

Breaking the glass ceiling:

The role of gender and family policies in reducing gender gaps

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The gender gaps

According to the World Economic Forum, Gender Gap Report, 2016, no country in the world has achieved gender equality. The highest ranked countries—Iceland, Finland, Norway, Sweden and Denmark —have closed over 80% of their gender gaps. The lowest ranked country—Yemen—has closed a little over half of its gender gap.

Gender gaps can be evaluated according to four main dimensions, which capture differences between men and women in different contexts:

- Economic participation and opportunity
- Educational attainment
- Health and survival
- Political Empowerment

Among the four dimensions, economic participation and political empowerment are the most critical ones. Focusing on the first one, economic gender gaps characterize European countries when we consider employment rates, the level of wages, the careers and the level of pensions. Figure 1 shows data of male and female employment rate (15-64 years old) in European countries. In all countries the male employment rate is higher than the female one, though there is a high variability across countries, with some of them (Italy and Greece) showing female employment rates lower than 50%. Moreover, when they work, women have less chances than men to have a career. Women are under-represented in top positions, such as boards of major companies (Figure 2). Substantial progresses have been made only in countries which have introduced mandatory gender quotas, such as Italy (Figure 3).

What are the main determinants of economic gender gaps?

The economic gender gaps are the result of a complex combination of several factors. Some of them are less obvious than expected. Understanding the real determinants is important to propose the appropriate policies to remove the economic gender gaps.

A first possible determinant is education or training: if women were less educated or trained than men, that could contribute to explain the labour market gaps. However in all European countries women appear to be more educated than men, although there is a scarcity of women in the STEM (science, technology, engineer, math) disciplines, which may turn out to be the most rewarding on the labour market.

Second, one of the factors which is always mentioned, is maternity. Although it is true that mothers have employment rates lower than non-mothers in all EU countries, it is also clear that fertility rate and female employment rate show a positive correlation across countries (figure 4). There are countries in which both female employment and fertility are high. This makes it difficult to explain gender gaps only on the basis of maternity choices.

A crucial role is played by gender culture: in many countries (though with some differences) individuals still think that working mothers are damaging their children and that men and women should have different roles in the family, with the men primary focused on the job market and the woman on domestic work and child care (see figure 5). Firms also share this view: they attribute to all women a high “cost” of maternity, and thus are reluctant to hire or promote them.

The demand side, i.e. the role of firms, is in fact very important. Selection and promotion processes are not gender-neutral. In particular, statistical and screening discrimination penalize women on the labour market.

Finally, an important role is played by institutions and policies: they may contribute to create a context which favors female employment.

The role of policies

Family policies are important to support female employment (figure 6).

Child care is a major policy: research has shown that formal early childcare has a positive impact on child development, social mobility, gender culture, fertility, female employment, especially of mothers (figure 7).

Fiscal measures are another important policy. They may be designed as fiscal incentives (tax allowances for example) for working women who are back on the labour market after the compulsory maternity leave (and thus do not prolong their parental leave period) or as voucher for expenditures related to childcare.

Paternity leaves, i.e. an exclusive and fully-paid period for the father, are also a good policy. If the period is significant enough (at least 2 weeks, better 1 month), research has shown that paternity leaves have a positive impact on female employment, they help rebalancing firms’ decisions (as the “cost” of hiring and promoting a woman *versus* a man when they have children is rebalanced) and gender culture (child care is not a task exclusive for women). The father-child relationship is also good for child development.

