



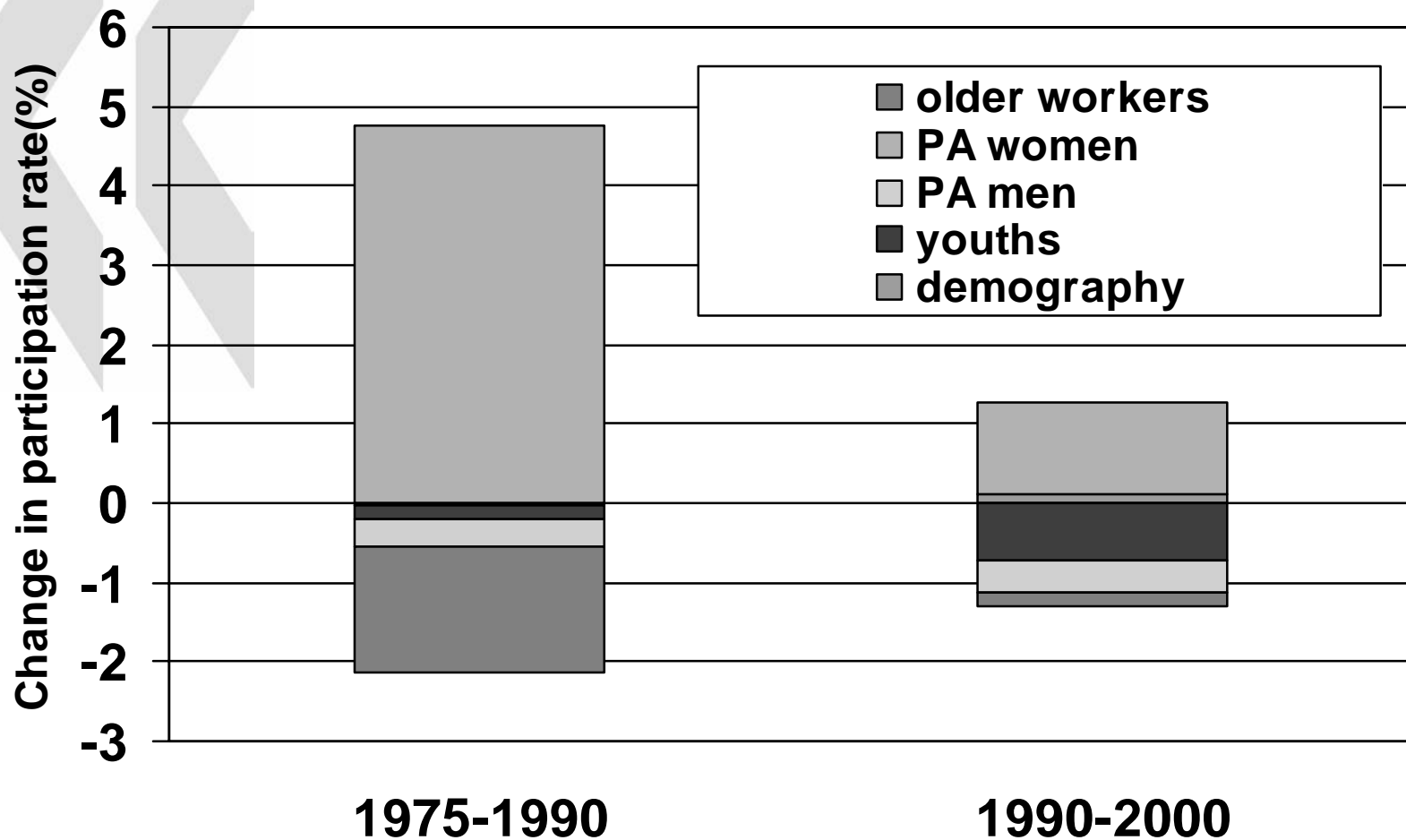
Prospects for female participation in an ageing world

