6]). Nonetheless, when looking at their performance in relation to various gender equality outcomes, the results are less clear-cut (Figure 31.2). In the OECD area and in all regions under analysis, foreign firms have on average higher shares of female employees than domestic firms. Foreign companies, however, do not seem to perform better than domestic companies when considering the promotion of women to top management level. The indicators show very small differences in the shares of companies with women in top management in the OECD area, the Middle East and North Africa, and Southeast Asia, while in the remaining regions the share of domestic companies with women in top management positions is higher. The share of domestic firms with women in ownership is higher in most regions and in the OECD area, with the exception of the Middle East and North Africa and Sub-Sahara Africa, where the differences between the shares of foreign and domestic firms are small.

Figure 31.2. In some dimensions of gender equality, domestic firms perform better than foreign ones



Note: LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SEA = Southeast Asia and SSA = Sub-Saharan Africa,
Source: OECD elaboration based on the World Bank Enterprise Surveys (2022[7]), *Enterprise Surveys 2022*, https://www.enterprisesurveys.org/en/enterprisesurveys.

StatLink https://stat.link/0qb69z

The results confirm that a broader context is needed to assess the contribution of FDI to gender equality. The impact of foreign firms on gender outcomes is influenced by several factors such as the sector of the investment, the entry mode of the foreign investor (e.g. greenfield FDI or mergers and acquisitions deals), the motive of the FDI (e.g. efficiency seeking, market seeking), as well as the MNE corporate culture, which is in turn influenced by the norms and values prevailing in the country of origin (OECD, 2022[2]). Recent studies find that foreign companies from more gender-equal countries have higher shares of women, including in management levels, lower gender pay gaps and are more likely to offer family-friendly work arrangements (Kodama, Javorcik and Abe, 2018[8]; Tang, 2017[9]). The policy and institutional context of the host country also matter, including its commonly accepted social and cultural norms in relation to gender (OECD, 2022[2]).

Box 31.1. OECD FDI Qualities Initiative

Foreign direct investment (FDI) is a key source of funding to achieve the sustainable development goals and commitments made in the Paris Agreement on climate change. However, the benefits of FDI do not always materialise, and the impact of investment can vary across countries and sustainability areas. Moreover, policies and institutional arrangements play a critical role in maximising the positive impact of FDI. The FDI Qualities Initiative supports governments in their efforts to improve the contribution of FDI to achieving the SDGs. It provides governments with the tools and data to develop and implement evidence-based policies that encourage investments leading to the key objective of sustainable development. It comprises three main pillars:

- **FDI Qualities Indicators** help governments assess the impact of investment across four areas of the SDGs: decarbonisation; job quality and skills; gender equality; and productivity and innovation.

- **FDI Qualities Policy Toolkit** helps governments improve the impact of investment on sustainable development through decarbonisation, quality of work and skills, gender equality, productivity and innovation. The Toolkit complements the OECD's Policy Framework for Investment (PFI) by providing governments with detailed, tailored policy guidance and best practices for attracting and retaining sustainable investment. The Policy Toolkit also includes guidance on strengthening the role of development co-operation in mobilising FDI and enhancing its positive impact in developing countries.
- **OECD Council Recommendation on FDI Qualities** complements the Policy Toolkit by incorporating a set of key policy principles from the Policy Toolkit into a legal instrument. Adopted at the 2022 Meeting of the OECD Council at the Ministerial Level (MCM), it is the first government-backed instrument on how to improve the positive contribution of international investment to the SDGs.

Source: OECD (2022[2]), *FDI Qualities Policy Toolkit*, https://doi.org/10.1787/7ba74100-en; OECD (2022[5]), *FDI Qualities Indicators 2022*, https://www.oecd.org/investment/investment-policy/FDI-Qualities-Indicators-Measuring-Sustainable-Development-Impacts.pdf;
OECD (2019[1]), *FDI Qualities Indicators: Measuring the sustainable development impacts of investment*, https://www.oecd.org/investment/investment-policy/FDI-Qualities-Indicators-Measuring-Sustainable-Development-Impacts.pdf.

The right policy mix and governance mechanisms can improve the impact of FDI on gender equality

The governance framework for gender equality can vary across countries. Especially in developed countries, gender is typically mainstreamed into the activities of all government ministries. In less developed countries, which rely more on private investment, government intervention is often more limited and gender equality initiatives depend largely on dedicated ministries and institutions, including private actors and the donor community. However, the policy and institutional framework can change significantly even between countries with similar levels of development. For example, Canada and Sweden, two countries strongly committed to achieving gender equality, have very different governance frameworks. Both countries have ministries dedicated to gender issues. However, Sweden has very few initiatives to support gender equality and relies on a formal gender mainstreaming programme to raise awareness of gender issues among government agencies. Canada, on the other hand, relies more on targeted gender initiatives at both federal and provincial levels (OECD, 2022[2]).

Co-ordination between actors responsible for gender and investment policies, as well as other relevant policies, are key to improving the impact of FDI. Investment promotion agencies (IPAs) are in a unique position to link investment to gender equality objectives. Only recently some IPAs have started to attach importance to gender equality objectives. For example, Business Sweden has introduced a clear code of conduct and vision for gender equality. Invest in Canada has a gender-focused strategy in outbound investments. Costa Rica's IPA, CINDE, supports several educational programmes for women in collaboration with universities and some MNEs.

Institutional co-ordination mechanisms between the relevant institutions and agencies also play an important role. These can take different forms, from gender focal points to inter-ministerial and inter-agency committees. In Jordan, for example, gender units are an important tool for mainstreaming gender issues in the activities of ministries, including in investment issues. They are co-ordinated and report directly to the Jordanian National Commission for Women (JNCW), a semi-governmental body that serves as a reference authority for women's issues (OECD, 2022[10]).

The national legal and regulatory framework influences the ability of FDI to create quality jobs, as well as the capacity of women to take advantage of these opportunities. Regulatory restrictions on FDI (for instance related to foreign ownership, screening and approval procedures, and constraints on foreign staff) can limit the potential employment impact of FDI, particularly when it affects sectors that employ or could employ many women. Regulations on minimum wage, employment protection, social protection, taxation, sexual harassment and flexible working arrangements affect the quality of employment opportunities created by FDI. Burdensome and non-transparent business regulations and discriminatory laws regarding property and inheritance rights can hinder women's ability to become entrepreneurs and benefit from the business opportunities brought by FDI. Access to quality education and healthcare is also crucial for a productive and well-educated female workforce.

It is important that the national legal and regulatory framework is aligned with international standards on gender equality (e.g. CEDAW, ILO conventions) and promotes the OECD Guidelines for Multinational Enterprises and Due Diligence guidance, which help companies prevent and address the negative impacts of business operations on the economy, society and the environment (OECD, 2011[11]). In addition, the inclusion of gender-related provisions in regional trade agreements and bilateral investment treaties, even if non-binding, can provide a means of signalling a country's commitment to promoting gender equality (Chapter 30).

A range of policy instruments can help address market failures, such as information asymmetries, which penalise women in the labour market and limit their capacity to benefit from the presence of foreign firms. For example, targeted tax incentives can encourage the recruitment and promotion of women or the adoption of gender-inclusive working practices in both foreign and domestic companies. Jordan, for instance, provides a corporate income tax reduction to companies that hire between 15% and 25% of women in their workforce, depending on the sector. It is important, however, that these measures are designed in a transparent way and regularly assessed.

Training programmes tailored to the needs of foreign investors can help increase the employability of women in foreign companies. Training programmes adapted to the needs of foreign investors can help increase the employability of women in foreign companies. For example, Costa Rica's CINDE promotes training programmes for women in collaboration with universities and multinationals to increase the participation of women in Science, Technology, Engineering, Arts and Mathematics (STEAM) sectors. Information and facilitation measures can help eliminate prejudices and stereotypes that influence the perceptions of employers and investors. These include public information campaigns and programmes that enable women entrepreneurs to connect with potential business partners and investors, such as supplier diversity programmes and matchmaking events (Box 31.2) (Chapters 28 and 29).

Box 31.2. Programmes to connect women entrepreneurs with foreign MNEs and regional supply chains: experiences from Canada, Morocco and Rwanda

Several countries have implemented programmes to help women entrepreneurs link with foreign MNEs and global supply chains. Some notable examples are Supplier Diversity Canada and the programmes implemented with the support of SheTrades Global in Morocco and Rwanda.

Supplier Diversity Canada is an initiative funded by Women and Gender Equality Canada, which aims to advance business diversity and inclusion in Canada by bringing women-owned, aboriginal-owned, minority-owned and LGB-owned businesses into corporate supply chains and government contracts. The initiative includes training procurement professionals on the advantages and tools available to broader their supplier network and connecting diversity suppliers with procurement opportunities. Numerous MNEs have engaged in supplier diversity programmes, including Dell, IBM, Marriott, Sodexo and several others.

SheTrades Global is a programme of the Centre for International Trade that helps women-owned businesses expand their network, learn new skills and connect with business partners and investors. With the support of SheTrades Global, Morocco and Rwanda have developed similar programmes. In Rwanda, where 98% of women-owned businesses are small or micro enterprises, these programmes focus on connecting different female suppliers with local and regional supply chains. The programme is especially adapted to the horticulture and coffee sectors, where women business owners dominate. In Morocco, the programme is geared more towards women in the agri-food sector, with an international focus on linking Moroccan suppliers with potential buyers in both Canada and Europe.

Source: OECD (2022[2]), *FDI Qualities Policy Toolkit*, https://doi.org/10.1787/7ba74100-en.

Development co-operation can help attract FDI that improves gender equality

Development co-operation can play an important role in mobilising and enhancing the impact of FDI on gender equality. Development co-operation actors (e.g. state agencies, international organisations, development banks and NGOs) have long worked with developed countries to create sound governance and policy frameworks on investment and support sustainable development, including gender equality (Chapter 2).

Developing countries may struggle to attract FDI due to a combination of investment barriers and real or perceived risks that make it more difficult for the private sector to invest (OECD/UNCDF, 2020[12]). Development co-operation can help lower these barriers, reducing costs, risk and uncertainty for investors. It can do so by improving the investment climate, productive capacity (e.g. economic diversification, integration into regional and global value chains) and infrastructure of beneficiary countries. While fostering the development of the private sector, development co-operation can help countries achieving the SDGs. Over the last decade, official development funding (ODF) for private sector development, which includes FDI-related assistance, has grown steadily. OECD research shows, however, that ODF is rarely linked to gender equality targets, while it more often supports other SDGs such as low-carbon transition, industry, innovation and infrastructure, and job and skill development (Box 31.3) (OECD, 2022[13]).

