

March 2022

# Women in Work 2022

**Building an inclusive workplace  
in a net zero world**

A decade of PwC's Women in Work Index



**pwc**

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# Executive summary

**International Women's Day 2022 is an opportunity for us to reflect on the very real impacts of the COVID-19 pandemic on women's lives, jobs, economic prosperity, and broader wellbeing; and importantly, to look to the future.**

That future will be shaped by the global transition to net zero. As new jobs are created, and old ones are lost, effective policies are needed so that women and other disadvantaged groups can benefit from this future green world of work, and no one is left behind. As it stands, women are at a disadvantage: previously slow progress towards equality was set back by the pandemic, and the transition to net zero will further perpetuate inequalities unless there is targeted intervention.

Around the world, economies are recovering from the damage done by the COVID-19 pandemic; and government and business action to address the climate crisis is greater than ever. The new green jobs being created in the transition to net zero present huge opportunities for economies and workforces globally. In developing policies and plans to get to net zero, governments and businesses must take advantage of the opportunity to create a new blueprint for the world of work – one that provides a greener, fairer, and more prosperous future for all.

**This year, PwC's Women in Work Index fell for the first time in its 10 year history. After a decade of slow but steady improvement in women's employment outcomes, the COVID-19 pandemic set back progress towards gender equality in work by at least two years across Organisation for Economic Cooperation and Development (OECD) countries.\*** This was due to higher female unemployment and a greater proportion of women than men leaving the labour market during the pandemic.

Looking ahead, a stronger and faster recovery in labour markets than currently projected, is needed to reverse the damage done to women's employment outcomes by the pandemic.<sup>1</sup> Meanwhile, without intervention, the new green jobs created by the transition to net zero will not benefit everyone equally, and there is a risk that women are left even further behind.

**There are huge economic gains to be made from accelerated progress towards gender equality in work.** Our analysis finds that increasing women's employment rates across the OECD (to match those of Sweden, which is a consistent top performer) could boost OECD Gross Domestic Product (GDP) by US\$6 trillion per annum. Meanwhile, closing the gender pay gap could boost women's earnings across the OECD by US\$2 trillion per annum.

## Key 2020 OECD Index results (compared to 2019):

Female labour force participation rate down one percentage point to

69%




Female unemployment rate up one percentage point to

7%

Gender pay gap down one percentage point to

14%\*\*

## Top ranked countries 2020:

1. New Zealand 
2. Luxembourg 
3. Slovenia 

## 2020 COVID-19 women's employment gap\*\*\* =

5.1million  
more women unemployed

5.2million  
fewer women participating  
in the labour force across 33  
OECD countries.

\*For the purposes of this report, references to OECD refer to the 33 OECD countries included in the PwC Women in Work Index, unless stated otherwise. Further information is available in the Technical Appendix.

\*\*PwC analysis using OECD and Eurostat data, all data sources are listed in the Technical Appendix

\*\*\*Using historic OECD female labour force participation and unemployment data we are able to calculate the average growth rate for each indicator for the period between 2014 and 2019. Applying this growth rate to 2019 data for each indicator, we are able to forecast what the indicator would have been in the absence of the pandemic in 2020. The difference between the forecasted figures and the actual 2020 data gives the estimated figures quoted above. Please refer to the Technical Appendix for further detail.

**Progress being made towards equality is not benefiting all women across the OECD equally.**

Some groups of women face greater challenges and unfair disadvantages in achieving economic success. In this year's report we focus on two specific groups: **(1) women raising children, and (2) women from Ethnic Minority groups.**

**Women raising children pay a 'motherhood penalty' in underemployment, slower career progression, and lower lifetime earnings.** Once a first child is born, an employment gap opens up between men and women with children. The gap persists over time, as women with children often take on part-time roles and/or lower quality, less secure work. This is known as occupational downgrading. By the time a child is 20 years old, women are still unlikely to have 'caught up' with men.<sup>2</sup> This not only affects their career progression and earnings long-term, but contributes to a persistent gender pay gap, alongside higher rates of poverty and economic insecurity for single women over the retirement age.<sup>3</sup>

**The increased burden of unpaid childcare borne by mothers during the pandemic was a key driver of the disproportionate effect of COVID-19 on women's employment outcomes overall.**<sup>4</sup> Schools and childcare facilities closing caused immense strain on parents. Mothers took on more unpaid childcare obligations (than fathers and non-parents), adding to the already unequal burden of unpaid care duties and domestic labour they carried prior to the pandemic. Juggling paid work with these additional demands caused women raising children to reduce their contribution to the labour market, and in some cases leave the workforce altogether.