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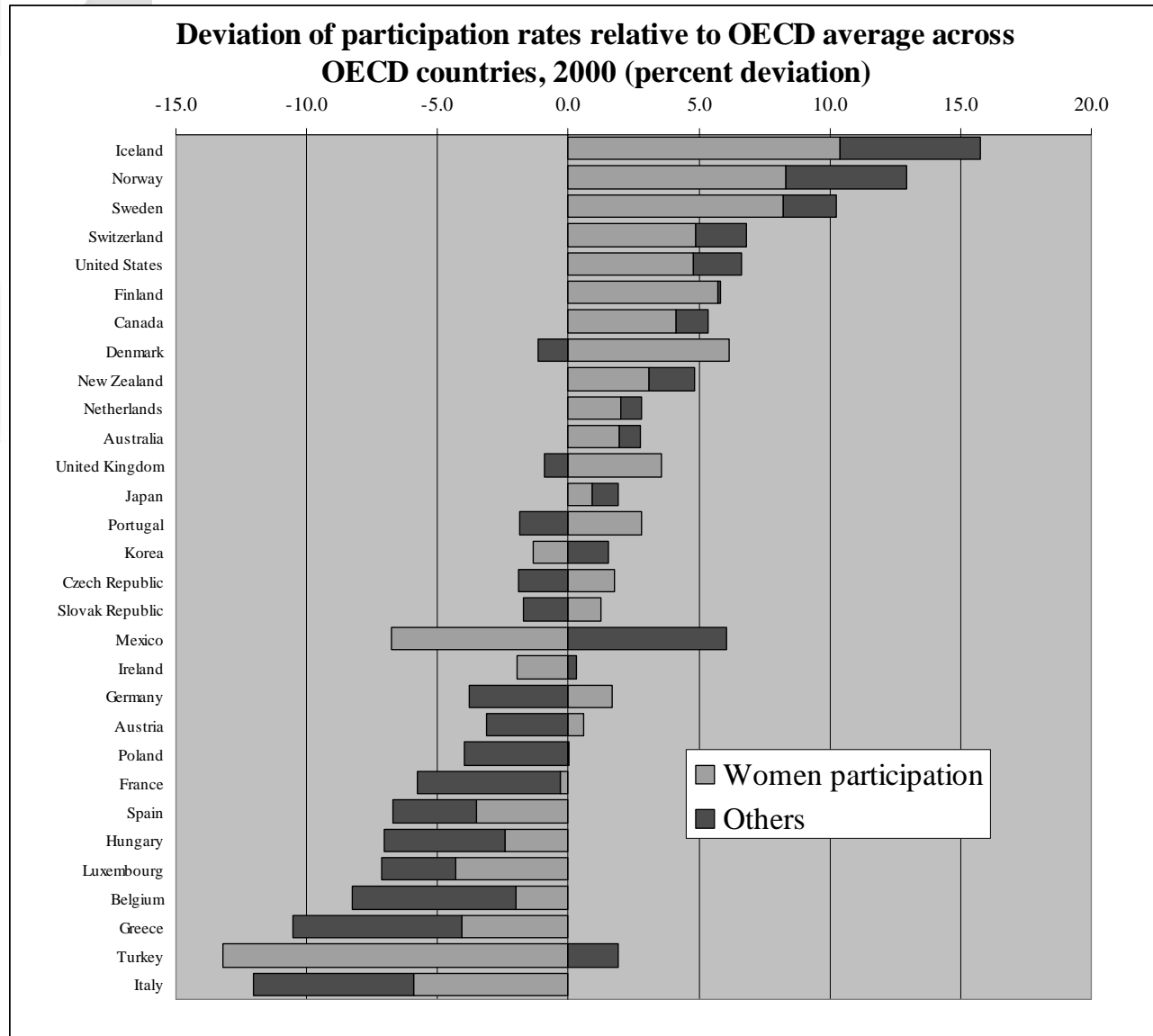
Context

- Working Party No. 1 of the the Economic Policy Committee.
- Aim : understanding factors that underlie low participation of certain groups, in particular women and older workers.
- Can demographic forces be reversed by policies ?
- Econometric estimates + projections
- Remove disincentives to work; not “forced work” !