The FDI Qualities Guide for Development Co-operation (OECD, 2022[13]) provides advice on how to make donor interventions more effective and improve the positive impact of FDI on gender equality as well as on other sustainable development dimensions. It offers a compendium of options for development co-operation partners to mobilise and enhance the sustainable development impact of FDI, including through the implementation of recommendations from the OECD FDI Qualities Policy Toolkit.

Box 31.3. Development co-operation efforts to improve the impact of FDI on gender equality: evidence from Latin America and Armenia

Financial instruments based on gender outcomes by Canadian Climate Fund and IDB

In Latin America, IDB Invest, the private arm of the Inter-American Development Bank, offered a financial instrument based on gender outcomes, with funds from the Canadian Climate Fund. Under this mechanism, a project that meets a predefined gender-related target could have the interest rate on the loan reduced by up to 25 basis points. For example, the company Tecnogroup in Uruguay obtained a loan to build six solar photovoltaic plants associated with targets of having at least 15% female employees, and at least 15% of the working hours at each plant assigned to women.

United Kingdom and World Bank Group's support for FDI promotion in Armenia

The World Bank Group, in partnership with Good Governance Fund of the United Kingdom, launched a new advisory programme in Armenia to help the government implement reforms, attract FDI, and foster female entrepreneurship to spur business growth and job creation. The programme, implemented by the International Finance Corporation, works in two directions: it advises the government on attracting FDI through targeted investment promotion and measures to improve investor confidence; and it helps improve the economic outcomes of women entrepreneurs by improving their business skills and access to business networks. While supporting the growth of high-potential sectors, including through the identification of promising sectors for targeted FDI promotion, the project will help strengthen relevant legal and regulatory frameworks and help the government identify export potential for selected products. To ensure that women entrepreneurs can benefit from business environment reforms, the project will also help analyse key constraints for women in business and build capacity of women entrepreneurs.

Source: IDB Invest (2022[14]), *Canadian Climate Fund*, https://idbinvest.org/en/canadian-climate-fund; IFC (2019[15]), *World Bank Group to Help Attract Investments and Empower Women Entrepreneurs in Armenia*, https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18531.

Key policy messages

- Assessing the impact of FDI on gender equality outcomes and regularly evaluating how these impacts evolve over time is important to identifying areas where policy action might be needed. This requires gender-disaggregated data on investment, the labour market, entrepreneurship, which are internationally comparable and regularly updated.
- Countries should intensify their efforts to enhance the positive contribution of FDI to gender equality in their economy. The implementation of the OECD FDI Qualities Policy Toolkit, in particular the gender-related policy directions, and the adoption of the OECD Council Recommendation on FDI Qualities for Sustainable Development, can support them in this process.
- Countries should strengthen the role of development co-operation in mobilising FDI and its positive impact on gender equality in developing countries. The FDI Qualities Companion Guide for Donor's Engagement can help countries achieve this goal.

References

Financial Markets (2022), *fDi Markets*, https://www.fdimarkets.com/ (accessed on 13 March 2023). [3]

IDB Invest (2022), *Canadian Climate Fund*, https://idbinvest.org/en/canadian-climate-fund (accessed on 13 March 2023). [14]

IFC (2019), *World Bank Group to Help Attract Investments and Empower Women Entrepreneurs in Armenia*, https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18531. [15]

ILOSTAT (2022), *Labour statistics*, https://ilostat.ilo.org/data/ (accessed on 13 March 2023). [4]

Javorcik, B. (2004), "Does Foreign Direct Investment Increase the Productivity of Domestic Firms? In Search of Spillovers Through Backward Linkages", *Americal Economic Review*, Vol. 94/3, pp. 605-627. [6]

Kodama, N., B. Javorcik and Y. Abe (2018), "Transplanting corporate culture across international borders: Foreign direct investment and female employment in Japan", *The World Economy*, Vol. 41/1, pp. 1148–1165. [8]

OECD (2022), *FDI Qualities Guide for Development Co-operation: Strengthening the Role of Development Co-operation for Sustainable Investment*, OECD Development Policy Tools, OECD Publishing, Paris, https://doi.org/10.1787/7f251bac-en. [13]

OECD (2022), *FDI Qualities Indicators 2022*, OECD, Paris, https://read.oecd-ilibrary.org/view/?ref=1144_1144750-u5ks4jvtnl&title=FDI-Qualities-Indicators-2022. [5]

OECD (2022), *FDI Qualities Policy Toolkit*, OECD Publishing, Paris, https://doi.org/10.1787/7ba74100-en. [2]

OECD (2022), *FDI Qualities Review of Jordan: Strengthening Sustainable Investment*, OECD Publishing, Paris, https://doi.org/10.1787/736c77d2-en. [10]

OECD (2019), *FDI Qualities Indicators: Measuring the sustainable development impacts of investment*, OECD, Paris, https://www.oecd.org/investment/investment-policy/FDI-Qualities-Indicators-Measuring-Sustainable-Development-Impacts.pdf. [1]

OECD (2011), *OECD Guidelines for Multinational Enterprises*, OECD Publishing, Paris, https://doi.org/10.1787/9789264115415-en. [11]

OECD/UNCDF (2020), *Blended Finance in the Least Developed Countries 2020: Supporting a Resilient COVID-19 Recovery*, OECD Publishing, Paris, https://doi.org/10.1787/57620d04-en. [12]

Tang, H. (2017), "Do Multinationals Transfer Culture? Evidence on Female Employment in China", *CESifo Working Paper Series 6295*, https://www.cesifo.org/en/publications/2017/working-paper/do-multinationals-transfer-culture-evidence-female-employment-china. [9]

The World Bank (2022), *Enterprise Surveys*, https://www.enterprisesurveys.org/en/enterprisesurveys (accessed on 13 March 2023). [7]

32 Women and the social economy

Amal Chevreau and Natalie Laechelt

This chapter starts by showing the relevance of the social economy as a labour market for women. It then shows that existing gender gaps in leadership and pay are relatively limited in the social economy. The chapter highlights that entities that have a social purpose and/or flexible working conditions attract women to the social economy, but it also stresses the risk of "dual labour market dynamics" limiting women to what is traditionally perceived as "women's jobs or roles". After analysing women's employment in the social economy, the chapter provides policy recommendations to further recognise their work and leadership in the field. It also suggests ways to increase women's participation in high-growth sectors within the social economy, such as technology-intensive and green sectors.

Key findings

- Women represent a larger share of the labour force of the social economy than of the total labour force in most countries. Women are mostly active in the services sector, especially in care, education, and social work – in line with the social economy's overall specialisation. Despite salaries being lower than in the wider economy for both men and women, gender gaps in pay and leadership are reportedly lower in the social economy.
- Motivational factors attract women to social economy organisations both as workers and founders. This is related to specific features of the social economy which include governance practices based on principles such as solidarity, mutuality, the primacy of people over capital, and co-operation. Social economy entities can offer flexible working conditions or childcare services to support a better work-life balance for employees, including those with care responsibilities.
- The social economy can contribute to increased women's labour market participation and provide lessons for the wider economy to advance gender equality. However, there is a risk that differences between the social economy and the wider economy lead to a permanent segregation of labour markets in the social economy and the economy at large.

The social economy is an important labour market for women

The definition of the social economy varies across countries. It typically refers to entities such as associations, co-operatives, mutual societies, foundations and, more recently, social enterprises (see Box 32.1). Their activity is driven by values of solidarity and co-operation, the primacy of people over capital, and democratic and participative governance. Social economy entities distinguish themselves in two respects: their *raison d'être*, as they primarily address societal needs and pursue a social purpose, and their way of operating because they implement specific business models based on collaboration, typically at the local level. The interest in the social economy has grown significantly of late, although it has existed for centuries.

Box 32.1. Typical entities in the social economy

An **association** or **voluntary organisation** is a self-governing, independently constituted body of people who have joined together voluntarily to take action for the benefit of the community. They are not established for financial gain.

A **co-operative** is an autonomous association of persons and/or legal entities united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Co-operative principles include voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for the community. A co-operative includes one or more kinds of users or stakeholders, which enables to distinguish four main types of co-operatives, namely the producer co-operatives, worker co-operatives, consumer/user co-operatives, and multi-stakeholder co-operatives.

A **foundation** is a philanthropic organisation, operated as a permanent collection of endowed funds, whose earnings are used for the long-term benefit of a defined geographical community or non-profit sector activity. Foundations operate as grant-making institutions and as providers of social, health and cultural services. They provide a significant link between the private and non-profit sectors, acting as recipients of private capital and funders of non-profit organisations. Foundations are tax-exempt, incorporated, not-for-profit, and organisationally autonomous.

A mutual society is an organisation owned and managed by its members and that serves the interests of its members. Mutual organisations can take the form of self-help groups, friendly societies, and co-operatives. They exclude shareholding as they bring together members who seek to provide a shared service from which they all benefit. They are widely represented in the insurance and health sectors.

A **social enterprise** is an entity which trades goods and services and fulfils a societal objective and whose main purpose is not the maximisation of profit for the owners but its reinvestment for the continued attainment of its societal goals. It can bring innovative solutions to social problems like social exclusion and unemployment. The OECD considers social enterprises as part of the social economy, extending the scope of the social economy beyond its traditional forms.

