

# Accelerating gender parity: What can governments do?

Given slow progress toward gender equality in the workplace, governments, along with private-sector organizations, must focus their efforts on specific impact zones.

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In 2015, 193 member nations of the United Nations signed the Sustainable Development Goals (SDGs). Goal 5 is to “achieve gender equality and empower all women and girls.” Three years into the SDG agenda, gender inequality remains a critical issue across the world.

Governments can play a decisive role in accelerating progress toward parity through legislation, fiscal measures, programmatic change, and public-private partnerships. Consider just three examples:

- In Singapore, the women’s labor-force-participation rate doubled from 28 percent in 1970 to 58 percent in 2016, reflecting a range of policies helping women to achieve work-life balance, including paid maternity leave, paid and unpaid childcare leave, increased tax relief, tax rebates, and childcare subsidies.
- In Japan, which offers the most generous paid paternity leave in the world, very few men took advantage, because they felt it was unacceptable. Yet after former labor minister Yasuhisa Shiozaki declared himself an “*Ikuboss*”—someone who values “*Ikumen*,” or men playing their part in caring for children—participation in the labor-ministry program has risen from under 14 percent to over 40 percent.<sup>1</sup>
- In Canada, Prime Minister Justin Trudeau named the country’s first gender-balanced cabinet in 2015, which created significant momentum toward gender parity. According to the UN Global Compact Network in Canada, the fifth SDG was “the single most acted-on SDG in Canada in 2017.”

### The case for change: Why gender inequality matters

Women make up half the world’s population but generate 37 percent of global GDP, reflecting the fact that they do not have equal access to labor markets,

opportunities, and rights. Gender inequality is not only a pressing moral and social issue but also a critical economic challenge.

Consider the facts. There are 655 million fewer women in the labor force than men, women spend three times the amount of time as men on unpaid care work in the home, 195 million fewer women than men are literate, 190 million fewer women than men have a bank account, and there are only 22 women in ministerial and parliamentary positions for every 100 men.

McKinsey Global Institute (MGI) research in 2015 found that fully closing gender gaps in work could add as much as \$28 trillion to annual GDP in 2025. Even in a more attainable scenario in which each country matches the progress toward gender parity of the best performer in their region, an additional \$12 trillion could be added to GDP in this timeframe. Every region studied has the potential to increase its GDP by 8 to 16 percent between 2015 and 2025.

The untapped—and unmeasured—contribution of women is enormous. Seventy-five percent of the world’s total unpaid care is undertaken by women, including the vital tasks that keep households functioning such as childcare, caring for the elderly, cooking, and cleaning. MGI estimates that unpaid work being undertaken by women today amounts to as much as \$10 trillion of output per year, roughly equivalent to 13 percent of global GDP.

### Despite the benefits of gender equality, large gender gaps exist around the world

Despite the large economic (and social) benefits of gender equality, large gender gaps persist around the world. MGI has mapped 15 gender-equality indicators for 95 countries and calculated a gender-parity score (GPS) for each region. A GPS of 1 indicates full parity. The 15 indicators cover both gender equality in work and society—the two go hand in hand. While absolute scores on equality in society tend to be higher than

those of equality in work for most countries, MGI found virtually no countries with high equality on social indicators but low equality in terms of employment and labor markets. This suggests that gender equality in society is a powerful driver or determinant of gender equality in work.

MGI found that 40 countries had high or extremely high levels of gender inequality on at least half of the indicators. North America and Western Europe have made the most progress toward parity with GPS scores of 0.73 and 0.71, respectively. The regions with the farthest to travel are the Middle East, with 0.50; Asia-Pacific, with 0.56; and sub-Saharan Africa, with 0.57 (exhibit).

