

Executive summary

Gender equality is not just about economic empowerment. It is a moral imperative. It is about fairness and equity and includes many political, social and cultural dimensions. It is also a key factor in self-reported well-being and happiness across the world.

Many countries worldwide have made significant progress towards gender equality in education in recent decades. Girls today outperform boys in some areas of education and are less likely to drop out of school. But the glass is still only half full: women continue to earn less than men, are less likely to make it to the top of the career ladder, and are more likely to spend their final years in poverty.

Gender inequality means not only foregoing the important contributions that women make to the economy, but also wasting years of investment in educating girls and young women. Making the most of the talent pool ensures that men and women have an equal chance to contribute both at home and in the workplace, thereby enhancing their well-being and that of society.

The economic case for gender equality

Greater educational attainment has accounted for about half of the economic growth in OECD countries in the past 50 years – and that owes a lot to bringing more girls to higher levels of education and achieving greater gender equality in the number of years spent in education.

Greater educational equality does not guarantee equality in the workplace, however. If high childcare costs mean that it is not economically worthwhile for women to work full-time; if workplace culture penalises women for interrupting their careers to have children; and if women continue to bear the burden of unpaid household chores, childcare and looking after ageing parents, it will be difficult for them to realise their full potential in paid work. In developing countries, if discriminatory social norms favour early marriage and limit women's access to credit, girls' significant gains in educational attainment may not lead to increased formal employment and entrepreneurship.

The issues are complex and tackling them successfully means changing the way our societies and economies function. Men and women have to be able to find a work-life balance that suits them, regardless of family status or household income. Sharing childcare responsibilities can be difficult in a culture where men are considered professionally uncommitted if they take advantage of parental leave and mothers are sidetracked from career paths. And if good quality, affordable childcare is unavailable, it may simply be impossible for many parents, especially those on low incomes, to work full-time and take care of their families.

Well thought-out policies can help, but further action needs to be carefully considered to be sure that future change is as positive for growth and social outcomes as increased educational attainment has proved to be. To that end, general economic, labour market and entrepreneurship policy reform may be required and the lack of comprehensive and reliable information in some key areas must be overcome.

Increased gender equality has at least as many, if not more, benefits to offer developing countries, where women's economic empowerment is a prerequisite for sustainable development, pro-poor growth, and the achievement of all the Millennium Development Goals (MDGs). Investment in gender equality yields the highest returns of all development investments.

Education

Although most countries around the world have won the battle to provide universal primary education, the picture is much more mixed in secondary and higher education. Furthermore, policy needs to keep a firm eye on ensuring continuous improvement in the quality of education.

Girls are still less likely than boys to even start secondary education in Western, Eastern and Middle Africa and in South Asia. Enrolment is less of a problem in OECD countries, where education is generally compulsory up to the age of 15 or 16 years old. Boys, however, are more likely to drop out of secondary education, particularly in high-income countries.

As a result, young women are increasingly better educated than young men in many OECD countries. In reading skills, for example, boys lag behind girls at the end of compulsory education by the equivalent of a year's schooling on average. They are also far less likely to spend time reading for pleasure. Boys do perform better in mathematics, but the gender gap is narrower than in reading.

Girls are still less likely to choose scientific and technological fields of study and, even when they do, they are less likely to take up careers in those fields – a cause for concern given the skills shortages in the workplace, the generally more promising career and earnings prospects in science and technology, and the likelihood of positive spillover into innovation and growth.

Educational aspirations are formed early in life in OECD countries, so one answer should be to focus more attention on changing gender stereotypes and attitudes at a young age. Gender stereotyping frequently takes place in subtle ways at home, in schools, and in society. If primary teachers are mainly women, and secondary teachers, particularly in the sciences, are predominantly men, what messages are boys and girls getting about adult life? And if text books give examples of female nurses and male engineers, if teachers themselves project their beliefs about girls' and boys' abilities in mathematics or reading, what attitude towards those subjects will children form? Changing gender stereotypes in school is, however, only part of the equation: attitudes are also crucially determined by what happens at home.

In developing countries, where poor families may not be able to afford to send all their children to school, boys may come first. When primary schooling is made free, girls' attendance indeed rises. But the cost of education is not just a question of school fees. There are items such as uniforms and school meals – support in those areas can help get

girls into school and keep them there all the way through secondary education. And education is the gift that keeps on giving: girls who have had schooling become mothers who, in turn, place high value on education for their own daughters.