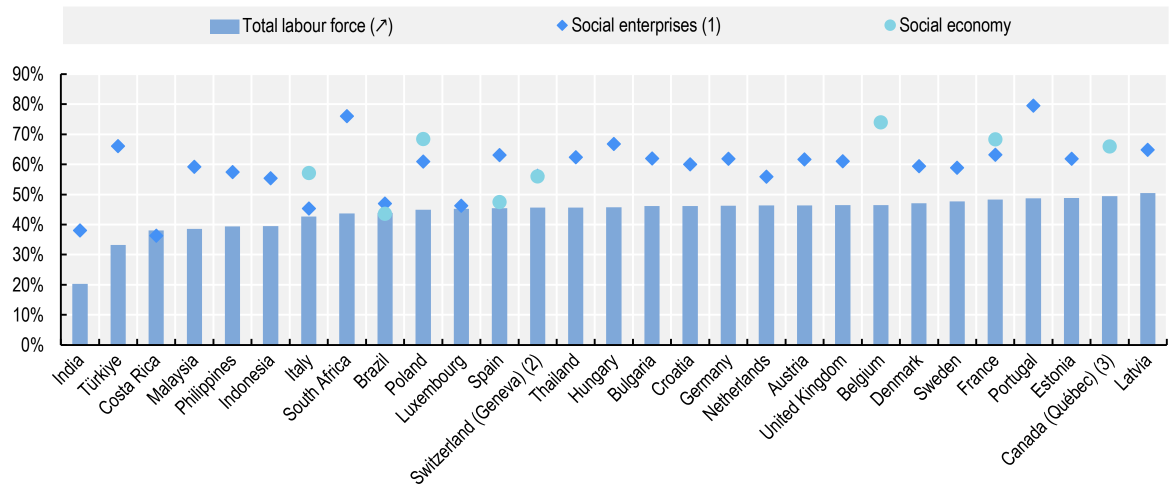
Sources: European Commission (2022[1]), *Social economy in the EU*, https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu_fr; OECD (2020[2]), "Regional Strategies for the Social Economy, Examples from France, Spain, Sweden and Poland", https://www.doi.org/10.1787/76995b39-en; OECD (2018[3]), *Job Creation and Local Economic Development 2018: Preparing for the Future of Work*, https://www.doi.org/10.1787/9789264305342-en; OECD (2022[4]), "Legal frameworks for the social and solidarity economy", https://www.doi.org/10.1787/480a47fd-en; OECD (2022[5]), *Recommendation of the Council on the Social and Solidarity Economy and Social Innovation*, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0472%20; OECD (1999[6]), *Social Enterprises*, https://www.doi.org/10.1787/9789264182332-en.

The social economy represents a notable share of the economy. It is estimated to account for between around 2% and 10% of national GDP depending on the OECD country (OECD, 2020[2]). In France and Spain it has been estimated at 10% of GDP, 4% in Colombia, 3% in Portugal and 1.8% in Poland (European Commission, 2021[7]; Castillo, 2020[8]; European Commission, 2021[9]). It is also a significant employer, counting almost 13.6 million people – about 6.2% of all employees – in the European Union alone (European Commission, 2022[1]).

The share of women in the social economy labour force is higher than in the wider economy in most countries and is estimated to exceed 60% in many of them (Figure 32.1). According to available data, among OECD countries, the share of female employment in the social economy (including social enterprises) is highest in Belgium – 74%, compared to 46% in the total labour force (Observatoire ES, 2015[10]) – and Portugal – 77%, compared to 45% of the total labour force (Dupain et al., 2022[11]). Based on estimates from Belgium, Italy, Luxemburg, Portugal and Spain, foundations are the type of social economy entities with the highest share of women in their labour force (72% on average), followed by associations (70%), mutual organisations (67%), and co-operatives (54%) (OECD, 2023[12]). According to data collected in 17 countries through the 2021-22 European Social Enterprise Monitor, 61% of the social enterprise labour force are women (Dupain et al., 2022[11]).

Figure 32.1. Women represent a larger share of the social economy than of the total labour force in most countries

Female share of the total labour force, percentage, 2022 or latest year available



Notes: Data collated from a variety of sources with high diversity in sample sizes, including surveys with relatively small convenience samples. The entities included in social economy data vary across country according to national definitions. Most official sources include all types of entities described in Box 32.1 and some local variations. (1) Data on social enterprises where available, data for Costa Rica and Luxembourg are for co-operatives. (2) Social economy: data for Geneva. (3) Social economy: data for Québec. On Dupain et al. (2022[11]) and British Council/Social Enterprise UK (2022[13]): country-level samples are relatively small. Data depicted here stem from special tabulations provided to the OECD by Euclid Network and British Council.
Source: Total labour force: OECD.Stat for OECD and key partners, 2015 or most recently available; World Bank/ILO for other countries, 2019 or most recently available. Social economy and social enterprises: OECD (2023[12]), "Beyond pink-collar jobs for women and the social economy", https://doi.org/10.1787/44ba229e-en.

StatLink https://stat.link/tkm4xs

Women in the social economy and women-led social economy entities are particularly active in the care, education, and social sectors. For example, in France, the share of women by occupation in the social economy is highest in personal and household services at 96% (Observatoire national de l'ESS, 2020[14]). In Italy, these figures are highest in education (81% of the social economy labour force are women, compared to 71% in the total labour force) as well as health and social work (76%, compared to 78% in the total labour force) (ISTAT/EURICSE, 2021[15]). In the Province of Québec, Canada, the leading sector is education, childcare and social services with a share of 84% women (compared to 34% in the total labour force). This concentration coincides with the general specialisation of the social economy in education, care and social services, where welfare provision is often lacking (OECD, 2020[16]).

While salaries are overall lower in the social economy than in the wider economy, gender pay gaps in the social economy are estimated to be lower compared to the wider economy in some countries, such as France, Spain, the United Kingdom and the United States. Gender discrimination effects on pay have also been reported to be lower than in the wider economy in France and in Spain.

Beyond pay, motivational factors attract women to social economy organisations. Social economy workers obtain alternative non-monetary benefits that go beyond their salary, for instance a sense of belonging to entities that have a social purpose or flexible working conditions, allowing for a better work-life balance. For example, in Spain, co-operatives and worker-owned companies (*sociedades laborales*) show higher safety, inclusion, diversity, flexibility, non-discrimination and gender equality as well as reduced glass ceiling effects and higher job stability compared to other types of firms (Castro, Santero-Sánchez and Bandeira, 2020[17]). In India, the Self-Employed Women's Association (with 2.1 million members primarily organised into self-help groups and co-operatives) offers members high quality childcare services for USD 2.5 per month (WIEGO/Alfers, 2016[18]). In Belo Horizonte, Brazil, the Asmare Waste Pickers Co-operative opened a community childcare centre to fulfil their member waste pickers' need for childcare in collaboration with local governments (Ogando and Brito, 2013[19]).

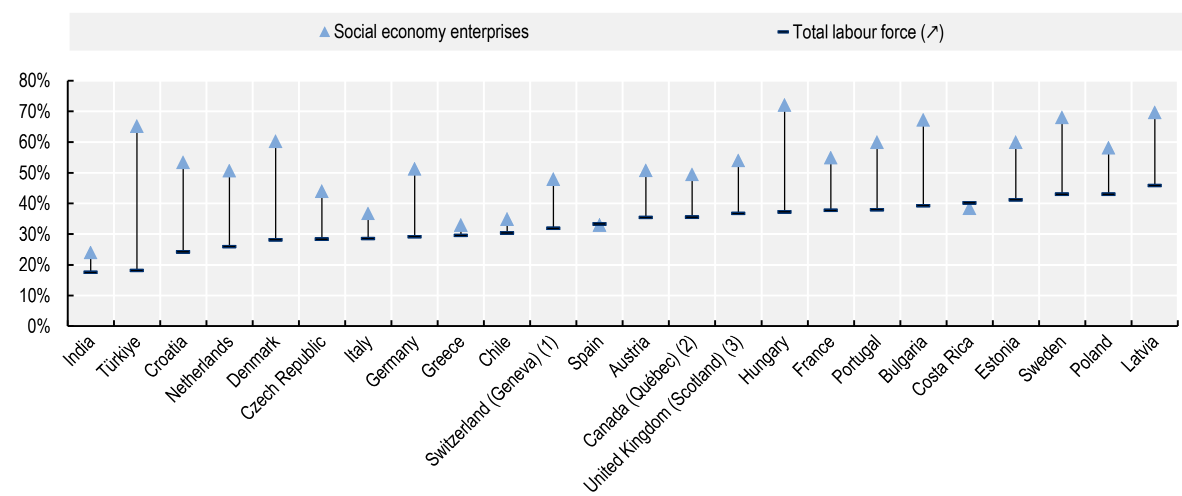
Another motivating factor relates to the resilience of social economy organisations in times of crisis. For example, during the Global Financial Crisis in 2008, employment grew by 20% in social co-operatives in Italy and translated into higher employment stability for workers in co-operatives in Spain and Portugal (OECD, 2020[16]).

Social economy organisations show smaller gender gaps in leadership positions

Women's share of management positions in many social economy entities appear to be higher than in the wider economy in most countries, with a gap that reaches a maximum of 37 percentage points in Türkiye (Figure 32.2). In OECD countries, according to the data available, these shares are highest in Hungary (72%) and Latvia (70%) and lowest in Greece and Spain (33%).

Figure 32.2. Women represent a larger share of managers in social economy enterprises than in the total labour force in most countries

Share of management positions held by women, percentage, 2022 or latest year available



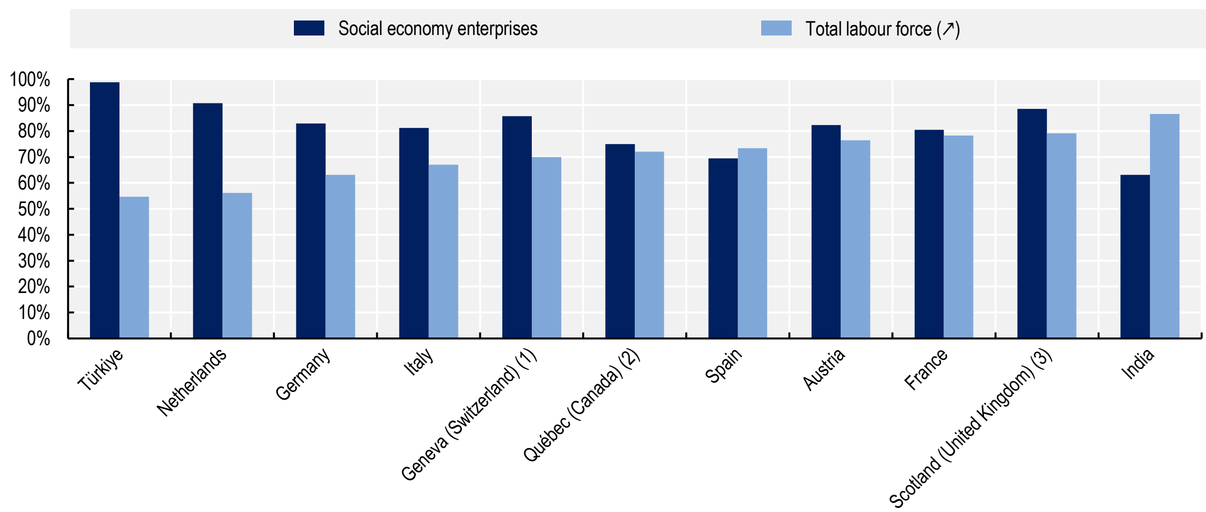
Notes: Social economy enterprise data collated from a variety of sources with high diversity in sample sizes including surveys with relatively small convenience samples. (1) Social economy enterprises: data for Geneva. (2) Social economy enterprises: data for Québec. (3) Social economy enterprises: Data for Scotland.
Source: Total labour force: OECD.Stat for OECD and key partners, 2021 or most recently available; World Bank/ILOSTAT for other countries, 2019 or most recently available. Social economy enterprises: OECD (2023[12]), "Beyond pink-collar jobs for women and the social economy", https://doi.org/10.1787/44ba229e-en.