When examining women and men with comparable parenthood status across 25 OECD countries:<sup>5</sup>

- **Mothers of children under 12 were over 3 percentage points more likely to have left employment than fathers of children under 12** (between the first and the third quarter of 2020).
- For women and men without children under 12, the gap was **less than half a percentage point.**

**Women from Ethnic Minority groups experience significantly worse employment outcomes than White women in the UK. They receive lower pay, and experience higher unemployment rates.<sup>6</sup>**

Our analysis of UK Office for National Statistics (ONS) data shows that this disparity has widened over the last decade. It also indicates that inequalities faced by Ethnic Minority women were exacerbated by the pandemic, with their unemployment rates rising substantially more than for other groups.\*

**Women from Ethnic Minority groups are still more than a decade behind White women in terms of unemployment, and are proportionately worse off now than they were in 2011, according to our analysis of ONS data.\***

Our ethnicity and gender pay penalty analysis also shows that, in the UK, **women from Ethnic Minority groups earn less than men from both White and Ethnic Minority groups and White women**, based on (like-for-like comparison) of people working in the same occupations and with the same qualification levels.\*\*



**On average, for every £1 earned by a White man with the same occupation and qualifications:\*\***

- **Men from Ethnic Minority groups earn 93p**
- **White women earn 89p**
- **Women from Ethnic Minority groups earn 87p**

These pay differences are unexplained by any other observed individual or occupational characteristics, and can therefore be interpreted as a measure of the gender and racial discrimination that exists in the workplace.\*\* **They provide compelling evidence that an individual's race and gender, and the intersection of these two characteristics, are significant determining factors of pay and professional success.** The implication of this is that we cannot fix employment and pay disparities simply by addressing skills gaps – there is a need to address the systemic and structural gender and racial inequality which exists in the labour market.

\*PwC analysis of Office for National Statistics (ONS) data from Q3 2011 to Q3 2021 (inclusive), all data sources are listed in the Technical Appendix. \*\*Our ethnicity and gender pay penalty analysis builds on the analysis produced in our [Strategy & Ethnicity Pay Gap Report 2021](#) and applies only to the UK. It takes national earnings data from the Annual Population Survey, disaggregated by gender and by ethnic group, and statistically controls for a range of personal and work-related pay-determining characteristics (such as age, region, occupation and qualifications). Please see the Technical Appendix for the full methodology including the complete list of characteristics controlled for.

**The next decade of Women in Work will be shaped by the transition of economies to net zero emissions.**

Governments across the world are increasing efforts to decarbonise their economies and meet net zero targets. In 2020/21, 28% of the US\$17.2 trillion in government spending announced by the largest 30 economies was targeted at environment related stimulus.<sup>7</sup> This is a positive indicator of commitment and momentum, but we need nuanced, gender-responsive policy and action if we are to achieve a just, gender inclusive transition to a net zero global economy.

Our analysis of the energy sector's transition to net zero shows that across the OECD, jobs created will be concentrated in only a few sectors: utilities, construction, and manufacturing the clear top 3. These sectors employ nearly 31% of the male workforce across the OECD, compared to only 11% of the female workforce.\*

**With new jobs concentrated in sectors that are male-dominated, men are immediately better placed to take advantage of the new opportunities.** Without taking action to improve women's representation in these sectors, this sectoral transition to net zero will increase the gender gap in employment across the OECD, such that the total employment gap between men and women will widen 1.7 percentage points by 2030.\*\*

**We must understand the structural transition underway in economies and labour markets, and how it will affect different groups in society.**

Equipping our female workforce with the right skills to successfully navigate the green jobs market is one side of the demand/supply equation. This will help to create greater economic security for women by improving their access to high quality and sustainable jobs in markets of long term growth. The other side of the equation is building a future world of work that better meets the needs of women and other disadvantaged groups.

