

A more productive economy and society through gender equality

Integrating equality into the productivity agenda is essential for a medium to long term strategy for raising productivity that aims at improving well-being for all. Not doing so risks the development of an increasingly polarised and dysfunctional society.

Over recent decades, OECD countries have relied on women's investments in education and steadily rising higher employment participation to boost growth, but now further growth requires attention to raising productivity. This is the hard part of the transition to a more gender-equal society as it requires action on three fronts:

- » **Changes to the way work is organised in the workplace and the home to enable women to make full use of their talents**
- » **Changes to pay structures to ensure women's work is appropriately valued and rewarded**
- » **Greater investment in support for working parents.**

These changes are needed across the spectrum of women's work to address the different challenges faced by women in different social, employment and demographic contexts. Institutional change has not kept pace with the major changes in women's engagement in education and employment and indeed in gender relations and behaviour in the wider society. Low productivity problems stem in part from a mismatch between this major social change and the organisation of our society and economy.

Women from different social groups or occupations face different problems and challenges requiring different policy solutions. For example:

- » **Research indicates that employers may pay less to those opting for reduced working hours and fail to offer them the same opportunities for advanced training and challenging work as full-timers.** This stagnation in earnings for women is often seen by employers and policymakers as a personal choice so that little action is taken to change the practices that trap women in jobs offering limited progression and result in foregone productivity growth.
- » **While focusing on educated women is important, it may widen social class inequality.** Attention also needs to be focused on improving both the valuation and the organisation and productivity of the work of lower social class and lower-educated women. Much of this work is essential service work, as demonstrated in the COVID-19 pandemic. This work suffers from low valuation and low recognition of the skills involved, in part due to its association with domestic labour.

Key messages

- OECD growth has been boosted by women's increased participation and educational investments.
- Women's talents need to be both better utilised and better rewarded and opportunities improved through systematic efforts.
- Progress requires changes in the way work is organised both in the workplace and the home and in the support available to working parents.
- Men's behaviour needs to change at work and in the home – with policy initiatives to support and incentivise changes at individual and family level and work and employment arrangements within organisations and sectors.
- Different approaches are needed depending on both life stage and occupational position.
- Investing in social and physical infrastructure to support working parents is essential to enable more equal parenting and a more equal and productive society.

UK specific

- » The UK's low aggregate productivity growth and inequality is partly through a **failure to provide progression and skill development opportunities for women**. This is often regarded more as a personal choice than an economic or organisational problem. The potential for women to assist in filling some of the often-discussed skills gaps has been noticeable mainly by its absence.
- » The Levelling Up agenda is seen as the main route to greater equality in the UK but **raising female productivity growth in the UK is just as vital** if productivity growth is to benefit most people and not be concentrated on the few. Skill development and progression opportunities are limited in many female-dominated sectors even though they provide essential services.
- » **The UK could learn from Sweden** where the part-time to full-time wage gap is much smaller than this gap in the UK as rights to reduce hours are stronger, with parents able to reduce hours in existing roles until a child is eight.
- » **Women's educational investments are not leading to the same returns as men** in forms of earnings, particularly from the point they have children.

Policy recommendations

- Looking at productivity with a gender lens reveals not only problems of underutilisation of women's potential talents and skills within the current jobs and pay structures, but also the **undervaluation of women's current contributions to growth and the productivity** within those jobs and pay structures. To focus on women and women's work in solving the UK's productivity problem we need to:
- » **Treat family support** as an essential component of state-supported infrastructure.
 - » Extend the equality focus from boardrooms to the **foundational economy** where women work in essential services.
 - » **Change the culture and working practices** within organisations to enable women to progress and thrive.
 - » Ensure women's skills and contributions are properly **recognised and rewarded**.
 - » **Raise skills and productivity in female-dominated sectors** such as social care, early years education, cleaning and catering.
 - » Be sensitive to **geographic variations** in access to good quality jobs; women's commuting ranges are often restricted by childcare responsibilities.

Improving women's access to employment and skill development

Revaluing women's work

Societal level

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| <ul style="list-style-type: none"> » Investing in care infrastructure- childcare and social care (also in levelling up policies). » Investing in gender-friendly transport systems (buses; not only cars and trains). | <ul style="list-style-type: none"> » Revaluing public sector employment and public sector professions. » Ensuring funding for outsourced public services is compatible with fair value of the work. |
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Sector, occupation, firm or work group level

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| <ul style="list-style-type: none"> » Flexible working as a right from day one. » Ensure all who work flexibly have access to training/ promotion. » Strengthen implementation of age discrimination legislation to enable women returners to restart careers. » Move towards shorter full-time working hours to enable women to work full-time and facilitate shared parental responsibility for childcare. » Right to hybrid working where remote working is possible. » 'Right to disconnect'. | <ul style="list-style-type: none"> » Raising wage floors (wages and guaranteed hours). » Extend gender pay gap reporting regulations in line with EU pay transparency directive (burden of proof on employers that pay reflects equal value). |
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