StatLink https://stat.link/uos9i5

"Glass ceiling" effects appear smaller in the social economy than in the wider economy. In social enterprises globally, women have been found to experience better opportunities for promotion to decision-making positions (British Council, 2017[20]). When looking at the ratio of women's share in management position and women's share of the labour force (i.e. how likely it is for women to become managers taking into account their share in the total labour force) assuming the ideal ratio would be 100%, this ratio is higher in the social economy in most countries, according to available data (Figure 32.3). For example, in France, the women as a share of managers divided by women as a share of the labour force is 81% in social economy enterprises, while it is 78% in the total labour force.

Figure 32.3. Glass ceiling effects for women appear lower in social economy enterprises in most countries

Difference in representation of women in management vs. women in labour force, percentage, 2022 or latest year available



Notes: The effect has been calculated as the percentage share in management positions divided by the share of labour force for each category. (1) Social economy enterprises: Data for Geneva. (2) Social economy enterprises: Data for Québec. (3) Social economy enterprises: Data for Scotland.
Source: Total labour force: OECD.Stat for OECD and key partners, 2021 or most recently available; World Bank/ILOSTAT for other countries, 2019 or most recently available. Social economy enterprises: OECD (2023[12]), "Beyond pink-collar jobs for women and the social economy", https://doi.org/10.1787/44ba229e-en.

StatLink https://stat.link/z6rd49

The social economy can be a role model for the wider economy to help mainstream gender equality: Policy messages

Raising women's profile, voices and increasing awareness around gender issues

The recognition of women's work and leadership in the social economy furthers women's empowerment. Women's participation in the social economy can support their social and economic empowerment more broadly, especially in emerging economies. In Brazil and India, social economy organisations have shown to improve women's options to generate income, own and manage land, and become members of productive communities. Participation in governance allows women to bring to the fore topics that affect them, including their health, involvement in economic activity and access to finance. Many social economy organisations focus on topics such as women's health, gender violence and discrimination. For example, the *National Bank for Agriculture and Rural Development* in India offers funding to women who have no access to commercial banks. The European Union facilitates access to finance and supports countries and regions' similar efforts through initiatives such as the European Social Fund and the European Regional Development Fund.

Thanks to the increased emphasis on social impact and sustainable development (OECD, 2021[21]) and the growing support for the social economy (European Commission, 2021[9]), its professions and practices are being recognised as viable, alternative options of working and doing business. Promoting the social economy can also boost the value of traditionally perceived "women's roles" (i.e. carer, social worker, educator) and stimulate more inclusive and sustainable practices (e.g. fair trade, ethical finance) focused on the primacy of social and environmental impact, including gender equality, over profit (OECD, 2021[22]). Women-led social economy enterprises have been reported to pursue more sustainable ways of doing business, being more long-term oriented, locally embedded, innovative and resource efficient than other social economy enterprises (Empow'Her, 2019[23]). As an example, the European Social Business Initiative has been promoting social business to positively impact society, the environment, and local communities since 2011. It has given more visibility to social enterprises (e.g. through specialised Erasmus+ programmes), optimised the legal environment across EU countries (e.g. through the public procurement legal reform package of 2014) and improved access to finance (e.g. through the European Social Entrepreneurship Fund). Using social clauses in public procurement can also empower social economy organisations to generate employment opportunities for women and other groups and support the development of the social economy.

Increasing women's participation in the (formal) labour force

The social economy can act as role model for labour market integration of women, including the transition from informal to formal employment. Women's labour force participation is still below that of men (Chapters 1 and 13), and their share in the informal economy is higher than that of men in many countries (OECD/ILO, 2019[24]). Jobs in the informal economy are generally associated with activities of lower value added and social status than the main sources of income, typically coming from productive activities conducted by men (Hillenkamp and Dos Santos, 2019[25]). The social economy (e.g. worker-owned co-operatives) contributes to formalise many of these jobs (e.g. in household and personal services), improving their visibility and working conditions (OECD, 2021[26]). Participating in the social economy as workers (or volunteers) also helps women improve their networking and advocacy skills, thus facilitating their access to jobs. In India, where women represent 65% of the part-time social enterprise labour force (British Council, 2017[20]), the government supports social economy organisations to protect women from risks associated with working in low-wage, precarious jobs. The social economy can also help women access finance for the creation, expansion or formalisation of their own micro-enterprises.

Supporting access to finance and tailored training for women (social) entrepreneurs

Women are found to be more active in social entrepreneurship than in commercial entrepreneurship. According to the 2015 Global Entrepreneurship Monitor, women make up more than two in five social entrepreneurs, while they make up around one in three commercial entrepreneurs (Bosma et al., 2016[27]). Many women enter the pathway of self-employment out of necessity; yet, emphasising the social mission of their business has been found to increase women entrepreneurs' chances to receive funding (Lee and Huang, 2018[28]). In particular, young women experience hurdles to enter into (social) entrepreneurship, in particular linked to skills gaps and greater barriers to access debt and equity financing (OECD/European Commission, 2021[29]; OECD, 2022[30]) (Chapters 28 and 29).

In many countries, social economy entities are at the forefront of providing tailored training and acting as intermediaries in financing to support women's entrepreneurship, including social entrepreneurship (OECD/European Commission, 2023[31]). Policy makers can make use of their existing infrastructures and knowledge to best support women as a particularly vulnerable group of aspiring (social) entrepreneurs.

Reducing gender gaps further in leadership and pay

In the wider economy, the pay gap for full-time employees is estimated at 12% in OECD countries (OECD Gender Data Portal). The social economy holds lessons on reducing gender pay gaps, since its values of solidarity, the primacy of people over capital, and democratic and participative governance are drivers of gender equality. However, data and information are further needed on practices, outcomes, and impacts of social economy entities. A comparable set of indicators on employment in the social economy (e.g. types of jobs, contracts, sectors) disaggregated by gender could help better benchmark and monitor progress over time. It could also allow to determine where reinforcing male participation in the social economy could be necessary (i.e. to avoid segregation of the social economy from the wider economy as a "women's economy") and contribute to avoid dual labour market dynamics (e.g. worse working conditions in the social economy in terms of a more common use of part time and temporary contracts as well as lower wages than the wider economy).

Push factors such as stereotypical gender roles lead to a (self)selection of women into specific sectors in the social economy (e.g. care) and into lower-level jobs**.** This can be addressed through measures such as dedicated leadership training, tailored access to funding and financing. Capitalising on pull factors of the social economy (e.g. social impact, better work-life balance and lower gender gaps) can improve job quality for all, for instance incentivising firms to provide flexible worktime arrangements, more democratic governance models or childcare services (OECD, 2023[12]).

Countries are working on fostering women's presence in social economy organisations across all sectors and in leadership positions**.** In France, gender equality is for example explicitly mentioned in the 2014 law on the social economy and the French National Observatory of the Social Economy operates a working group on the topic (Observatoire national de l'ESS, 2020[14]). In Spain, the Law 5/2011 on the Social Economy refers to the active involvement of social economy organisations in labour market policies to support quality jobs for many groups including women. In 2021, Spain adopted guidelines for its Sustainable Development Strategy, highlighting the social economy's potential of advancing women into managerial positions, thus supporting the achievement of Sustainable Development Goal 5 (gender equality) (CEPES, 2021[32]).

Supporting women's participation in other sectors than care, education and social sectors

Currently, only 28% of green jobs are held by women (OECD, 2023[33]) and gender equality is still rarely prioritised in policies on infrastructure or urban development, energy, research and innovation in sustainable consumption (OECD, 2022[34]). The digital and green transitions offer another lever to increase women's participation in traditionally male dominated, high growth sectors, preventing a further segmentation of labour markets. On the digital transition, emerging forms of social economy structures such as platform co-operatives help address issues raised around platform work such as unclear employment status for workers, no systematic guarantee for social protections or employee rights and a lack of traceability and transparency of user and employee data collected. On the green transition, including more women in decision-making and leadership positions around the environment could bring about more sustainable decisions and actions (Strumskyte, Ramos Magaña and Bendig, 2022[35]). As an example, with the "Women in Circular Economy Leadership Award" the state Government of South Australia provides financial assistance and mentoring to emerging and aspiring women leaders in local waste and resource recovery industries (Green Industries SA, 2022[36]).

Key policy messages

- Supporting the social economy has the potential to increase the participation of women in the formal labour market. This will allow to raise women's profile and enhance awareness around gendered issues. Women's increased participation in formal labour markets more broadly is fundamental to avoid segregation.
- Gaps in pay and leadership are reportedly lower in the social economy compared to the wider economy. However, there still is a need for governments to better promote women's leadership within boards and senior management positions in the social economy, for instance through actions supporting access to finance and tailored training for women (social) entrepreneurs.
- Supporting women's participation in sectors other than care, education, and social sectors is fundamental to avoid a segregated labour market and to advance gender equality. Policy should encourage and support social economy activity in sectors with a lower female participation rate such as the digital and green economy. This could help improve inclusivity, spur on innovation, and make more sustainable use of resources.

