

TRANSFORMING ECONOMIES, REALIZING RIGHTS

Progress of the World's Women: Transforming economies, realizing rights documents the ways in which current economic and social policies are failing women in rich and poor countries alike, and asks, what would the economy look like if it truly worked for women?

The report brings together human rights and economic policymaking, and provides the key elements for a far reaching new policy agenda that can transform economies and make women's rights a reality.

FACT SHEET – DEVELOPED REGIONS

1 / TRANSFORMING WORK FOR WOMEN'S RIGHTS

With the right mix of economic and social policies, governments can generate decent jobs for women and ensure that the unpaid care work that goes into sustaining all economies is recognized and supported.

PERSISTENT GENDER GAPS IN LABOUR FORCE PARTICIPATION AND PAY

In Developed Regions, the labour force participation rate (LFPR) of women (aged 15+) increased from 49 per cent to 53 per cent between 1990 and 2013, while men's LFPR decreased from 73 per cent to 68 per cent.

In 2013, Iceland had the highest women's LFPR, with 70.5 per cent (compared with a 77.4 per cent rate for men in 2013). Malta had the lowest women's LFPR in 2013, at 37.9 per cent (compared with a 66.3 per cent rate for men).

The gender gap in labour force participation has narrowed from 23.4 per cent to 14.2 per cent in Developed Regions. Sweden and Norway have comparatively narrow gender gaps in LFPR, both at 8 per cent, respectively.

In Developed Regions, women earn on average 23 per cent less than men.

TOO OFTEN WOMEN ARE TRAPPED IN LOW PAID, POOR QUALITY WORK

In the United Kingdom, most of the rise in total employment since 2008 is in low paid self-employment, with women accounting for 54 per cent of the increase. Women in this kind of employment earn on average just 35 per cent of median annual earnings, and 42 per cent less than men in the same kind of employment.

In the United Kingdom and the United States, as much as 40 to 50 per cent of the gender pay gap can be attributed to parenthood and marriage. In both countries, while the overall gender pay gap has been decreasing, the parenthood pay gap is increasing.

In the United States, unmarried women earn 96 cents to an unmarried man's dollar, but married women with at least one child earn 76 cents to the married father's dollar.

Pervasive sexual harassment and other forms of violence in the workplace serve to reinforce or maintain existing hierarchies and gender power relations. In EU countries, 75 per cent of women in management and higher professional positions and 61 per cent of women in service sector occupations have experienced some form of sexual harassment in their lifetime.

WOMEN'S DISPROPORTIONATE SHARE OF UNPAID CARE WORK LIMITS THEIR OPPORTUNITIES

Women's total working hours exceed men's in all developed countries with available data, except the Netherlands and Denmark. In 2011, women (aged 15-64) in Japan spent 299 minutes per day on unpaid care and domestic work compared with 62 minutes per day for men. Women in Italy spend over three times as long on unpaid care and domestic work as men (315 minutes compared with 104 minutes).

The burden of unpaid care work negatively on women's employment options: in the EU in 2013, 25 per cent of women compared to only 3 per cent of men cited care and other family responsibilities as the reason for not being in the labour force. Women in the United States aged 55-67 who provided unpaid care to their elderly parents reduced their paid work hours by 41 per cent.

POLICIES TO TRANSFORM LABOUR MARKETS

Laws are an important basis for women's right to work and at work. As of 2014, Australia, Belgium, Canada, Greece, Ireland, Netherlands, Norway, Portugal, Spain, the United Kingdom and the United States have laws in place for equal remuneration for work of equal value; non-discrimination based on gender in hiring and banning sexual harassment in employment.

Recognizing, reducing and redistributing women's unpaid care and domestic work

Women's employment rates are much higher in countries where family-friendly policies are in place. Employment rates for women with two children in EU countries that provide the most comprehensive support are 84 per cent, compared to 63 per cent in the EU countries with the least support.

The ILO recommends that governments should provide a minimum of 14 weeks paid maternity leave, paid for collectively (i.e. not just by employers), at a rate of at least two thirds of previous pay. Most developed countries meet this minimum, with the notable exception of the United States that offers only 12 weeks of unpaid leave at federal level.

In 2013, at least 16 developed countries offered paternity leave, ranging from one day in Italy, up to 90 days in Iceland. Austria, Canada, Germany, Ireland, Israel, Japan, Malta, Switzerland and the United States do not offer paternity leave.