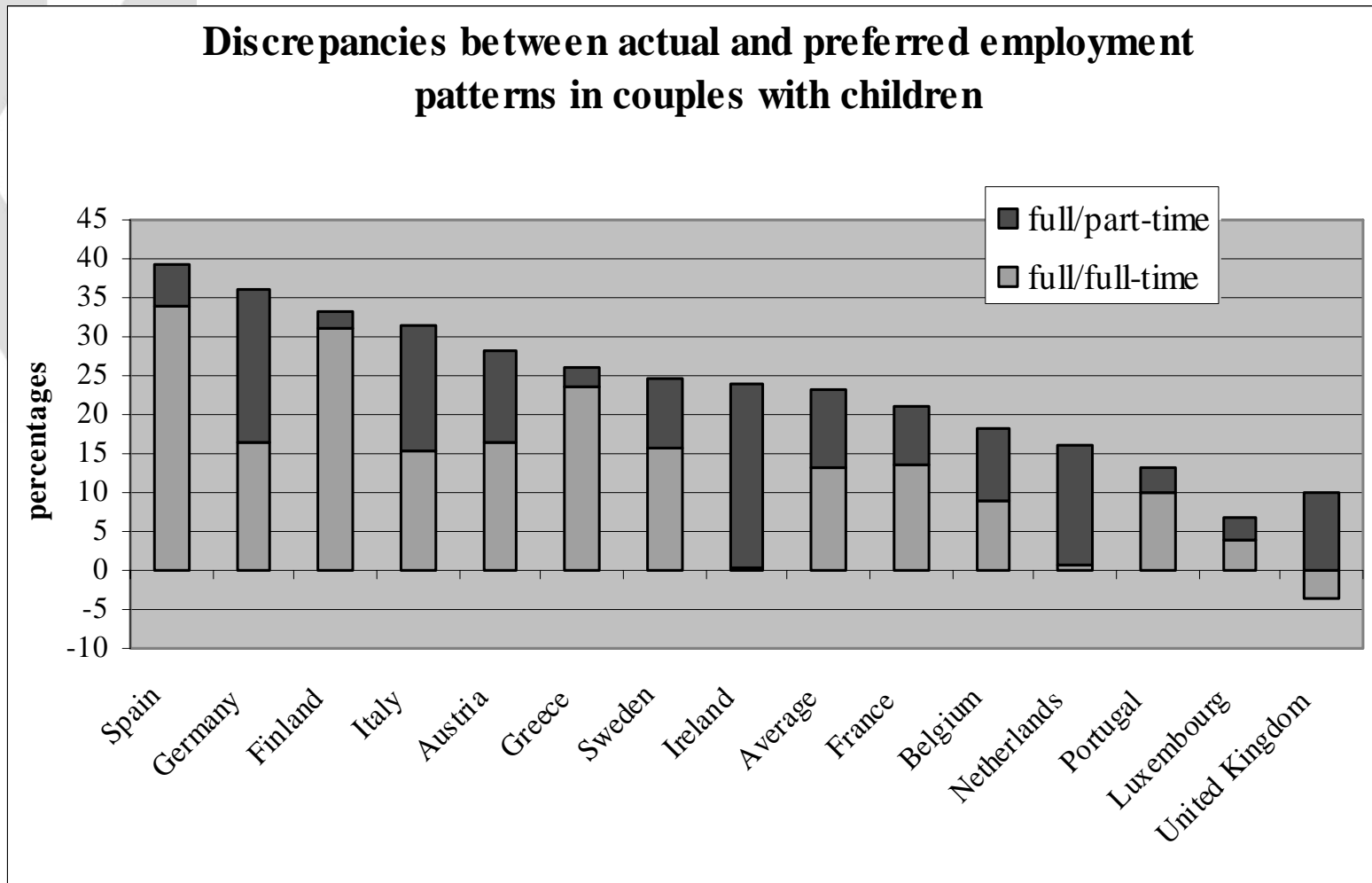
Increase in women participation has been the dominant force behind past evolution



There remain large differences of participation across OECD countries that mainly reflect differences in female participation



In many countries, women would like to work more



Therefore it is critical to understand better the factors that inhibit female participation

Factors affecting women participation (see Jaumotte, 2003) :

- tax on 2nd earner -
- Childcare +
- Paid leave +
- Part-time + (but not really exogenous)