References

Bosma, N. et al. (2016), *Global Entrepreneurship Monitor 2015 to 2016: Special Topic Report on Social Entrepreneurship*, Elsevier BV, https://www.gemconsortium.org/report/gem-2015-report-on-social-entrepreneurship. [27]

British Council (2017), *Activist to entrepreneurs. The role of social enterprise in supporting women's empowerment*, British Council. [20]

British Council/Social Enterprise UK (2022), *More in common: The global state of social enterprise*, British Council. [13]

Castillo, A. (2020), *Evolución del Sector Solidario en Colombia Década 2010 - 2019*, Superintendencia de la Economía Solidaria. [8]

Castro, B., R. Santero-Sánchez and P. Bandeira (2020), "The Social Economy, Gender Equality at Work and the 2030 Agenda: Theory and Evidence from Spain", *Sustainability*, Vol. 12/12, p. 5192, https://doi.org/10.3390/su12125192. [17]

CEPES (2021), *CEPES applauds that the Government of Spain places the Social Economy as a fundamental business agent of the 2030 Agenda*, https://www.cepes.es/nota-prensa/657_cepes-aplaude-gobierno-espana-situe-economia-social-como-agente-empresarial-fundamental-agenda-2030&lng=en. [32]

Dupain, W. et al. (2022), *European Social Enterprise Monitor 2021-2022*, Euclid Network. [11]

Empow'Her (2019), *Women-Led Social Enterprises*, Empow'Her. [23]

European Commission (2022), *Social economy in the EU*, https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu_fr (accessed on 23 March 2023). [1]

European Commission (2021), *Building an economy that works for people: an action plan for the social economy*, European Commission, https://ec.europa.eu/info/law/better-regulation/. [9]

European Commission (2021), *Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital Proximity and Social Economy industrial ecosystem. Commission Staff Working Document SWD(2021)982 final*, European Commission. [7]

Green Industries SA (2022), *Women in Circular Economy Leadership Scholarship*, https://www.greenindustries.sa.gov.au/women-in-ce-leadership-scholarship. [36]

Hillenkamp, I. and L. Dos Santos (2019), "The domestic domain within a post-colonial, feminist reading of social enterprise: towards a substantive, gender-based concept of solidarity enterprise", in *Theory of social enterprise and pluralism: Social Movements, Solidarity Economy, and Global South*, Routledge. [25]

ISTAT/EURICSE (2021), *L'Economia Sociale In Italia: Dimensioni, caratteristiche e settori chiave*, ISTAT/EURICSE. [15]

Lee, M. and L. Huang (2018), "Gender Bias, Social Impact Framing, and Evaluation of Entrepreneurial Ventures", *Organization Science*, Vol. 29/1, pp. 1-16, https://doi.org/10.1287/orsc.2017.1172. [28]

Observatoire ES (2015), *Classe de travailleur et Genre*, http://statistiques.observatoire-es.be/table4.aspx. [10]

Observatoire national de l'ESS (2020), *Atlas commenté de l'économie sociale et solidaire - Édition 2020*, Juris Editions – Dalloz. [14]

OECD (2023), "Beyond pink-collar jobs for women and the social economy", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2023/07, OECD Publishing, Paris, https://doi.org/10.1787/44ba229e-en. [12]

OECD (2023), *Job Creation and Local Economic Development 2023: Bridging the Great Green Divide*, OECD Publishing, Paris, https://doi.org/10.1787/21db61c1-en. [33]

OECD (2022), *Empowering Women in the Transition Towards Green Growth in Greece*, OECD Publishing, Paris, https://doi.org/10.1787/a9eacee6-en. [34]

OECD (2022), "Legal frameworks for the social and solidarity economy", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2022/04, OECD, Paris, https://doi.org/10.1787/480a47fd-en. [4]

OECD (2022), *Recommendation of the Council on the Social and Solidarity Economy and Social Innovation, OECD/LEGAL/0472*, OECD, Paris, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0472%20. [5]

OECD (2022), "Unlocking the potential of youth-led social enterprises", *OECD Local Economic and Employment Development (LEED) Papers*, OECD Publishing, Paris, https://doi.org/10.1787/d5bddad8-en. [30]

OECD (2021), *Bringing Household Services Out of the Shadows: Formalising Non-Care Work in and Around the House*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/fbea8f6e-en. [26]

OECD (2021), *Man Enough? Measuring Masculine Norms to Promote Women's Empowerment*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/6ffd1936-en. [22]

OECD (2021), "Social impact measurement for the Social and Solidarity Economy: OECD Global Action Promoting Social & Solidarity Economy Ecosystems", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2021/05, OECD Publishing, Paris, https://doi.org/10.1787/d20a57ac-en. [21]

OECD (2020), "Regional Strategies for the Social Economy, Examples from France, Spain, Sweden and Poland", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2020/03, OECD Publishing, Paris, https://doi.org/10.1787/76995b39-en. [2]

OECD (2020), "Social economy and the COVID-19 crisis: current and future roles", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://doi.org/10.1787/f904b89f-en. [16]

OECD (2018), *Job Creation and Local Economic Development 2018: Preparing for the Future of Work*, OECD Publishing, Paris, https://doi.org/10.1787/9789264305342-en. [3]

OECD (1999), *Social Enterprises*, Local Economic and Employment Development (LEED), OECD Publishing, Paris, https://doi.org/10.1787/9789264182332-en. [6]

OECD/European Commission (2023), "Policy brief on improving the effectiveness of inclusive and social entrepreneurship training schemes", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2023/05, OECD Publishing, Paris, https://doi.org/10.1787/8386c4de-en. [31]

OECD/European Commission (2021), *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris, https://doi.org/10.1787/71b7a9bb-en. [29]

OECD/ILO (2019), *Tackling Vulnerability in the Informal Economy*, Development Centre Studies, OECD Publishing, Paris, https://doi.org/10.1787/939b7bcd-en. [24]

Ogando, A. and M. Brito (2013), *Estudo de Monitoramento da Economia Informal: Catadoras e Catadores em Belo Horizonte, Brasil Catadoras e Catadores em Belo Horizonte, Brasil*, WIEGO. [19]

Strumskyte, S., S. Ramos Magaña and H. Bendig (2022), "Women's leadership in environmental action", *OECD Environment Working Papers*, No. 193, OECD Publishing, Paris, https://doi.org/10.1787/f0038d22-en. [35]

WIEGO/Alfers, L. (2016), *Our Children Do Not Get The Attention They Deserve*, WIEGO. [18]

33 The potential of digitalisation for women's economic empowerment in MENA countries

Gaëlle Ferrant and Mariarosa Lunati

This chapter provides an overview of the recent reforms addressing gender gaps in Middle East and North African (MENA) labour markets and the remaining legal barriers. It investigates opportunities provided by digitalisation for enhancing women's economic contribution in the region, as well as the risks Information and Communication Technologies (ICT) might pose to women's economic empowerment in the region. The chapter reflects on the appropriate safeguards to make digitalisation a catalyst for inclusiveness.

Key findings

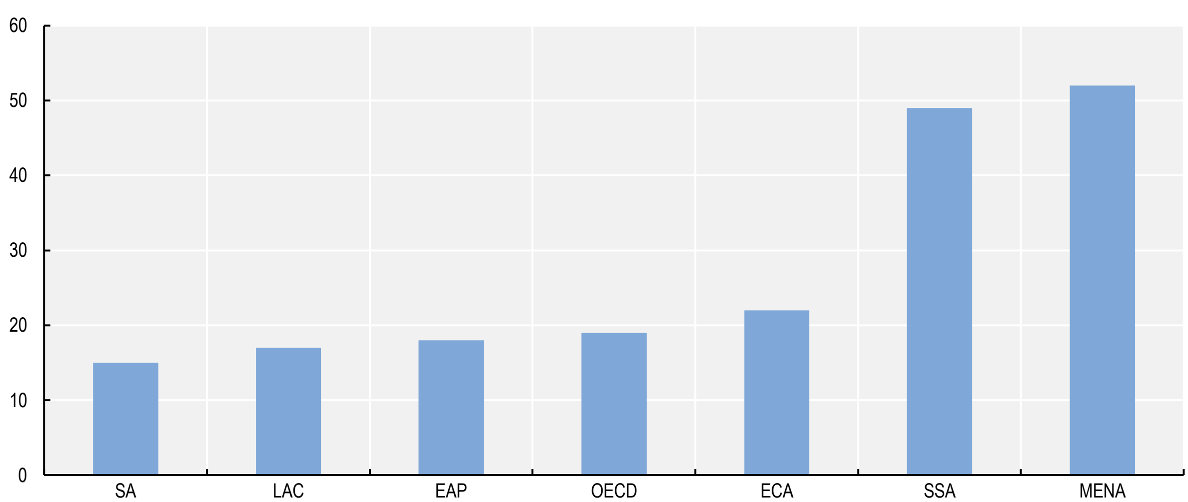
- A high number of legal reforms was recorded in MENA countries during the period 2017-22 to enhance women's economic empowerment.
- However, gender gaps in labour force participation and entrepreneurial activities remain the highest in the world, subject to variation across MENA countries.
- Digitalisation can open new avenues for women's integration in MENA labour markets by creating job opportunities and helping lift traditional impediments to women's economic contribution.

MENA countries have stepped up their reform efforts to enhance women's economic rights, but major challenges remain

Legal reforms promoting gender equality and women's rights in the Middle East and North Africa (MENA) region have an important momentum. Over the past five years, the pace of reform has picked up, without being disrupted by the COVID-19 crisis. A high number of legal changes was recorded in 2017-22 to close the wide gap between national legal frameworks and international standards (Figure 33.1). Since 2017, 14 economies of the region (Algeria, Bahrain, Djibouti, Iraq, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestinian Authority, Saudi Arabia, Tunisia and the United Arab Emirates) have enacted laws and regulations aimed at facilitating women's participation and rights in the labour market. This represents 52 reforms in five years, including 36 since the onset of the pandemic (World Bank, 2022[1]).

Figure 33.1. The MENA region stands out for the number of reforms promoted to support women's economic rights

Number of reforms promoting women's economic empowerment by region, 2017-22



Note: SA stands for South Asia, LAC for Latin American and the Caribbean, EAP for East Asia and the Pacific, OECD for members of the Organisation for Economic Co-operation and Development, ECA for Europe and Central Asia, SSA for Sub-Saharan Africa and MENA for Middle East and North Africa.
Source: OECD based on World Bank (2022[1]), *Women Business and the Law 2022*, https://openknowledge.worldbank.org/entities/publication/b187725b-29ff-5c61-91e7-5110ab3c4a71.