In this future green world of work:

- Flexible working options must be accessible and equally used by everyone, both women and men, such that flexible working is accepted as standard practice, and there are no conscious or unconscious gender biases against those who work flexibly.
- Government and business must put more policies in place to address the underlying social inequalities experienced by women, in the greater burden of unpaid childcare and domestic labour they undertake. This should include policies that *reduce* the burden of care, for example, more affordable childcare; and policies that *redistribute* the burden of care, such as equal paid parental leave.

**We will only achieve gender equality in work when we achieve gender equality in society.** As we look towards a fairer, greener future, we need governments, and even more importantly businesses, to lead the way by rebuilding our economies and societies with good policies and practices that put women's needs at the centre, and are designed using an intersectional framework.

**This will allow us to design-in equality to our future, and finally #BreakTheBias. It is not enough to imagine a gender equal world; we must all do our part to create it.**

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\* This is based on PwC analysis of ILO data on jobs composition by sector for 28 OECD countries. Please see Technical Appendix for further details on methodology.

\*\* The 1.7 % pt widening in the employment gap between men and women will be driven by both the energy sector's transition to net zero and other structural changes such as increase in automation. Our analysis finds that the energy sector's transition to net zero explains 0.5% pts of the widening of this gap. Therefore the transition drives an increase in the employment gap. Please refer to the Technical Appendix for further detail.

OECD  
performance  
during the  
COVID-19  
pandemic



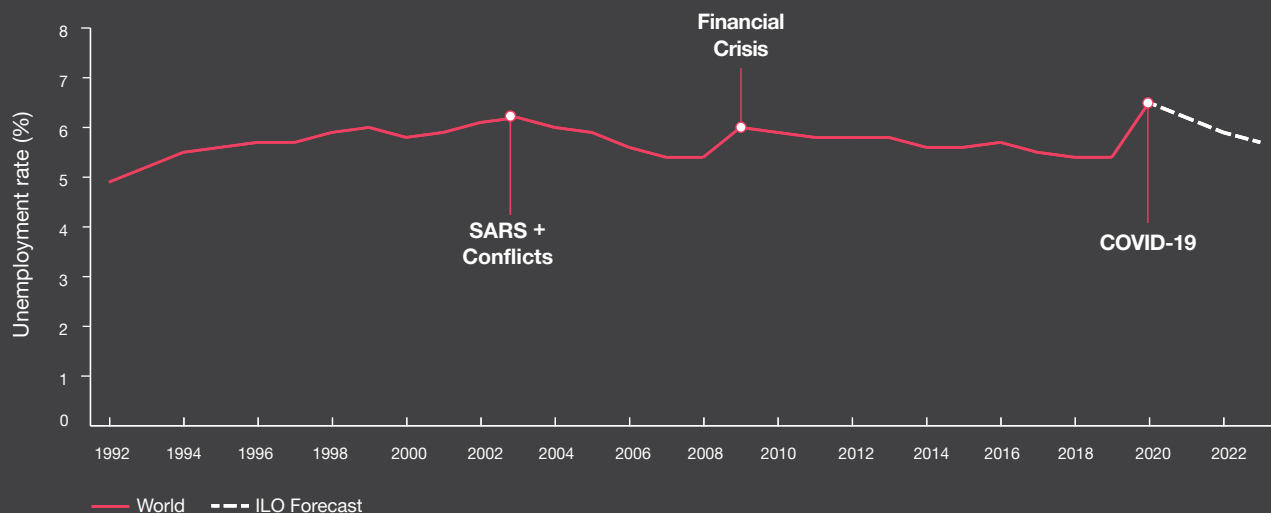
# COVID-19 triggered sweeping job losses across the globe, with women’s jobs hardest hit

**Labour markets across the world have been heavily impacted by the pandemic, with global unemployment rates peaking above the levels reached during the 2008/09 financial crisis.**

Some 8.8% of global working hours were lost in 2020, relative to the fourth quarter of 2019, according to the International Labour Organisation (ILO). That’s the equivalent of 255 million full-time jobs, an impact approximately four times greater than that of the financial crisis.<sup>8</sup> The closing of whole sections of the economy due to COVID-19 restrictions saw unprecedented job losses for both women and men, but the impact on women’s employment was relatively worse.