... and

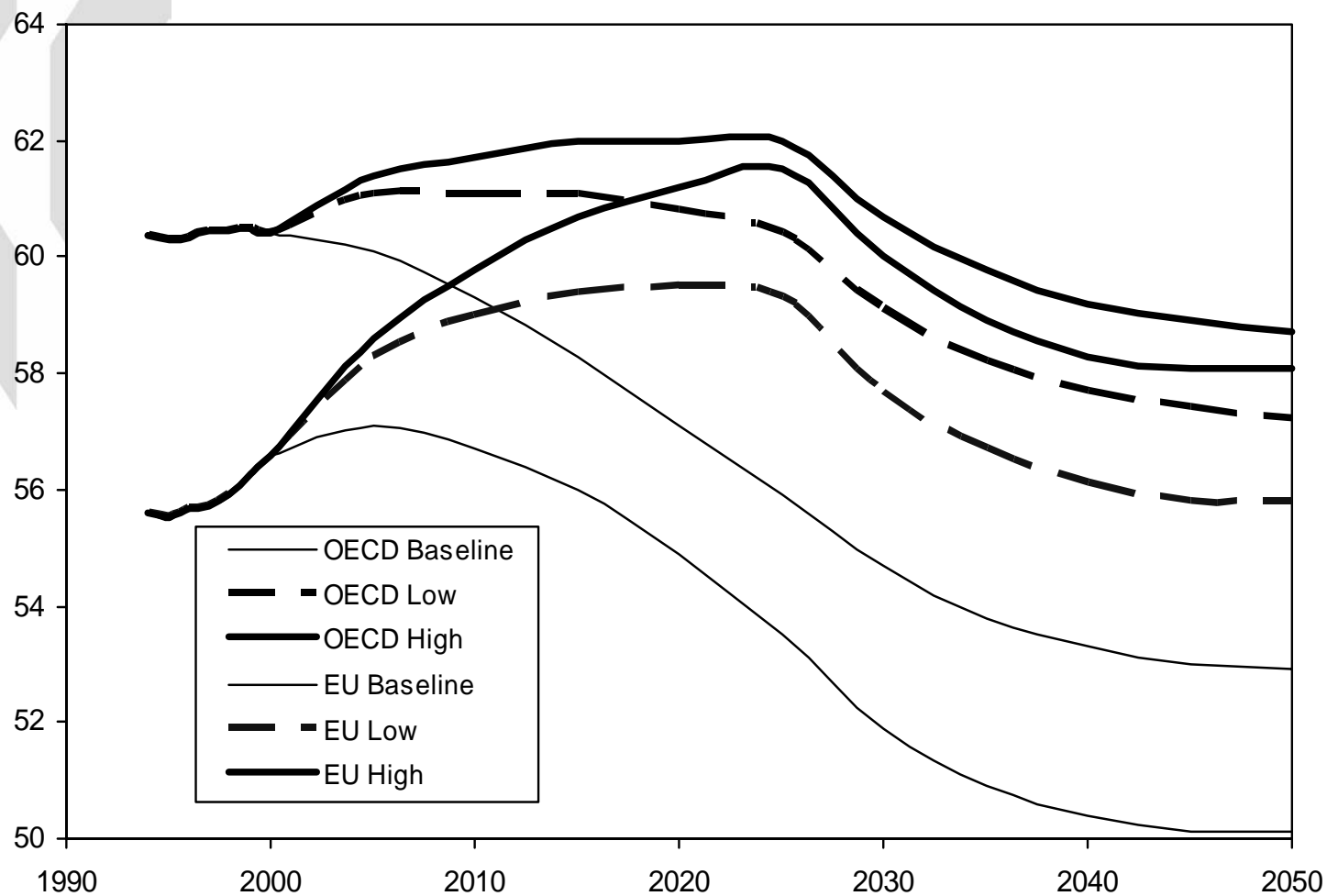
male unemployment rate	+
female unemployment rate	-
education	+