StatLink https://stat.link/4sqw3r

Reforms include measures to lift restrictions on women's employment and mobility (e.g. Oman and Saudi Arabia), mandate equal remuneration (e.g. Iraq), prohibit gender-based discrimination in financial services (e.g. Jordan and Egypt), promote equal retirement benefits (e.g. Palestinian Authority) and protect women from violence (e.g. Algeria, Djibouti, Morocco and Tunisia), including sexual harassment in employment (e.g. Kuwait and Lebanon). New policy initiatives also encompass reforms to family law and social protection systems, challenging traditional gender roles. For example, in 2019 Bahrain adopted reforms allowing women to be head of the household in the same way as men, while in 2021 the United Arab Emirates introduced five days of paid parental leave as an individual entitlement, giving female and male employees an equal right to paid leave for the birth of a child – a novelty in the region.

Implementation efforts and enforcement mechanisms have helped transform reforms into effective measures for women's economic empowerment. This is notably the case for women's entrepreneurship. All legal frameworks across the region now provide men and women with equal rights to sign a contract, register a business and open a bank account. In parallel, several initiatives have been implemented to support women-led businesses. For example, in 2017, Egypt included a gender provision in its investment law, prohibiting discrimination in investment and supporting small investors, who are typically women. In 2018, Tunisia established the National Chamber of Women Entrepreneurs (CNFCE) Academy, which trains women business-owners on topics such as financial management, marketing and labour law. In Jordan, the 2018-20 National Financial Inclusion Strategy focused on reducing the gender gap in finance and the Central Bank's Maya Declaration aimed at closing the gender gap in bank account ownership.

However, discriminatory provisions towards women's economic rights remain. These include restricted access to assets, which results from the difficulty of reforming laws governing property ownership and inheritance: no MENA country provides male and female surviving spouses, or daughters and sons, with equal inheritance rights; and 13 MENA economies (Algeria, Egypt, Iran, Iraq, Kuwait, Lebanon, Libya, Oman, Palestinian Authority, Qatar, Syria, Tunisia and Yemen) do not prohibit gender discrimination in access to credit. Moreover, only Saudi Arabia and the United Arab Emirates do not restrict women's access to work – allowing them to work at night, in jobs in the same way as men, while at the same time mandating equal remuneration for work of equal value. Finally, 12 MENA economies (Bahrain, Egypt, Jordan, Kuwait, Lebanon, Palestinian Authority, Oman, Qatar, Saudi Arabia, Tunisia, the United Arab Emirates and Yemen) do not comply with ILO Convention No.183, which stipulates the right of women to at least 14 weeks of maternity leave (World Bank, 2022[1]).

Moreover, there are cases where implementation and enforcement are hindered by discriminatory attitudes. In the period 2017-20, according to the results of the World Value Survey, the majority of respondents (both women and men) in the region declared that men should have a privileged access to employment in case of job scarcity (89% in Egypt, 81% in Jordan, 78% in Iraq, 70% in Iran, 65% in Tunisia and 62% in Lebanon) and that pre-school children suffer with working mothers (84% in Jordan, 77% in Egypt, 71% in Tunisia, 64% in Iraq, 63% in Lebanon and 55% in Iran). Similarly, 56% of respondents in Egypt and Jordan, 50% in Iran, 48% in Iraq, 44% in Tunisia and 34% in Lebanon believed that it is a problem if a woman earns more than her husband. Although attitudes towards women's economic empowerment in MENA countries are evolving among certain population groups, such as the most educated, MENA remains the only region in the world where younger generations of men do not hold more liberal views than older generations when it comes to gender equality (Haerpfer et al., 2021[2]). In addition, women's restricted access to justice combined with their lack of awareness of their rights and laws which protect them, highly restricts their effective application.

Women's full potential remains underutilised in the MENA region…

The enormous talent pool that women represent with their ever-higher levels of education goes largely untapped in the MENA region, although with variation across countries, resulting in significant missed opportunities for economic development. Women's education rates have increased dramatically in the region – a factor usually leading to higher employment levels. In 2020, the regional female enrolment rate in tertiary education (43%) exceeded the male rate (39%), matching the world average (World Bank, n.d.[3]).

However, the regional female labour force participation has risen very slowly, remaining vulnerable to economic shocks. It reached 20.4%percentage in 2017 – just a 1 percentage point increase in 15 years – before backtracking during the COVID-19 crisis. In 2021, only 18.4% of women aged 15-64 were working or actively looking for a job in the MENA region, which is the lowest rate in the world. Young women (15-24 years old) encounter particular difficulties in accessing employment in the region: they are on average more than twice as likely as young men to be not in education, employment or training (NEET) (World Bank, n.d.[3]).

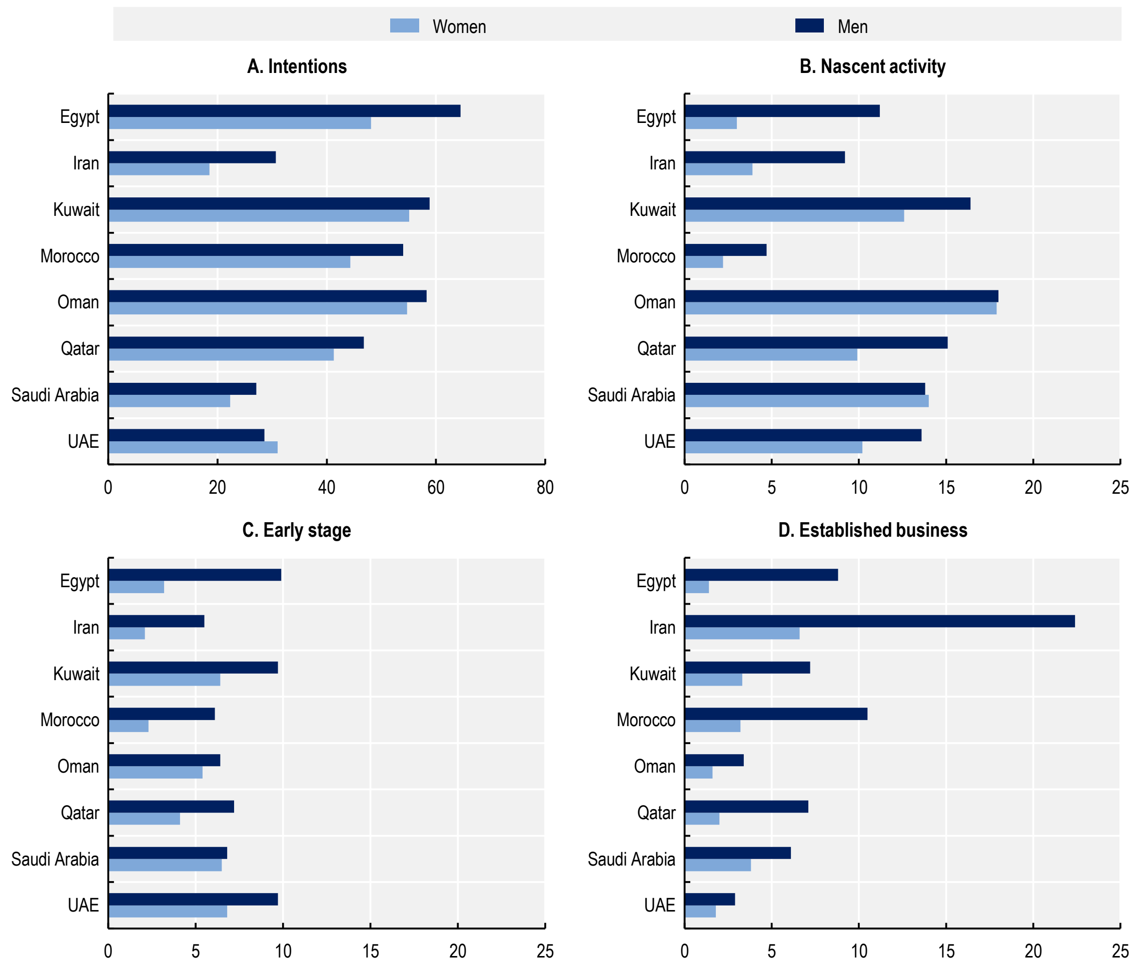
Important differences exist across sub-regions, with Arab Gulf countries (Bahrain, Kuwait, Oman, the United Arab Emirates, Saudi Arabia, and Qatar) standing out, due to female migrant workers coming from other regions. For example, female labour force participation increased by more than 15 percentage points in Saudi Arabia over the past decade, reaching 31% in 2021. In some countries such as Bahrain (42.4%), the United Arab Emirates (46.5%) and Kuwait (47.4%) the female labour force participation rate caught up with the global average (46.2%), and Qatar, at 57.2% (World Bank, n.d.[3]), is getting closer to the OECD average (64.8%), whilst exceeding Türkiye (37.3%), Mexico (48.3%), Italy (55.4%), Costa Rica (56.6%) and Chile (54%) (OECD, 2022[4]). Yet, differences in participation rates are influenced by differences in measurement and composition of the labour force. Indeed, there has been phenomenally rapid growth of the expatriate population in the Arab Gulf region in the past decade, and a significant proportion of the labour force now consists of non-citizens. For example, Qatari nationals make up only 10-15% of the entire labour force (Buttorff, Welborne and al-Lawati, 2018[5]).

Gender gaps are also observed in entrepreneurship, increasing with entrepreneurial stages (Chapters 28 and 29). Launching a new business appears as a relevant opportunity for female income-generating activities across the region: over 40% of the female population consulted expressed entrepreneurial intentions in Egypt, Kuwait, Morocco, Oman and Qatar (Figure 33.2, Panel A). However, relatively few new ventures created by women in the region survive to become established businesses, demonstrating the difficulties women entrepreneurs face to consolidate their business (Figure 33.2, Panel D). In Oman for example, while 18% of women set up new businesses in 2020, only 5% led an early-stage business and less than 2% an established one (Figure 33.2, Panels C and D). There is significant cross-regional variation: in 2020, the proportion of women nascent entrepreneurs was similar to the proportion of men in Saudi Arabia (14% compared to 13.8%), but four times lower in Egypt (3% compared to 11.2%) (Figure 33.2, Panel B).