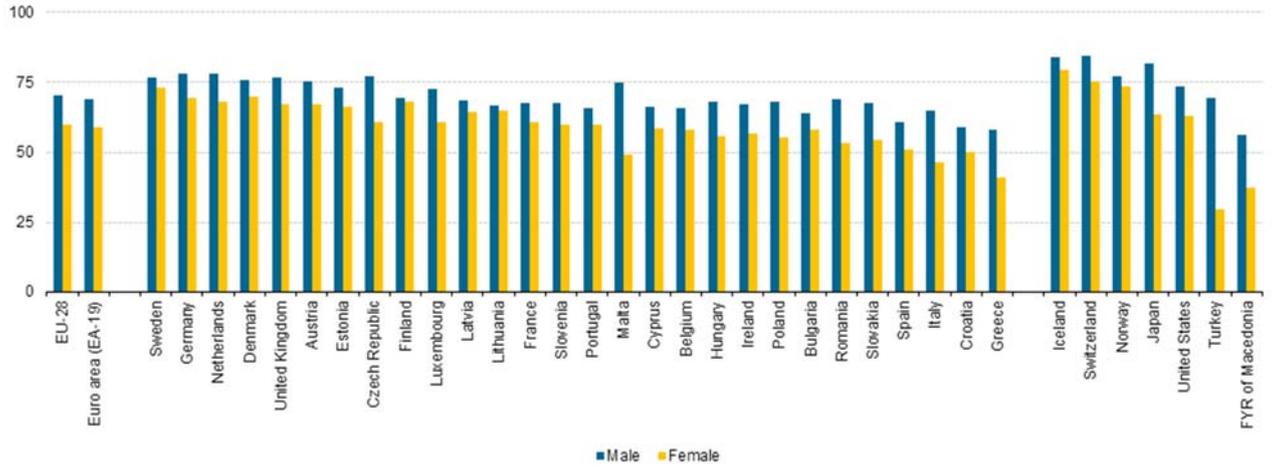
Finally, flexible work arrangements are a new way of organizing work for men and women, based on the notion of flexible time and space, which may have positive effects not only on work-life balance and well-being of individuals, but also on the equal sharing of domestic and care responsibilities between women and men. Rigorous research on the effects of this policy are still scarce, and it will be important to monitor the effects of this policy on productivity of workers.

Why do we need to promote gender equality?

I argue that policies which support gender equality are a good investment for the economy and the society. Women represent a crucial positive value for the economy and they contribute substantially to business and economic growth. Research has shown that more women in the labour market generate more GDP and a virtuous circle of growth, as the demand for services increases and the labour market enlarges. Research has also shown that more women in the labor market are associated to higher fertility and to more household well-being. Having gender balanced decision-making positions is also beneficial: the quality of the institution and the organization increases and diversity is related to better outcomes and performance. An important consequence of having more women in decision making positions, both in business and in politics, is that they contribute to propose a new agenda: family policies, for example, which are typically neglected by policy-makers, are likely to be more at the center of the attention of female leaders. A virtuous circle may thus begin if women’s empowerment and their representation in decision-making process translate into policies, which support women’s employment and careers and, at the same time, generate positive effects on social and economic outcomes. This is a unique opportunity.

FIGURES

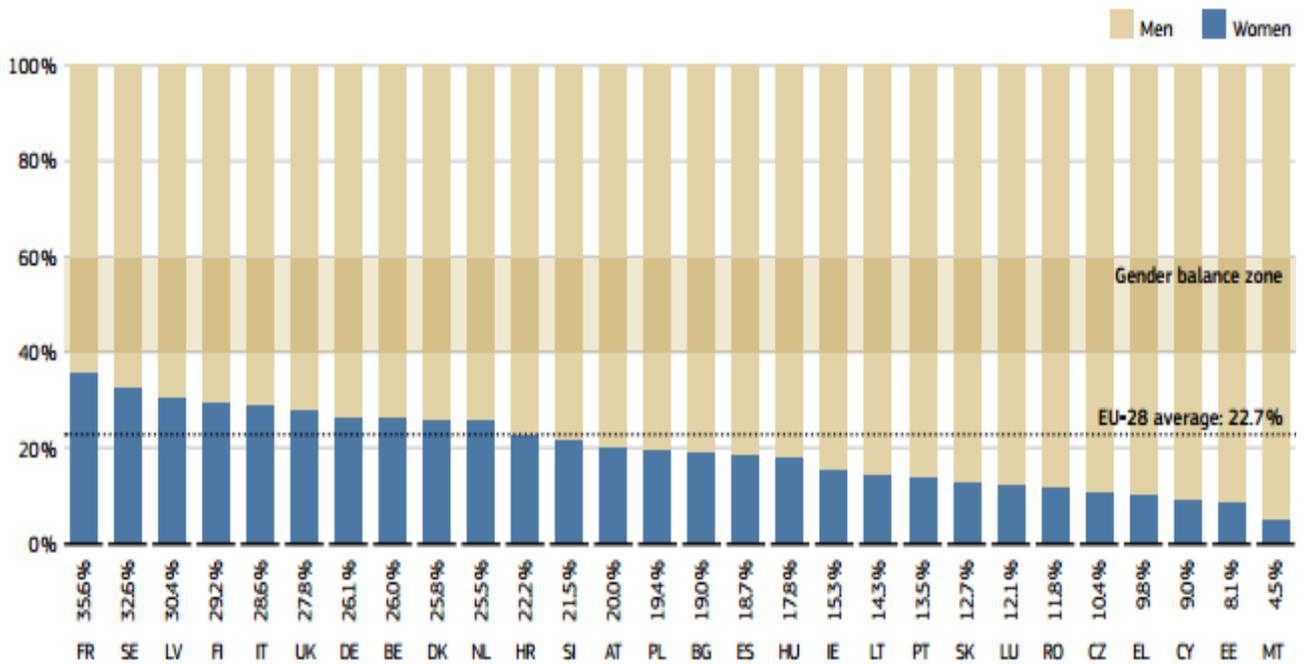
Figure 1. Female employment rate in Europe



