



## Female choice dilemma

**58%** – of OECD students will be women by 2025

**\$28.4 trillion** – boost to world economy by 2025 if gender gaps were bridged

# Female choice dilemma

Women in richer economies have greater choice, and with it increased control and influence. This continues to drive change and decision-making but globally the battle for female equality has a long road to travel.

Debates about equal rights for women have been on the agenda for over a century. Despite the best efforts of the UN's Millennium Goals, more girls than boys still don't go to school; in Africa and South Asia boys remain 1.55 times more likely to complete secondary education than girls. Even in rich countries life isn't equal; the average wage gap between men and women is 20%.

And yet, when girls do go to school, almost universally, they do better than boys and these days their educational dominance persists into university. In the OECD women now make up 56% of students enrolled, up from 46% in 1985 and by 2025 that may well rise to 58%. Women who go to university are more likely than their male peers to graduate, and typically get better grades. In the next ten years this, surely, will have an impact on equality.

Most governments are keen to encourage more women to work as it makes good economic sense. Some estimates suggest that global GDP would rise by between 5-20% if women's participation in the workforce increased. McKinsey's Global Institute research shows if gender gaps in participation, hours worked and productivity were all bridged, the world economy would be \$28.4 trillion (or 26%) richer by 2025. The potential gains are proportionately greater in places where fewer women are already in paid employment. India, for instance, could be 60% richer. To date however gender parity in business is a long way off pretty much everywhere. Across the EU only one third of managers are women. In some countries, such as Luxembourg, it can be half that. Only one in 20 bosses of a Fortune 500 company is female.

Equality isn't everything, and equal opportunities are distributed unequally. The smallest gaps in participation rates are in some poor African countries, where men and women are almost equally likely to work outside the home, probably growing food. India, despite its impressive economic record, remains one of the world's most unequal societies: women make up less than a quarter of the paid workforce and account for just 17% of GDP, a measure of output that excludes unwaged work. The UN Development Programme recently ranked it the worst performing Asian country, excluding Afghanistan, for gender inequality, 132nd out of 137 countries. In other parts of South Asia, women carry out up to 90% of unpaid care work. They are far less visible than men in work outside the home. By contrast, women contribute 41% of GDP in China.

In richer countries, opportunities for many women are on the up. Better access to education, effective contraception and, arguably, increasing divorce rates, all mean that more women choose to build a career and delay having children until their later years. As more women work, they became less accepting of discrimination. Women whose level of education is on a par with men are more likely to find well-paid jobs in technical professions, but there remains an overall imbalance in pay, earning about three-quarters as much as men. Since 2006, the number of women in the workforce has risen from 1.5bn to 1.75bn, but the average annual pay for women today is the same that men were earning in 2005.

*Equal opportunities are distributed unequally.*

## Beliefs and belonging



This, in part, is due to the type of career path women choose and the choices they make. Although men and women may start work on relatively similar salaries, family responsibilities often take priority for women and therefore decrease their earnings relative to those of men as they age. In some countries the cost of childcare makes going back to work financially challenging, so the primary carer, generally female, either cancels or postpones their return. Anyone who chooses to put their career on hold to have a family and still do the bulk of the baby-minding, will find it hard to catch up.

Increased flexibility would help, but this often comes at a high price because for many corporates hours of work are worth more when available at particular moments and when the hours are more continuous. Given this, some argue that the gender gap in pay would be considerably reduced if firms could consider a different approach to working and did not, for example, have an incentive to disproportionately reward individuals who work long and particular hours. There will of course always be jobs where flexibility is not an option - CEOs, trial lawyers and surgeons for example - but for many others pay does not need to depend on being available 24/7.

Often women get fed up waiting to be accommodated by their employers and decide to go it alone. This in part may explain why nearly 30% of all US businesses are majority female-owned and that in the UK women have accounted for more than half the increase in self-employment since the 2008 recession. In emerging economies, innovations such as mobile phones, microcredit and even the humble scooter (over 60% of which are bought by women in India), have freed up female entrepreneurs. There are further promising ideas to reduce the daily grind: foot-pedalled water pumps, the “micro-franchising” of heating and lighting provision in rural areas not served by the electric grid, and the “crowdsourcing” of work to local communities.

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The traditional relationship between men and women is also changing. Well-educated women have been able to form strong relationships with similarly minded men, in which both parents earn and both do some childcare. Many agree that for women to be truly equal in the work place men will need to be equal in the home and this is gradually happening. To encourage this, women who in the past have focused on redefining femininity might themselves have to change their perception of masculinity. Rather than embrace the image of male success as a high-flying, high-earning superhero they should consider a man who can care for children and be content to earn less than his partner.

Politicians and executives will continue to ask whether women should take more leadership roles and debate what can be done to end gender biases. Every conversation will raise awareness and occasionally the opportunities for women will progress; inch by inch.

*Women have accounted for more than half the increase in self-employment, since 2008.*

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