Gender disparities in entrepreneurship lead to men being twice to six times more likely than women to be running an established business in MENA economies (GEM, 2021[6]). Lack of financing was considered as the main obstacle to start a business by 37% of women entrepreneurs in Tunisia, 44% in Jordan, 48% in Palestinian Authority and 51% in Egypt; and as an impediment to growth by 22% of women in Tunisia, 36% in Palestinian Authority, 40% in Jordan and 42% in Egypt (UNIDO, 2017[7]).

Figure 33.2. Relatively few new ventures created by women in the MENA region survive to become established businesses

Percentage of adult women and men (aged 18-64) by entrepreneurial phase, selected MENA countries, 2020



Note: Entrepreneurial Intentions rate refers to the percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and who intend to start a business within three years; Nascent Activity and Early Stage rates refer to the percentage of 18-64 population who are a nascent entrepreneur or owner-manager of a new business respectively; and Established Business rate is the percentage of 18-64 population who are currently an owner-manager of an established business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months.
Source: GEM (2021[6]), *Women's Entrepreneurship 2021/21, Thriving Through Crisis*, https://www.gemconsortium.org/report/gem-202021-womens-entrepreneurship-report-thriving-through-crisis.

StatLink https://stat.link/rxd397

…but digitalisation could help unlock it

The digital transformation of MENA economies can open new avenues for reducing women's unemployment and underemployment in the region, as highlighted by experts at three regional dialogues held in 2021 and 2022 by the MENA-OECD Women's Economic Empowerment Forum (WEEF) (OECD, 2021[8]; OECD, 2021[9]; OECD, 2022[10]). The booming digital economy creates new types and modes of work and entrepreneurship, while digital technologies push material and conceptual boundaries (Chapter 13). Digitalisation can contribute to lift traditional impediments to female labour market integration in the region – such as legal and cultural barriers, travel restrictions, job scarcity, skills mismatch, lack of information on job vacancies, discriminatory practices in recruitment and selection processes, family responsibilities, as well as restricted access to financial resources, networks and mentoring.

With an expected annual growth of 30% during the 2021-23 period, the MENA digital economy is a promising job-creating sector for both highly and low skilled workers. Demand is growing for data analysts and scientists, artificial intelligence (AI) and machine learning specialists, digital marketing and strategy specialists, business development professionals, information security analysts, software and applications developers, to cite a few. In addition, digital platforms connect employees and employers around the world, providing MENA women with greater access to foreign labour markets. For example, an increasing number of MENA women work in call-centres from the region for Europe-based firms, but also as webmasters or web designers. Similarly, online payment and e-commerce innovations facilitate trade across borders, enabling MENA women entrepreneurs to reach new markets – as long as connectivity infrastructures are available to them. Estimates indicate that the regional share of women in professional and technical jobs will double by 2030 through digitisation, online platforms and entrepreneurship (Assi and Marcati, 2020[11]).

Yet, advances in AI, dropping ICT prices, and increased internet use accelerate the use of automation. The World Economic Forum (2019[12]) estimated that 41% of all work activities are susceptible to be automated in Kuwait, 46% in Bahrain and Saudi Arabia, 47% in the United Arab Emirates, 49% in Egypt, 50% in Morocco and 52% in Qatar. In this context, policy makers need to advance efforts to build a gender-inclusive digital recovery, also considering gender differences when it comes to skills, exposure and effects of digitalisation and AI (Chapter 13):

- Lack of skills, rural divides, high technology costs and a changing nature of the labour market are some of the aspects policy needs to consider.
- Ensuring an inclusive digital recovery also calls for engagement with the private sector and civil society, given the need to establish working conditions that consider the risks that “the future of work” pose to women’s economic empowerment in the region.
- In addition, inclusiveness implies adopting an intersectional approach towards women’s economic empowerment, considering women in their diversity – e.g. in terms of levels of education and income, age, disability, migration status or place of residence.

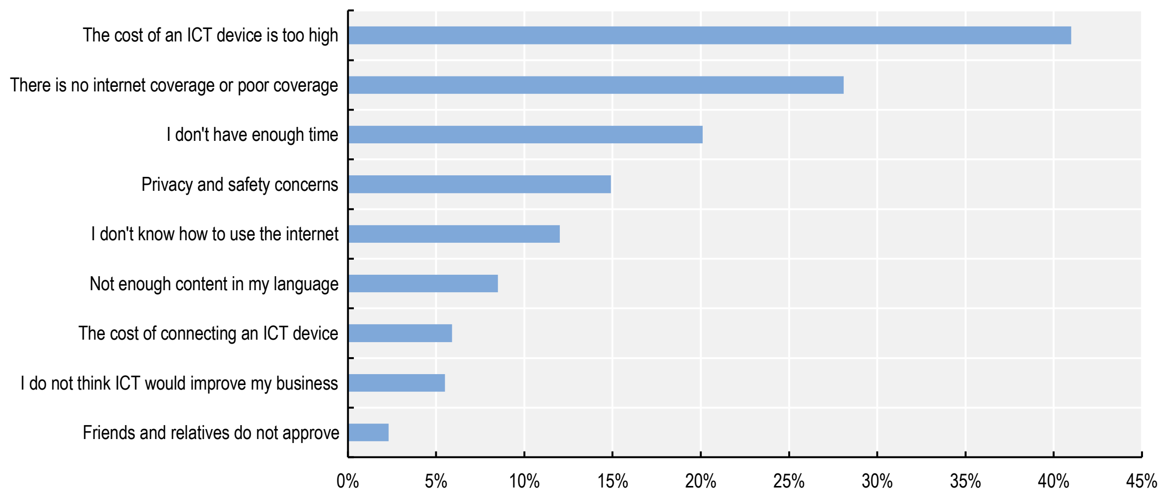
Addressing the digital gender and rural divides

Addressing the digital gender and rural digital divides is key for making digitalisation an engine of equality in the region. Internet use rates are higher for men (48%) than for women (39%) in the region (ITU, 2020[13]) and, despite improvements, connectivity is patchy across and within MENA countries. For example, poor Internet and network coverage are significant challenges for 28% of MENA women entrepreneurs surveyed in 2019-20 by UNIDO (forthcoming[14]). Rural areas are particularly affected by reduced network coverage, with only 44% of rural areas in Arab States benefiting from 4G mobile network coverage, compared to 76% of urban areas (ITU, 2020[13]).

The digital sector has demanding technical requirements. Coding, programming, analysing big data, AI and the Internet of Things require specific skills. In that respect, ICT seemed difficult to use for 52% of MENA women entrepreneurs surveyed by UNIDO in 2019-20, and 12% considered the lack of digital literacy as a principal impediment to use technologies in their business activities. This rose to 17% for women entrepreneurs having lower levels of education, compared to 4% for those who graduated from university. Affordability is the most significant barrier: 41% of women entrepreneurs declared ICT costs as the main reason for not using technologies in their business activities (Figure 33.3).

Figure 33.3. High costs of ICT devices are the main barrier to internet use in women-led businesses in the MENA region

Percentage of women entrepreneurs who state facing specific barriers to internet use, MENA region, 2019-20



Note: UNIDO survey conducted in Algeria, Egypt, Jordan, Lebanon, Morocco, Palestinian Authority and Tunisia. Multiple choice possible.
Source: UNIDO (forthcoming[14]), *Women entrepreneurs' access to and use of information and communication technologies in the MENA region*.

StatLink https://stat.link/ylzeso

Making the most of women's ICT and STEM skills in the labour market

A growing proportion of MENA women is well-positioned to seize employment and business opportunities brought by digitalisation. Decades of investments in female education led to a rapid rise in their educational attainment – including in Information and Communication Technologies (ICT) and Science, Technology, Engineering and Mathematics (STEM). Between 34% and 57% of STEM graduates in the MENA region are women – higher than the OECD average of 31% (UNESCO, 2019[15]). Moreover, the OECD Programme for International Student Assessment (PISA) results suggest that MENA girls outperform boys in two essential digital skills: multiple source text reading and metacognition (i.e. the ability to evaluate the credibility of sources). In addition, girls do not lack confidence in their capacities and have positive attitudes towards competition, which is critical to engage in tech careers.

Yet, similarly to what happens in OECD countries (Chapter 9), few MENA women – even among the best female performers in mathematics and science – pursue their careers in STEM occupations. In Lebanon for example, among students with high scores in mathematics or science, over 46% of boys but only 26% of girls reported that they wanted to be engaged in science and engineering professions (OECD, 2019[16]). MENA stakeholders need to ensure that enhanced women's digital skills fully contribute to a sustained and inclusive recovery, investing in relevant education and especially labour policies to create opportunities for women's integration in the digital labour market, as employees and entrepreneurs.

Supporting women's access to resources and skills

MENA women's adaptability to meet the new needs of the labour market and their chance to secure employment will depend on their upskilling and reskilling opportunities. Policy should support their skills development, including digital skills, to make them benefit from automation as well as transit to new jobs.

Reshaping school curriculums and widening access to digital training is key in this process. Lifelong digital learning is key to mitigate the negative externalities of digitalisation on no computer-savvy women.

Thanks to their dematerialised aspect, digital talent platforms, online government services or remote learning can provide women with a greater access to the resources and skills needed to find a job. For instance, the "*She is for a Digital Future*" training programme, launched by the Egyptian Ministry of Planning and Economic Development in partnership with CISCO and UNDP, provided online training on digital skills and financial inclusion to 2 000 women. In the same way, the IDEA App tool developed by the social start-up Bridge for Billions in partnership with UNIDO reached over 300 entrepreneurs across MENA countries, including one-third of women, and provides them with online entrepreneurial coaching and mentoring to develop bankable business plans.

Ensuring efficient labour market matching

By formalising rules in management processes, human resources technologies (e.g. AI supporting recruitment, worker management and evaluation) can contribute to more efficient matching in the labour market and reduced gender-based discrimination at work. This might be particularly relevant in the MENA region, where online talent platforms and use of AI in human resources management are widespread. In 2019, for example, the number of LinkedIn users reached 8 445 515 in the MENA region, with 29% of women (Assi and Marcati, 2020[11]).