(*) The figure is ranked on the overall employment rate.
Source: Eurostat (online data code: ifsi_emp_a)

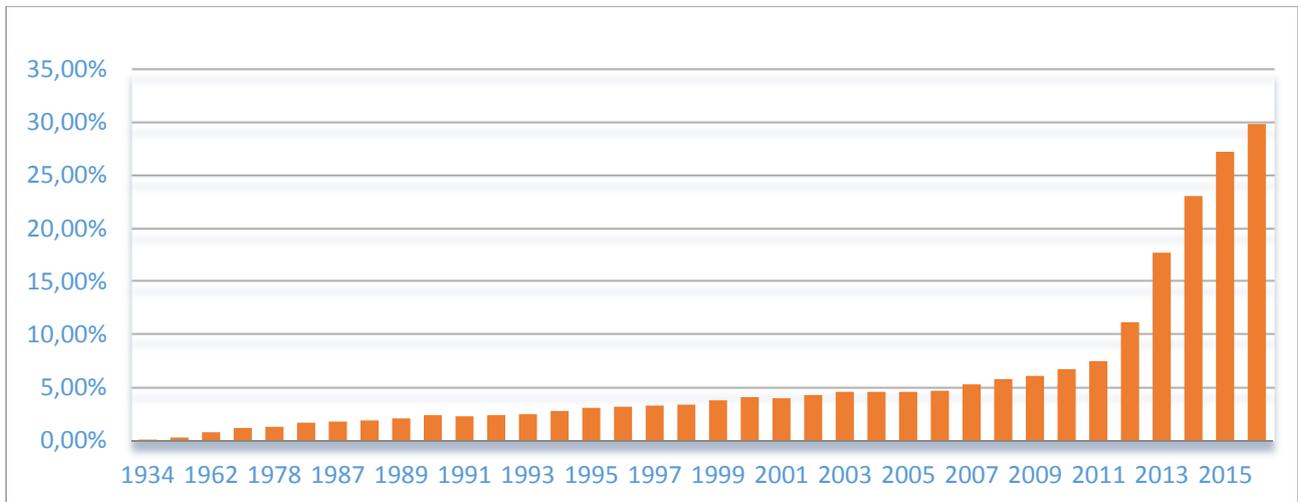
Figure 2. Women on boards in Europe

Representation of women and men on the boards of large listed companies in the EU, October 2015