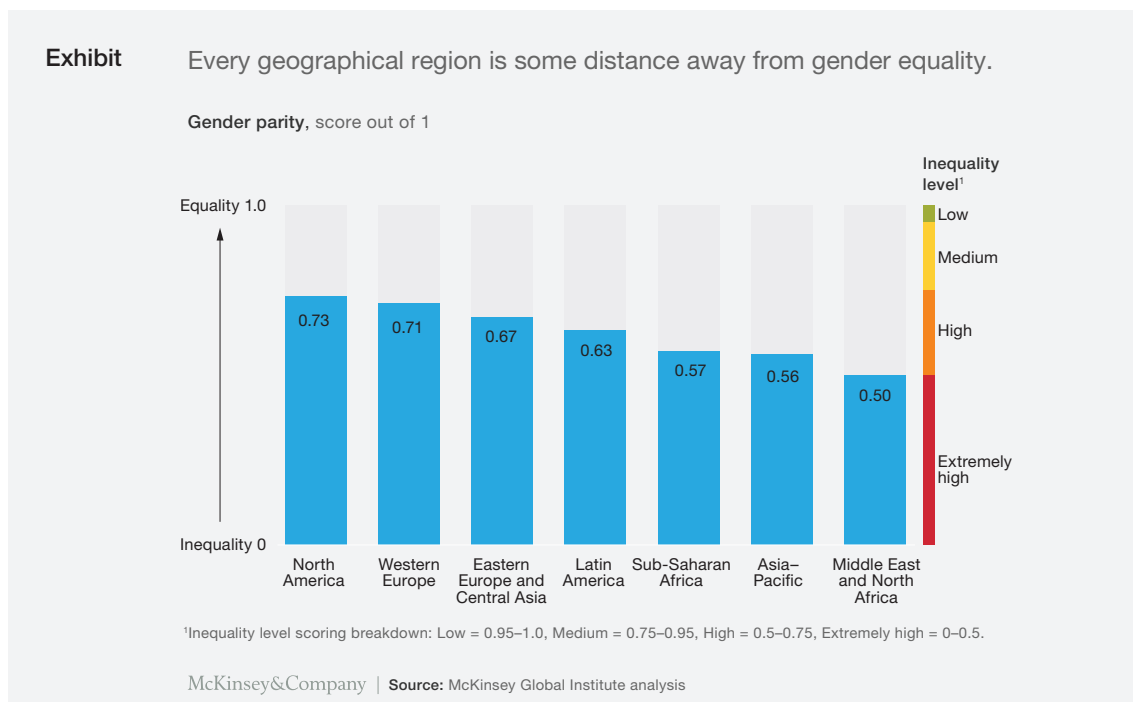
Although there have been some notable successes, overall progress toward parity has been slow. Take progress toward equality for women in the workplace, for example. On the current trajectory, the World Economic Forum reckons it will take 81 years to close the gap completely. Similarly, MGI

notes that the average maternal mortality rate fell from 276 deaths per 100,000 live births in 1995 to 135 in 2013; at this rate of decline, the rate will still be as high as 84 deaths in 2025. Unmet need for family planning fell only marginally from 12.7 percent to 11.7 percent between 2004 and 2014. At that rate, unmet need would still be 10.6 percent in 2025.

### How can governments prioritize action on gender equality?

All forms of gender inequality need to be tackled, but, given the magnitude of the gap and limitations on resources, it is important for governments, often in partnership with private-sector organizations, to focus their efforts. To help them do so, MGI identified ten “impact zones” that reflect both the seriousness of a type of gender inequality and its geographic concentration. Action in these areas could move 75 percent of women closer to parity.

Five are global impact zones of gender inequality affecting many countries, whether advanced



or developing. These impact zones are blocked economic potential, time spent in unpaid care work, fewer legal rights, political underrepresentation, and violence against women. The three biggest impact zones that affect women globally are fewer legal rights (affecting 2.5 billion women), time spent in unpaid care work (1.3 billion women), and violence against women (723.0 million).

The other five impact zones are regional: low labor-force participation in quality jobs, low maternal and reproductive health, unequal education levels, financial and digital exclusion, and girl-child vulnerability.

### What can governments do?

MGI has identified six types of intervention that can be applied to bridge gender gaps: laws, policies, and regulation; financial incentives and support; technology and infrastructure; creation of economic opportunity; capability building; and advocacy and shaping attitudes. The government is a policy maker, a source of finance, an employer, and a powerful convener of stakeholders who can work together to make gender parity a reality. Time and again, leadership from government and bold policies have led to results in these roles:

- **Policy maker.** Laws, policies, and regulations that create a gender-neutral environment are the bedrock of efforts to further women's equality. There is much to do. MGI analysis of the extent of protection for women on 11 critical legal indicators found that 38 out of 91 countries examined have extremely high inequality. In India, for instance, there are laws to address domestic violence and sexual harassment, women have the right to inherit property, and paid maternity leave was raised from 12 to 26 weeks at the start of 2017. However, key legislation mandating equal pay, for instance, is still not in place. In the United Kingdom, the government started requiring all large companies to publish gender pay data
- **Financer.** Public money can be a powerful weapon for governments seeking to reduce gender inequality. In the Philippines, gender and development budgeting has been implemented, requiring a minimum of 5 percent of the national government budget to be allocated to initiatives such as microfinance pilot programs to help informal-sector workers open bank accounts and legal support to improve workplace safety and access to jobs. In Canada, the federal government

from 2018. The United States remains one of only nine advanced Organisation for Economic Co-operation and Development (OECD) economies that does not offer paid parental leave. Four US states (California, New Jersey, New York, and Rhode Island) plus the District of Columbia currently provide publicly funded paid parental leave through payroll deductions (as does the city of New York). Many governments have used the tax system effectively to open up opportunities for women. Canada, for instance, increased female labor-force participation after it reduced the tax contribution on second earners. Others have mandated paid leave for new mothers and fathers. The introduction of 12 months of paid leave in Germany, for instance, led to an increase in women's workforce participation one year after a child's birth, and an increase in the fertility rate. The United Kingdom provides free childcare for two-year-olds from lower-income backgrounds to support mothers to work for pay. In the Philippines, the proportion of female political leaders is more than double that of, for instance, Japan, reflecting the impact of legislated gender quotas since 1991. Another key role for government is in education and training, an increasingly vital part of the effort to open doors for women in the digital age. Singapore's SkillsFuture national movement to provide citizens with the resources they need to develop capabilities is set to be expanded explicitly to target women who are returning to work and need to refresh their skills.

incorporated gender-equality indicators and goals into its core budget documents for the first time in 2017. Many governments subsidize childcare. In Japan, for instance, government subsidies cover as much as 75 percent of the cost of starting a nursery, and 80 percent of its operational expenses. Cash transfers can help incentivize behavioral change in families and communities. Morocco, for instance, put in place a program of cash transfers to families to pay for education that helped reduce dropout rates by about 75 percent. Another key role for governments is as investor in public infrastructure. If the state provides clean running water, more effective cooking fuel, and sanitation, the amount of time women spend on household chores can be reduced. One study in three states of India, as well as Nepal and Bangladesh, found an average savings of 30 to 70 minutes per day through the use of improved cooking stoves alone. India had long lagged behind other economies at similar stages of economic development but has prioritized investment in household infrastructure. Access to clean drinking water and sanitary toilets has doubled, and access to clean cooking fuel has increased by 51 percent. There is a long way to go, but this is an important initiative to free women up from household chores.

- **Employer.** Government is a major employer in many countries, and as such can provide good jobs for women as well as send a signal to broader society. In the United Kingdom, public administration, education, and health is the only sector in which women hold more managerial positions than men. In the National Health Service, which has flexible working options for men and women, women make up 46 percent of all executive directors and 38 percent of nonexecutive roles. In 2015, the Japanese government set a target of women filling 15 percent of prefectural civil-service director roles by 2020 (in 2016, the share was 9.3 percent).

The numbers are still low, but a transparent official target may help to reinforce progress. Indonesia has taken some steps to enable flexible working in government. For instance, the Ministry of Finance has introduced seasonal daycare around the Eid holidays.

- **Convener.** Partnerships may be the answer to turbocharging progress. Indeed, the 17th SDG focuses explicitly on increasing the number of multistakeholder partnerships and increasing their effectiveness. Government can be a powerful convener of partnerships. In Germany, for instance, Chancellor Angela Merkel sponsored *Chefsache* (meaning “CEO priority”), a movement launched in July 2015 that brought together the government, the social sector, the media, science and technology players, and leading companies to promote the representation of women in top management positions.

The challenge of attaining gender parity is highly complex and cannot be solved by governments alone. The private sector needs to play its full part in maximizing work opportunities for women. Communities in many countries need to shift attitudes that hold women back. But there is no doubt that governments can set an enabling legislative framework, invest in women’s equality, and convene the partnerships that are likely to accelerate progress. ■

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<sup>1</sup> “Japan prompts more civil servants to take paternity leave,” Japan Times, January 9, 2018.

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