Variation between countries in the speed of vaccine rollouts, level of fiscal stimulus provided, and support from job retention schemes, is contributing to diverging economic and employment recovery trajectories. High and upper-middle income countries are experiencing stronger economic recoveries so far, while low-income countries are seeing further setbacks amid the spread of new COVID-19 variants. According to the ILO, young people across the globe – particularly young women – continue to face the biggest deficit in employment relative to 2019, before the impact of the COVID-19 pandemic.<sup>9</sup>

**Global unemployment rate\* (%) between 1992 and 2023**



Source: PwC analysis of ILO data, all sources are listed in the Technical Appendix.  
\*Unemployment refers to the share of the labour force that is without work but available for and seeking employment.

# After a decade of slow but steady improvement, PwC's Women in Work Index fell for the first time in its history

## The pandemic has set back progress towards gender equality for women in work by at least two years.

The average Women in Work Index score across the 33 OECD countries analysed fell for the first time to 64 (from 64.5 in 2019). The main contributing factors to the fall were higher unemployment and lower participation rates during 2020. Some 4.3 million more women became unemployed and a further 3.2 million women left the labour force between 2019 and 2020.

While the Index fall is not large in absolute terms, it is 1.9 points below the score of 65.9 which we would have expected had the pandemic not happened.\* Comparing job losses to the employment growth anticipated before the pandemic allows us to calculate the 'COVID-19 gap'. This presents a more accurate interpretation of women's employment losses in 2020 across our 33 OECD countries as:

- 5.1 million more women unemployed.
- 5.2 million fewer women participating in the labour market.\*\*

We do not expect the Women in Work Index to reach its previously predicted 2020 level until at least 2022, and even then a stronger and faster recovery in labour markets is needed for the Index to catch up with its previous growth path. Current OECD short term forecasts suggest that labour market participation is expected to bounce back faster than its historical rate of growth over the next three years which is a positive sign, but forecasts for unemployment falling are weaker.\*\*\*

To reverse the damage done by COVID-19 to women's employment outcomes, female employment and labour force participation needs to grow faster than before the pandemic (all else equal). If this does not happen, progress towards gender equality will be set back longer term, and in a very worst case scenario, could suffer permanent damage.



A stronger and faster recovery in labour markets is needed for the Index to catch up with its previous growth path

\*This would have been the expected result if the annual growth in the Index between 2019 and 2020 had matched its historical average based on the compound annual growth rate (CAGR) calculated between 2014 and 2019.

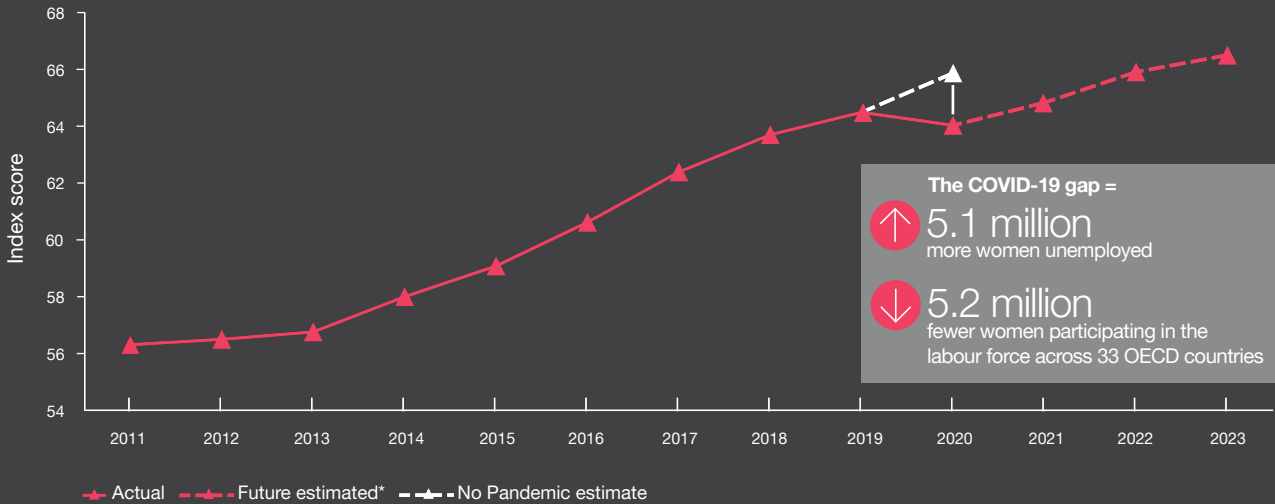
\*\*Using historic OECD female labour force participation and unemployment data we are able to calculate the average growth rate for each indicator for the period between 2014 and 2019. Applying this growth rate to 2019 data for each indicator, we are able to forecast what the indicator would have been in the absence of the pandemic in 2020. The difference between the forecasted figures and the actual 2020 data gives the estimated figures quoted above.