Source: European Commission, Database on women and men in decision-making

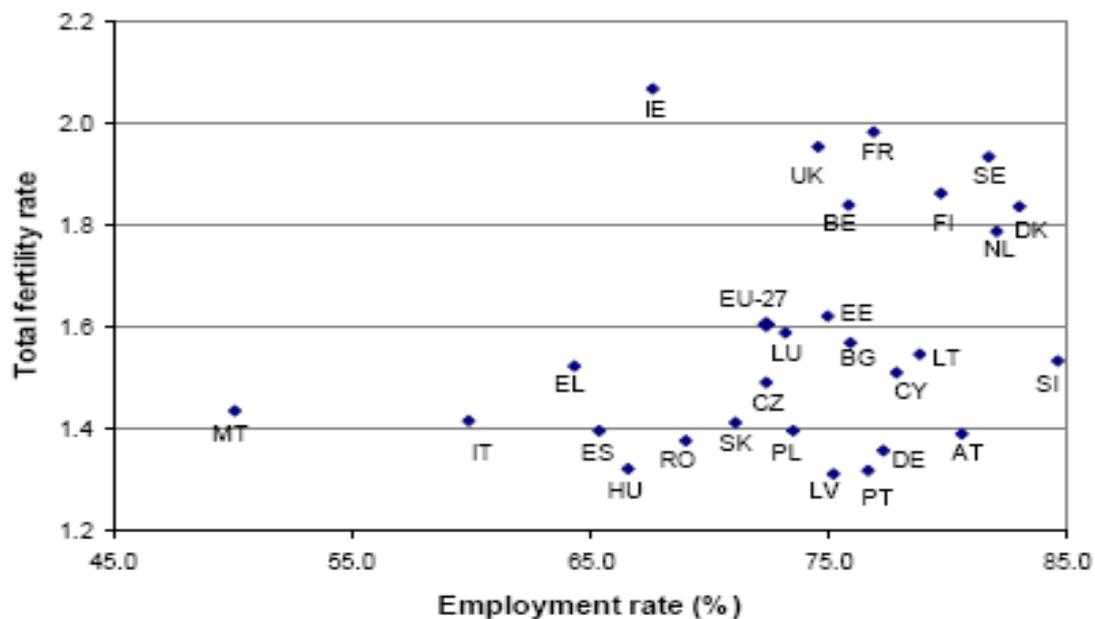
Figure 3. Women on boards in Italy



From 1934 to 1998: Gamba, M. & Goldstein, A. (2009). The gender dimension of business elites: Italian women directors since 1934, *Journal of Modern Italian Studies*, 14(2), 199-225. From 1998: Authors' elaboration on Consob

Figure 4. Fertility and female employment: A trade-off?

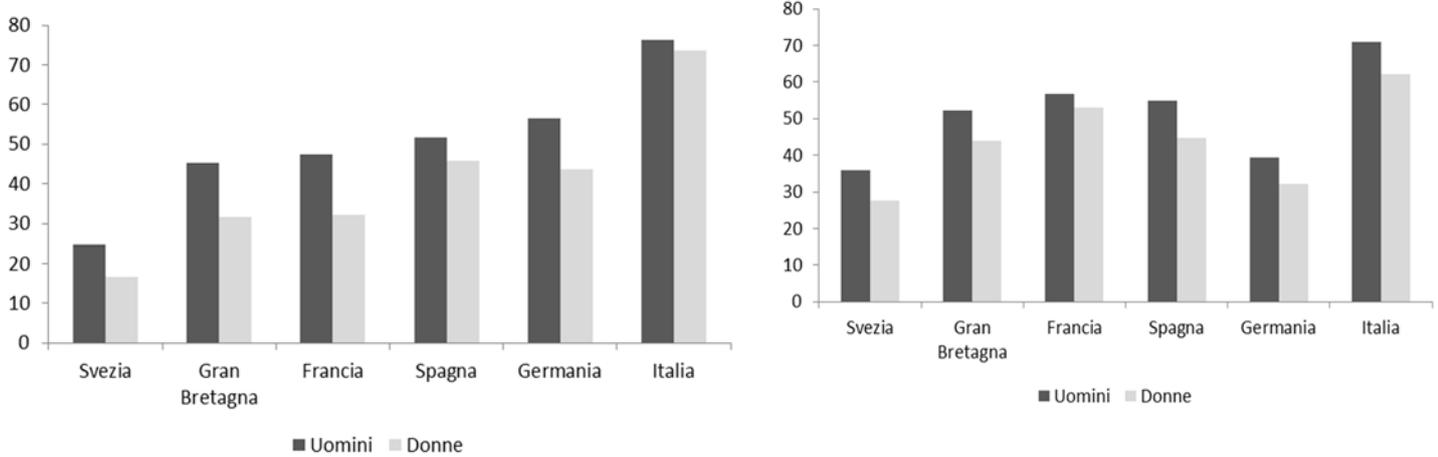
Graph I.7.2: Employment rate of women aged 25-49 and total fertility rate, 2009



Total fertility rate for EU-27, IT and UK: 2008.