Norway pioneered 'daddy quotas', where portions of non-transferable leave are taken on a 'use it or lose it'

basis. Such quotas have increased uptake of leave among fathers: in Iceland, 84 per cent of fathers took their full three-month quota of leave in 2007.

Narrowing gender pay gaps and addressing occupational segregation

Minimum wages reduce the risk of women being in low paid work and narrow the gender pay gap. In OECD countries, the presence of a minimum wage, set at a relatively high level, reduces the risk of women being in low-paid work, and narrows the gender pay gap. The gender pay gap is 6 per cent in countries with a statutory minimum wage set at 40 per cent of median wages or above, 10 percentage points lower than the average gender pay gap for OECD countries.

In addition, targets and quotas are one way to break down occupational segregation and tackle stereotypes. Belgium, Germany, Iceland, Italy, the Netherlands, Norway and Spain are among countries that have introduced quotas for corporate boards. A number of countries have also used quotas to increase women's representation in decision-making positions in the public sector.

Reductions in occupational segregation are correlated with higher levels of education in the United States: analysis of data from 1970 to 2009 found the largest decreases in segregation among college graduates, but very little change among those with incomplete secondary education. The pace of change also decreased significantly during this period, all but stalling in the 2000s, suggesting that education is not enough on its own to eliminate the problem.

Guaranteeing domestic worker's rights

The ILO Domestic Workers Convention (No. 189) was adopted in 2011. The convention requires States to extend basic labour rights to domestic workers, such as overtime pay, annual paid leave, minimum wages and safe working conditions. To date 17 countries have ratified the convention, including Finland, Germany, Ireland, Italy and Switzerland.

In 2010, the New York State Bill of Rights for Domestic Workers, the United States' first comprehensive piece of legislation protecting domestic workers was passed. Among other provisions, the bill set out the right to overtime pay, a day of rest every seven days, paid holidays and protections under state human rights law. In July 2013, Hawaii followed New York's lead and became the second state to pass labour protections for domestic workers, followed by California in January 2014 and Massachusetts in July 2014.

2/ MAKING SOCIAL POLICY WORK FOR WOMEN

Well-designed social policies can enhance women's income security, and their ability to realize their potential and expand their life options. Social protection policies—including family and child allowances and old-age pensions—can be powerful tools to address women's poverty and reduce inequality. Social services, such as health care, child- and elder-care, and water and sanitation can have an even greater effect, as well as reducing the drudgery of unpaid care and domestic work.

WOMEN'S GREATER VULNERABILITY TO POVERTY IN CHANGING SOCIETIES

Lower rates of labour force participation, gender pay gaps and less access to pensions and other social protection contribute to large lifetime income gaps. In France and Sweden, women's lifetime income after all social transfers is 31 per cent lower than men's; and in Germany, women can expect to earn 49 per cent less than men.

Demographic, family and household structures are experiencing major shifts in all regions with implications for income security and care provision. Today, 15 per cent of children live in single-parent households in OECD countries.

Ageing has specific implications for women and thus for gender equality outcomes. Women are significantly more likely to live in poverty in older age globally. In the EU, the poverty rate of elderly women is 37 per cent higher than that of elderly men.

WOMEN HAVE LESS ACCESS TO SOCIAL PROTECTION

Old-age pension coverage is highest in developed regions, but there are significant gender gaps. In several developed countries, women's coverage is half or even less than half of men's: at 47 per cent compared with 97 per cent in Spain; 32 per cent compared with 98 per cent in Malta; and 56 compared with 100 per cent in Luxembourg. In many other countries, including Portugal, France, Germany and Finland, all elderly women and men receive a pension.

Even where relatively large shares of women and men receive a pension, gender gaps in benefit levels persist. In France, Germany, Greece and Italy, women's average pension is more than 30 per cent lower than men's.

Active pension scheme contributions rates of the working-age population are generally high across Developed Regions, but gender gaps persist. The gender gap is almost 17 percentage points in Greece, 13 percentage points in Spain, almost 10 percentage points in Australia, and just over 5 percentage points in the United States. Several countries, including the Netherlands, have a 100 per cent contribution rate from women and men.

SOCIAL TRANSFERS ARE ESSENTIAL FOR REALIZING WOMEN'S RIGHTS

A recent review of pre- and post-transfer poverty rates in 27 high-income and 10 middle-income countries shows that in developed countries, social transfers reduce by around 60 per cent the proportion of women and men living in poor households.