To reap the highest economic and social return on education investment, therefore, it is important to find out just why there are gender differences in attitudes towards reading and mathematics, then to discover ways to reverse the imbalance. In the developing world, however, the prime focus must still be on getting girls into school and keeping them there, while ensuring that the schools they attend and the transport there and back are safe and that suitable sanitary facilities are provided.

Employment

The transition from education to paid work is a crucial moment which lays the foundation for many of the inequalities encountered throughout women's working lives. More women have entered the workforce in recent years, but often experience more difficulty than men in finding a first job, earn less than them, and are more likely to work part-time. Furthermore, the fields of study that young women and men choose perpetuate gender segregation in the labour markets, with women under-represented in the business sector and concentrated in health, welfare, education, and administrative jobs.

Such gender differences exist to a large extent because women still bear the burden of the unpaid, but unavoidable, tasks of daily domestic life, such as childcare and housework. In less developed countries, young women are more likely than young men to be neither in employment nor in education or training. When they do enter the labour market, there is more chance they will be confined to the most vulnerable jobs, frequently in the informal sector.

But irrespective of family commitments, many women find it difficult to climb the career ladder. In fact, inequalities increase the higher up the pay scale they go. The result is that, while in OECD countries women earn on average 16% less than men, female top-earners are paid 21% less than their male counterparts. The so-called "glass ceiling" exists: women are disadvantaged when it comes to decision-making responsibilities and senior management positions; by the time they get to the boardroom, there is only one of them for every 10 men.

The Norwegian experience shows that quotas can be effective in improving the gender balance at board level. However, the overall economic consequences of mandatory quotas have yet to become clear. In the meantime, a range of tools can be used to work towards the goal of gender balance – target setting, compliance with corporate governance codes and, in all cases, the monitoring and publication of progress.

Tensions between work and family life are at the heart of the employment puzzle when it comes to gender. Families with young children need affordable childcare if parents are to work. If childcare eats up one wage so that there is little or no financial gain in going out to work, parents (most often mothers) are less likely to seek a job. But how people manage life at home also plays a big part in the equation. Many systems still implicitly regard childrearing as a mother's responsibility: everywhere women are doing more unpaid work than men, regardless of whether they have full-time jobs or not.

Governments have an important role to play in promoting gender equality, not just by monitoring the gender dimension when crafting and evaluating policies, but also by ensuring equality of opportunity in the public service – with the government acting as a role model for other employers. Governments have indeed made great efforts in many

countries, introducing policies like paid parental leave and childcare support that help parents reconcile work and family life. But the fact remains that it is primarily women who take advantage of family-friendly policies like flexible working arrangements, so perpetuating the idea that family responsibilities are a woman's affair.

Business, too, needs to think about the effect of corporate culture and working practices. If women are good for business, why do so few make it to the top, and why do so many simply give up trying? Teleworking and part-time or temporary work may sound attractive in the short term as ways of juggling work and family commitments, but the choice can be costly in the long term – in terms not just of salary, but of pensions and job security. Family-friendly workplace practices can make it easier to combine work and home life, but only if both men and women take advantage of them. Yet do employers make it easier for men and women to share domestic and family responsibilities outside the workplace? Are men who take their parental leave in full, for example, seen as uncommitted to their careers and passed over for promotion?

Change is not always easy, and it takes time for fundamental attitudes to shift in response to changing realities. Yet today's economies need all available talent to ensure a sustainable and prosperous future, while the right balance must be struck between responsibilities at home and at work to deliver better lives for all.

Entrepreneurship

Despite women's constantly increasing participation in the labour market over the past half-century, they remain substantially under-represented as entrepreneurs. When asked, fewer women than men say they would prefer to be self-employed. When they do choose to become entrepreneurs, they cite better work-life balance and/or economic necessity more often than men as the main motivation for starting a business. Yet female-owned businesses make a key contribution to household incomes and economic growth.

Entrepreneurship plays as important a role in developing countries as in developed ones in creating jobs, innovation, and growth. Fostering entrepreneurship is a key policy goal for governments of all countries which share the expectation that high rates of entrepreneurial activity will bring sustained job creation. Moreover, thriving new enterprises can boost the development of new products, processes, and organisational innovation.

But while more women are undertaking salaried work, the number of woman entrepreneurs has changed little in OECD countries. And when women do start businesses, they do it on a smaller scale than men and in a limited range of sectors. Self-employed women frequently earn 30 to 40% less than their male counterparts. Two key differences between male and female entrepreneurs help explain these relatively low returns: women start their enterprises with limited management experience and devote much less time to their businesses than men.