Policy scenarios : stimulating women participation

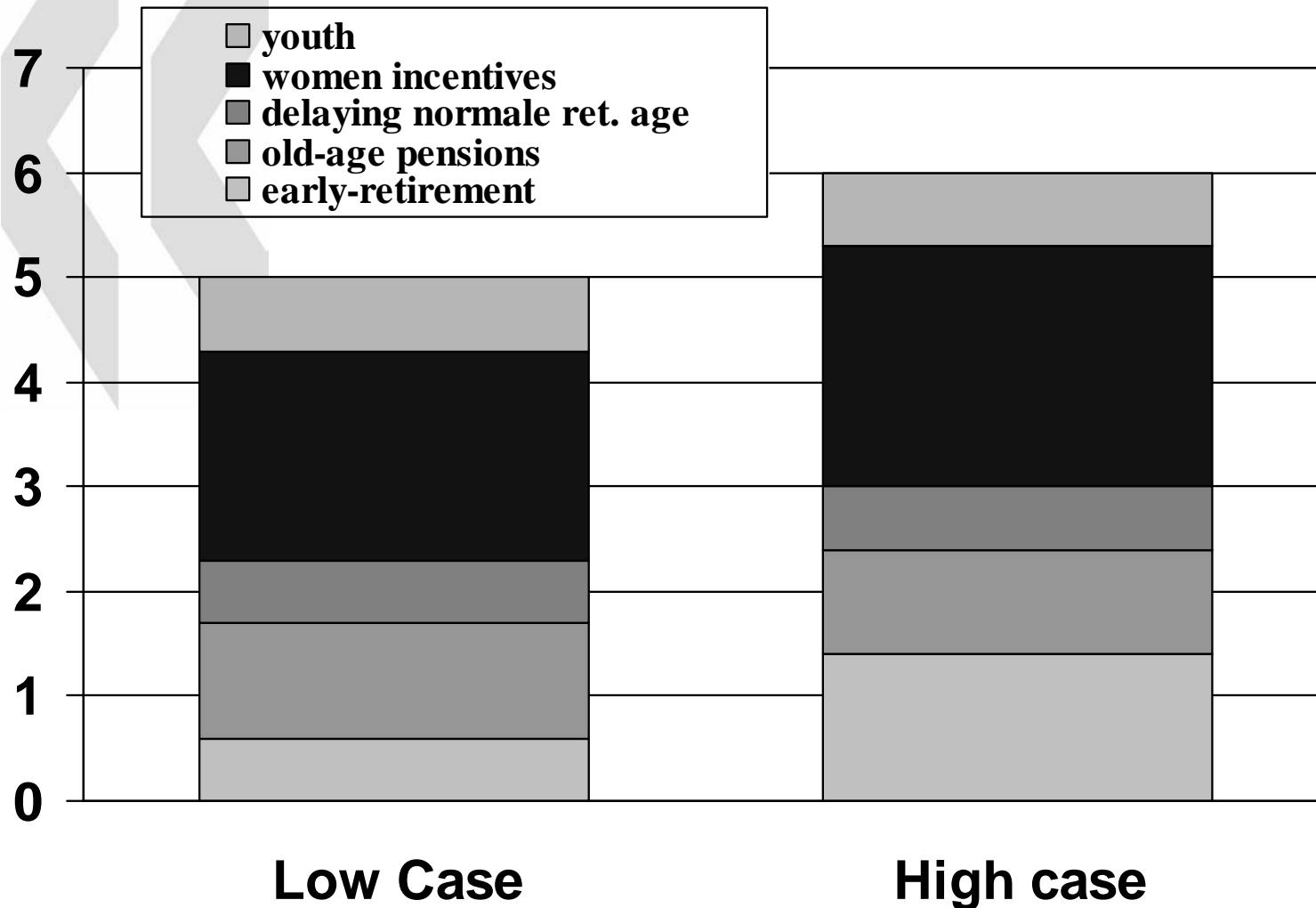
- By stimulating full-time participation :
 1. Tax neutrality between single and second earners
 2. Upward convergence of public spending on childcare

- By stimulating part-time participation :
 3. Upward convergence of tax treatment in favour of part-time working.

Results : Aggregate participation rates



Results : pension reforms have the largest potential impact



Main Policy conclusions

- A more “neutral” tax treatment of the second earner relative to the single earner will stimulate both full- and part-time female participation.
- Increasing supply of part-time work may not work in countries with low preference for part-time (Nordic, Southern European countries)
- Childcare subsidies – conditioned on female participation - are better than child benefits
- Paid parental leaves increase women participation ... if they are not too long.
- Inadequate childcare is more a constraint for full-time than part-time participation.