Source: Eurostat (online data codes: demo_frate and ifsa_ergan)

Figure 5. Gender culture.



A pre-school child suffers if the mother works (% agree)

A job is alright but women really want is a home and children (% Agree)

Source: World Value Survey

Figure 6. Family policies and female employment rate

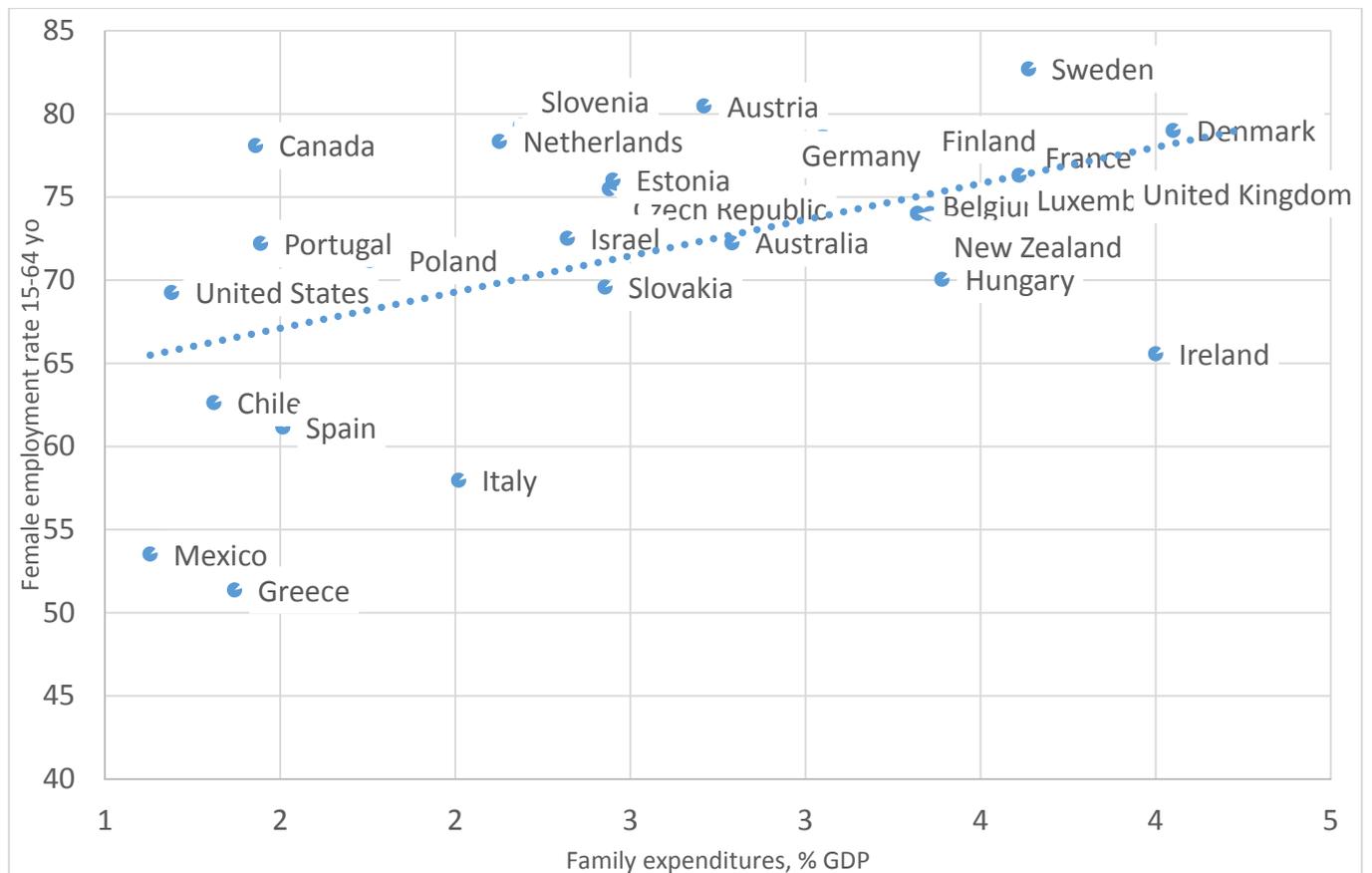


Figure 7. Early childcare and mothers' employment rate