The proportion of women-owned businesses is currently stuck at around 30% of the total in OECD countries, and seems to plateau at around the same level in developing countries which have started from low levels. There is a clear need to provide more and better information about entrepreneurship as an attractive career option, both for young women in school and for women outside the labour force who are considering starting or getting back into work. About a quarter of women starting businesses in Europe gave as their reason for returning to work that their children were old enough to allow them to do so.

Women are also less likely than men to borrow money to finance their business. There are several reasons. Women might be charged higher interest rates and asked for more guarantees, as they often have shorter credit histories, less operating capacity, and less collateral. It may also be that women do not apply because they are afraid of refusal or lack confidence in the growth potential of their business. In a number of developing countries, the gap is narrowed by an array of microcredit and other financing arrangements targeted specifically at women and often administered by international agencies or NGOs. They are not, however, substitutes for the equitable treatment of loan requests from male and female entrepreneurs by the regular financial institutions and banks.

One of the main challenges when considering how to boost female entrepreneurship is the lack of solid, reliable data. Hence the need to collect more gender-specific data in this area.

Key findings

Economics, social norms and embedding gender equality in public policy

- The spread of education accounts for about half the economic growth in OECD countries in the past 50 years.
- Greater gender equality in education boosts female labour force participation and economic growth.
- Improving female labour market outcomes is needed to ensure strong, sustainable, balanced economic growth in the future.
- Persistent discriminatory social institutions and cultural norms restrict the economic and social role of girls and women in most countries across the world.
- Public gender agencies often lack the visibility, the authority and the resources to effectively advance gender equality across the “whole of government”.

Education

- Enrolment in primary education is near universal in many countries. But, and particularly in high-income countries, boys are more likely to drop out of secondary education than girls, while younger women are increasingly better educated than young men.
- Girls outperform boys in reading but lag behind in mathematics, albeit to a lesser extent than boys in reading. Differences in attitudes are a major explanatory factor in these gender disparities.
- Although girls have high academic aspirations and employment expectations, there are systematic gender differences in areas of study at both tertiary level and in vocational training.
- In many low-income countries, young women are more likely than young men to be engaged neither in paid work nor in education or training.

Employment

- Female employment participation has generally increased and gender gaps in labour force participation have narrowed. Yet occupational segregation has not improved, gender pay gaps persist, and women are still under-represented at more senior job levels, especially among managers and on company boards.
- Formal childcare support is particularly important for boosting female employment levels and for achieving greater gender equality throughout working life.
- Women do more unpaid work than men in all countries, while the gender gap increases with the arrival of children.
- Women often work part-time as it facilitates combining work and family responsibilities, but this frequently comes at a cost to their long-term career and earning prospects.

Entrepreneurship

- Women are less keen than men on starting their own business and female entrepreneurs continue to be a minority in all countries.
- Enterprises owned by women are significantly smaller and less well represented in capital-intensive sectors. These and other factors tend to penalise their sales, profits and labour productivity.
- Women entrepreneurs rely substantially less than men on loans, both for starting up and financing their activities.

Key policy messages

General public policy

- Increase both the quantity and quality of data by gender and improve the evaluation of public policy.
- Strengthen the capacity of governments to apply a gender-responsive approach throughout the public financial management cycle and enhance gender impact assessments.
- Reform legal frameworks and ensure their enforcement to remove any obstacles to gender equality; prohibit discrimination, combat all forms of pay discrimination; uphold the notion of equal pay for work of equal value; and, provide economic support and incentives for individuals, families and communities to change discriminatory attitudes.
- Countries should set realistic targets for women in senior management positions in the public service.

Education

- Get girls more interested in mathematics and science and boys more interested in reading in OECD countries, for example, by removing the gender bias in curricula and raising awareness of the likely consequences of male and female choices of fields of study in their careers and earnings.
- Use apprenticeships to encourage women who have completed their science technology and mathematics (STEM) studies to work in scientific fields.
- Make schools safer and more affordable for girls in developing countries.

Employment

- Provide affordable, good-quality childcare for all parents and paid maternity leave for mothers in employment. Encourage more equal sharing of parental leave by, for example, reserving part of paid leave entitlements for the exclusive use of fathers.
- Remove disincentives to paid work created by taxes and benefit systems and ensure that work pays for both parents.
- Address cultural barriers and the stereotyping of women's roles in society, business and the public sector.
- Countries should introduce targets and measures to monitor progress on female representation on the boards of listed companies.

Entrepreneurship

- Ensure that policies for female-owned enterprises target not only start-ups and small enterprises, but encourage and support the growth ambitions of all existing firms.
- Promote comprehensive support programmes that target female-owned enterprises in high-tech sectors.
- Ensure equal access to finance for male and female entrepreneurs.