Data from 18 countries across regions shows that social transfers significantly reduce poverty rates of single mothers. Transfers in Sweden and Denmark reduce poverty among single mothers by 86 per cent, and 91 per cent, respectively. In Australia and Germany, single mothers and their children would be twice as likely to live in poverty without public social transfers.

In 2012, more than half of OECD countries with available data provided universal family benefits. Yet, faced with economic crisis and austerity, developed country governments are turning away from universalism towards targeted benefits. Since 2011, the United Kingdom has frozen child benefits and transformed them from previously universal entitlements into means-tested ones.

ACCESSIBLE AND AFFORDABLE SOCIAL SERVICES ARE JUST AS IMPORTANT

Accessible, affordable, gender-responsive social services reduce poverty and inequality. In OECD countries, in-kind social services increase disposable income by around 30 per cent, compared to 23 per cent for social transfers in cash, almost halving poverty and reducing inequality by an average of 20 per cent.

Health care

Over the past two decades, a number of countries across regions, including the United States, have started to roll out universal health coverage using a variety of approaches and funding sources to enhance access and affordability.

In the USA, the Affordable Care Act (ACA) will vastly improve access to health services, including for 47 million women who are set to gain access to preventative health care. However, the two main avenues for expanding coverage – employer-based insurance and Medicaid – are likely to continue to

disadvantage women, especially those who are unmarried, poor or ethnic minority. Undocumented migrants are also excluded from purchasing insurance coverage.

Care services

Care services must be affordable, accessible, of appropriate quality and respectful of the rights and dignity of both caregivers and care receivers. In OECD countries, coverage of Early Childhood Education and Care (ECEC) services for children aged 0–2 years, when the care burden on women is largest, is only about 33 per cent, compared to at least 70 per cent for children aged 3–5 years. Care services for under-3s are rarely provided free of charge and costs vary as widely as coverage rates.

Policy responses to the care needs of dependent adults—including frail elderly people and people with disabilities—have been slow to develop, even in developed countries. Public expenditure on elderly care remains low. Families, friends, neighbours and community networks provide the bulk of long-term care, with women assuming most of the related unpaid work.

3/ TOWARDS AN ENABLING MACROECONOMIC ENVIRONMENT

Macroeconomic policies can and should support the realization of women's rights, by creating dynamic and stable economies, by generating decent work and by mobilizing resources to finance vital public services.

UNPAID CARE WORK UNDERPINS ECONOMIC GROWTH AND MUST BE RECOGNIZED AND SUPPORTED

The work involved in caring for people is essential for reproducing the labour force and generates real economic value. Despite the benefits to society, the unpaid care work predominantly performed by women is not incorporated into the calculation of GDP or reflected in other macroeconomic indicators, or taken into account in economic policymaking.

In the United States, the total value of unpaid childcare services in 2012 was estimated to be \$3.2 trillion, or approximately 20 per cent of the total value of GDP. In other countries, estimates of total value of unpaid care work range from 45 per cent of GDP in the case of Canada to between 20 per cent and 37 per cent for a sample of 24 EU countries.

The development of human capacities should be seen as a form of investment that yields future benefits. This has important implications for fiscal policy. Support for unpaid care and domestic work through public social spending on health or childcare, for example, should not be classified as public consumption (current expenditure), but as public investment (capital expenditure). This would enable governments to borrow money to pay for these vital investments.

In many countries, however, the reverse is happening: austerity cut-backs to public services in the aftermath of the global economic crisis have reduced public sector employment, with a disproportionate impact on women's jobs, and reduced the availability of public services, which is likely to have increased women's unpaid care and domestic work.

MOBILIZING RESOURCES TO FUND SOCIAL POLICIES

Governments need revenue to pay for social policies and corporations must pay their fair share.

However, not all countries are equal in terms of their ability to implement enabling macroeconomic policies or in their ability to mitigate backsliding on economic and social rights due to shocks.

The United States, for example, was able to respond to the 2008 financial crisis by implementing counter-cyclical stimulus policies that offset the negative consequences of the financial shock. In contrast, Greece with a much smaller economy, was forced to take a pro-cyclical stance, drastically cutting public spending at the height of the economic downturn.

Women are highly under-represented on the decision-making bodies of central banks: there is only one woman on the six-member executive board of the European Central Bank and two women on the 24-member governing council, for example.