Supporting work-life balance

Digital technologies facilitate teleworking and the realisation of entrepreneurial projects operating from home allowing for greater flexibility in working hours and place – despite existing risks for gender equality and work-life balance (Chapter 26). This offers opportunities to better combine paid work and family responsibilities: one-fifth of women entrepreneur considered family responsibilities as a main obstacle to start their business in the region (UNIDO, 2017[7]). It also allows to overcome mobility restrictions, both of which play a pivotal role in women's income-generating activities in MENA countries.

Evidence shows an increased use of teleworking since the COVID-19 pandemic in the region. In Morocco for example, while teleworking was rare before the pandemic, 56% of managers worked remotely during the first lockdown (Elakry and Guechati, 2021[17]). Interestingly, almost twice as many Moroccan female workers (24%) as male workers (13%) have regularly adopted telework (Haut-Commissariat au Plan, 2021[18]). Similarly, 48% of Palestinian women were regularly teleworking after the lockdown, compared to 34% of men (UN Women, 2021[19]). Policy has a key role to play as regards a gender-sensitive regulation of telework and other forms of flexible working arrangements.

Increasing entrepreneurship opportunities

Online tools can improve women entrepreneurs' access to business registration, digital financial services, skills and networks.

- *Business registration*. To facilitate the formalisation of SMEs and businesses operating from home, Morocco issued a law to introduce the auto-entrepreneur status in 2015. Recently, the dematerialisation of the registration procedure and the option to pay taxes and social contributions online has increased the accessibility of the status. This is particularly relevant for entrepreneurial activities run by women, which are usually smaller than those run by men. Indeed, Moroccan women account for 36% of auto-entrepreneurs, while running 23% of enterprises (Haut-Comissariat au Plan, 2021[20]). Women are also disproportionally affected by the relative high cost of, and lack of information on, administrative registration procedures due to a limited access to support network and financial resources.

- *Access to finance*. The digitalisation of financial products and services, and the proliferation of online learning tools, can contribute to strengthen women's financial inclusion by allowing for more cost-effective financial education provision and facilitating women entrepreneurs' access to finance – as far as they are connected to the Internet.
- *Investment*. Digital businesses can be less capital- and labour-intensive than traditional industries, thus requiring less office space. In MENA countries, where women face impediments in accessing capital or in leasing and owning property, dispensing with the need for expensive real estate could make a considerable difference to women entrepreneurs (UNIDO, 2017[7]).

Protecting women's economic rights

Digitalisation is also creating new forms of informality, raising concerns about working conditions, job and income security, access to social protection and collective bargaining rights. Legal loopholes regarding teleworking or use of AI weaken regulatory frameworks. For example, around the world, most laws prohibiting gender-based discrimination in employment hold employers liable for discrimination and rely on employees' reports but ignore AI vendors and developers' accountability. Digital technologies – including AI – may also reinforce existing gender stereotypes. Thanks to increased awareness, programmers have been actively engaged in correcting gender bias to make AI gender neutral.

MENA countries need to step up their efforts to adopt adequate regulations to reconcile digitalisation and work quality, including:

- Promoting safe telework to enable women to choose where, when and how they work. Labour regulation and collective agreements on teleworking rights should address gender biases. Provisions can guarantee inclusive collective bargaining rights, anti-discrimination, career advancement opportunities, ability to revert to office based-working, data privacy and cyber-security. They can also specify employers' liabilities for occupational safety and health, working schedules, and indicate who bears the cost of teleworking equipment. Moreover, promoting care infrastructure would mitigate the detrimental effects of telework on MENA women's work-life balance (see above and Chapter 26). In order to achieve gender-neutral teleworking in the MENA region, labour regulations should be accompanied by policies promoting the availability, accessibility and affordability of care infrastructure and services for children.
- Ensuring adequate legislation and regulation are in place to guarantee women platform workers' rights, clarify their classification and improve their working conditions. Policy actions encompass extending collective bargaining rights, introducing a minimum wage, regulating working time, improving occupational safety and strengthening social protection.
- Preventing AI-driven gender discrimination to give MENA women and men equal access to employment opportunities. This includes non-discrimination and data protection laws to protect job seekers from discrimination; transparency and accountability mechanisms; awareness-raising of human resources professionals; assessing risks of recruitment procedures; issuing ethical guidelines on the development and use of AI; ensuring transparency in AI applications; monitoring AI systems; and conducting gender impact assessments.
- Combatting cyber violence would make digital a safer tool of women's economic empowerment, reducing women's reluctance to use it to develop their skills, find a job or reach new clients. Measures include laws penalising cyber violence, prevention and education campaigns, victims' protection arrangements and specialised units for the investigation and prosecution of online violence. Importantly, governments need to recognise that cyber violence disproportionately affects women and girls and adopt a gender lens to design and implement policies (Chapters 6 and 7).

Key policy messages

- Effective labour policies in MENA countries would require an in-depth assessment of women's needs to seize new jobs opportunities in the automation and artificial intelligence age.
- MENA countries need to sustain their effort to support women's upskilling and reskilling to ensure women can access the job opportunities in the changing labour market.
- MENA labour market actors need to adapt anti-discrimination legislation and collective agreements to the new digital environment, adopt effective regulation and develop adequate safeguard to protect female workers from the detrimental effects of the digital revolution.

References

Assi, R. and C. Marcati (2020), *Women at work: Job opportunities in the Middle East set to double with the Fourth Industrial Revolution*, McKinsey. [11]

Buttorff, G., B. Welborne and N. al-Lawati (2018), "Measuring Female Labour Force Participation in the GCC", *Rice University's Baker Institute for Public Policy*, https://www.bakerinstitute.org/media/files/files/1fe4b913/bi-brief-011818-wrme-femalelabor.pdf. [5]

Elakry, E. and M. Guechati (2021), "Le télétravail au Maroc: Entre état actuel et implémentation", *Revue Française d'Economie et de Gestion*, Vol. 2/4. [17]

GEM (2021), *Women's Entrepreneurship 2021/21, Thriving Through Crisis*, Global Entrepreneurship Research Association, London Business School, London, https://www.gemconsortium.org/report/gem-202021-womens-entrepreneurship-report-thriving-through-crisis. [6]

Haerpfer, C. et al. (2021), *World Values Survey: Round Seven - Country-Pooled Datafile*, JD Systems Institute & WVSA Secretariat, Madrid, Spain & Vienna, Austria, https://doi.org/10.14281/18241.13. [2]

Haut-Comissariat au Plan (2021), *Femmes marocaines en chiffres*. [20]

Haut-Commissariat au Plan (2021), *Répercussions de la pandémie COVID-19 sur la situation économique des ménages*, https://www.hcp.ma/Repercussions-de-la-pandemie-covid-19-sur-la-situation-economique-des-menages_a2574.html. [18]

ITU (2020), *Measuring digital development, Facts and figures 2020*, ITU Publications, International Telecommunication Union, Geneva. [13]

OECD (2022), *Gender Data Portal*, https://www.oecd.org/gender/data/. [4]

OECD (2022), *Making digital a catalyst for women's employment in the MENA region*, OECD, Paris, https://www.oecd.org/mena/competitiveness/66-CSW-WEEF-Morocco-17-03-22-Concept-Note-and-Agenda.pdf. [10]

OECD (2021), *Gender-sensitive education and skills development policies in the MENA*, OECD, Paris, https://www.oecd.org/mena/competitiveness/WEEF-Webinar-Conclusions-5-July-2021-Digital-skills.pdf. [9]

OECD (2021), *How to foster women's entrepreneurship in the MENA digital sector? Barriers and success factors*, OECD, Paris, https://www.oecd.org/mena/competitiveness/WEEF-UNIDO_Webinar_Conclusions_18_November_2021_Entrepreneurship.pdf. [8]

OECD (2019), *PISA 2018 Results (Volume II), Where All Students Can Succeed*, PISA, OECD Publishing, Paris, https://doi.org/10.1787/b5fd1b8f-en. [16]

UN Women (2021), *COVID-19: Gendered Impacts of the Pandemic in Palestine and Implications for Policy and Programming: Findings of a Rapid Gender Analysis of COVID-19 in Palestine*. [19]

UNESCO (2019), *UIS.Stat*, http://data.uis.unesco.org/ (accessed on 7 January 2022). [15]

UNIDO (2017), *Promoting Women Empowerment for Inclusive and Sustainable Industrial Development in the Middle East and North Africa region, A study on women entrepreneurship development in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia*, United Nations Industrial Development Organization, Vienna. [7]

UNIDO (forthcoming), *Baseline Study "Women entrepreneurs' access to and use of information and communication technologies in the MENA region"*. [14]

Wolrd Economic Forum (2019), *The Future of Jobs and Skills in the Middle East and North Africa, Preparing the Region for the Fourth Industrial Revolution*, https://www3.weforum.org/docs/WEF_EGW_FOJ_MENA.pdf. [12]

World Bank (2022), *Women Business and the Law 2022*, World Bank, Washington, DC, https://openknowledge.worldbank.org/entities/publication/b187725b-29ff-5c61-91e7-5110ab3c4a71. [1]

World Bank (n.d.), *World Bank Open Data*, https://data.worldbank.org/ (accessed on 7 January 2022). [3]

Joining Forces for Gender Equality

WHAT IS HOLDING US BACK?

OECD countries continue to face persistent gender inequalities in social and economic life. Young women often reach higher levels of education than young men, but remain under-represented in fields with the most lucrative careers. Women spend more time on unpaid work, face a strong motherhood penalty, encounter barriers to entrepreneurship and fare worse in labour markets overall. They are also under-represented in politics and leadership positions in public employment. These elements permeate many policy areas and economic sectors – from international trade and development assistance to energy and the environment – in which policy often lacks a strong gender focus. Violence against women, the most abhorrent manifestation of gender inequality, remains a global crisis. This publication analyses developments and policies for gender equality, such as gender mainstreaming and budgeting, reforms to increase fathers' involvement in parental leave and childcare, pay transparency initiatives to tackle gender pay gaps, and systems to address gender-based violence. It extends the perspective on gender equality to include foreign direct investment, nuclear energy and transport. Advancing gender equality is not just a moral imperative; in times of rapidly ageing populations, low fertility and multiple crises, it will strengthen future gender-equal economic growth and social cohesion.

PRINT ISBN 978-92-64-67283-3
PDF ISBN 978-92-64-72801-1

9 789264 672833