Gender gaps are prevalent in labour markets

Gender gaps are prevalent in labour markets. Women are:
- less likely to work for pay, or participate in the labour market
- more likely to work fewer hours and to have lower hourly earnings
- less likely to have an regular employment contract with full benefits or participate in the formal sector
- less likely to rise to decision-making positions or become entrepreneurs

Putting women at greater risk of poverty

As a result, women are more likely to experience poverty and deprivation than men and often lack financial independence. Their income is lower during working age years and their income is also lower in old age because of the impact of working life on retirement income.

Balancing work and family life is a key element to closing gender gaps

Gender gaps are inextricably linked to balancing work and motherhood. In general, the more children women have, the fewer hours they work. Women in full-time employment are most likely to be childless or have only one child, whereas women with more children are more likely not to be in the labour force or only work part-time.

In many countries women still face trade-offs between career and family. Women with young children have much lower employment rates than men in some countries.

But withdrawing from the labour market for any significant length of time to raise children puts women at a disadvantage in the workplace. Skills may deteriorate and it may prove difficult to return to work similar to previous employment.

But the cost and availability of early childhood education and care can be an obstacle

Almost universally in OECD countries, women have fewer children than they would like. More than 80% of Japanese women aged 25-34 years cited the cost of education and childcare as a reason, while around 25% said they had fewer children than they would like because it would interfere with work.

In almost every OECD country, public spending per child on early childhood education and care is lower than for school age children. In some countries it does not pay for mothers to work once childcare costs are taken into account. Across OECD countries, public investment in early childhood education and care goes hand in hand with high employment of mothers with young children.

Early childhood education and care services need to meet working parents’ needs

Early childhood education and care services that are only available for a few hours a week or are closed during school vacations are ill-adapted to the needs of working parents. This can be a particular problem in countries when there are two-tier systems. In some systems, children may be able to go to free or low-cost high-quality education services such as pre-school or kindergarten, but only for a limited number of hours per week. Such arrangements rarely match the needs of working parents, who may instead make informal
Working mothers want their children well cared for in a stimulating environment

Most mothers care deeply about the quality of the early childhood education and care setting of their child, even if they may not be well equipped to judge quality or find themselves obliged to make compromises because of cost or availability of places. Concerns about the available childcare options may also lead mothers who can afford it, to stay at home to care for their children. Even if this may be the best option for their children in the circumstances, it comes at the price of lower household income, less financial independence for women and perpetuation of the gender gap.

Children need – and deserve – high quality early childhood education and care

It is also crucially important that all young children in any early childhood education or childcare setting – inside or outside the home – are in a high-quality learning environment that stimulates healthy cognitive and socio-emotional development. Evidence shows that a poor quality early childhood education and care setting may have lasting detrimental effects on children’s development and their future personal, economic and social outcomes.

Participation in high quality early childhood education and care outside the home is especially important for disadvantaged children for whom cognitive and socio-emotional gaps emerge at very young ages. Disadvantaged children are often in households where their parents may not have the skills, the income, or the time to provide their children with a stimulating home learning environment. Encouraging their mothers to work not only helps to close gender gaps but also to bring those children into a high-quality early childhood education and care setting and better prepare them to succeed when they get to school and onwards throughout their lives.

Providing high quality early childhood education and care pays for itself over time

High quality early childhood education and care is a public investment that generates many benefits. Indeed it is now well established that the greatest return on investment in education comes from earliest years of life. For children, studies have shown that the beneficial economic and social effects of early childhood education and care are lasting and include higher earnings in adult life and fewer adverse social outcomes: These generate positive effects on the future government balance.

Closing the gender gap also offsets the cost of early childhood education and care

Closing the gender gap generates additional returns to public investment in high quality early childhood education and care. These economic and fiscal benefits are large and each dollar spent can serve to offset the cost to the taxpayer both today and through time. This is because:

- higher female employment expands economic output while enabling women to pursue their careers and build their human capital over their working life provides an ongoing boost to economic growth
- the tax base will be larger through higher female employment and higher female lifetime earnings
- fewer households will be reliant on public income support to raise their children and over time there will be fewer women facing old age with inadequate pensions

Closing the gender gap by making it possible for women to balance work and having children can also help to put government budgets onto a longer term sustainable path by lifting fertility rates.

Enhancing early childhood education and care is a key measure to narrow the gender gap

Closing the gender gap requires a broad set of policy measures and clearly, early childhood education and care services cannot do the job alone. Nonetheless, providing high quality early childhood education and care services to support mothers so they can work, pursue their careers and achieve financial security and independence is a key component making it possible to close the gender gap.

To learn more

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