\*\*\*The OECD publishes forecasts for the labour force participation rate as the size of the labour force relative to the size of the working age population between 15-64 and the total unemployment rate as a percentage of the labour force for all OECD countries between 2021 and 2023. When applied to the Index results for 2020 we are able to estimate the potential growth of the Index for 2021-2023 (holding all other factors constant – i.e. the gender pay gap and female full time employment rate – at 2020 levels).



PwC's Women in Work Index provides our assessment of women's employment outcomes in 2020 across 33 OECD countries.

### Women in Work Index Score



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\*Estimates based on OECD forecasts for labour force participation rates (%) for men and women and unemployment rates (%) by sex between 2020 and 2023. Estimate assumes the gender pay gap and share of female employees in full-time employment remain constant at 2020 levels.



# Gains have been made over the last decade, but considerable progress is still needed to achieve equality in the workplace

The Index is a weighted average of five indicators that reflect women's participation in the labour market and equality in the workplace.



**Female labour force participation rate**  
Proportion of working age women in the labour force  
Weighting\*\* 25%



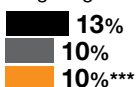
It would take at least...\*

**33 years**

for women's participation rate in the labour force to catch up to men's current participation rate (80%).\*



**Participation rate gap**  
Percentage point difference in female and male participation rates  
Weighting\*\* 20%



**30 years**

to close the participation rate gap.\*



**Female unemployment rate**  
Share of female workforce who are unemployed  
Weighting\*\* 20%



**9 years**

for the female unemployment rate to fall to men's current unemployment rate (6%).\*



**Female full-time employment rate**  
Share of female employees in full-time employment  
Weighting\*\* 10%

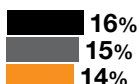


**67 years**

for the share of female employees in full-time employment to be equal to the share of male employees (91%).\*



**Gender pay gap**  
Percentage difference in median level of income for women and men  
Weighting\*\* 25%



**63 years**

to close the gender pay gap.

Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\* Source: Assumes constant average per annum percentage points growth over 10 years of the Index is applied linearly to estimate the number of years to reach 'parity'. Growth in the Index has slowed slightly since 2017. If that trend continues, these estimates represent a 'best case scenario' of the time it would take to reach a state of gender equality. Currently men's participation rates are falling, so it is estimated that the 'gap' will close at 78%, 3 years earlier than female participation will reach men's current participation rate of 80%. These estimates are likely to vary considerably year on year as growth rates of each indicator for men and for women change. It may take longer for women to close the gap if growth in men's participation rates begin to increase again.

\*\*Each indicator is weighted in calculation of the overall index. The weight of each indicator is related to its importance. For this reason, certain countries may perform much better as they improve their performance on particular indicators that are weighted more heavily.

\*\*\*This number may not sum to other reported figures due to rounding.



## In focus: breaking down the OECD's performance in 2020 – fall in the Index of half a point

**The key indicators driving the fall in the Women in Work Index for 2020 were an increase in the female unemployment rate by one percentage point, and a fall in the female labour force participation rate by one percentage point (based on an unweighted average across the 33 countries in our Index).**

Both female and male unemployment and labour force participation rates experienced similar average movements between 2019 and 2020 across the OECD – reflecting broad job losses across the majority of economies driven by the pandemic. However, the relative impact on women's employment outcomes was worse than on men's.

On average, across **all OECD** countries (accounting for population weighted changes and including the remaining OECD countries not part of the Index):

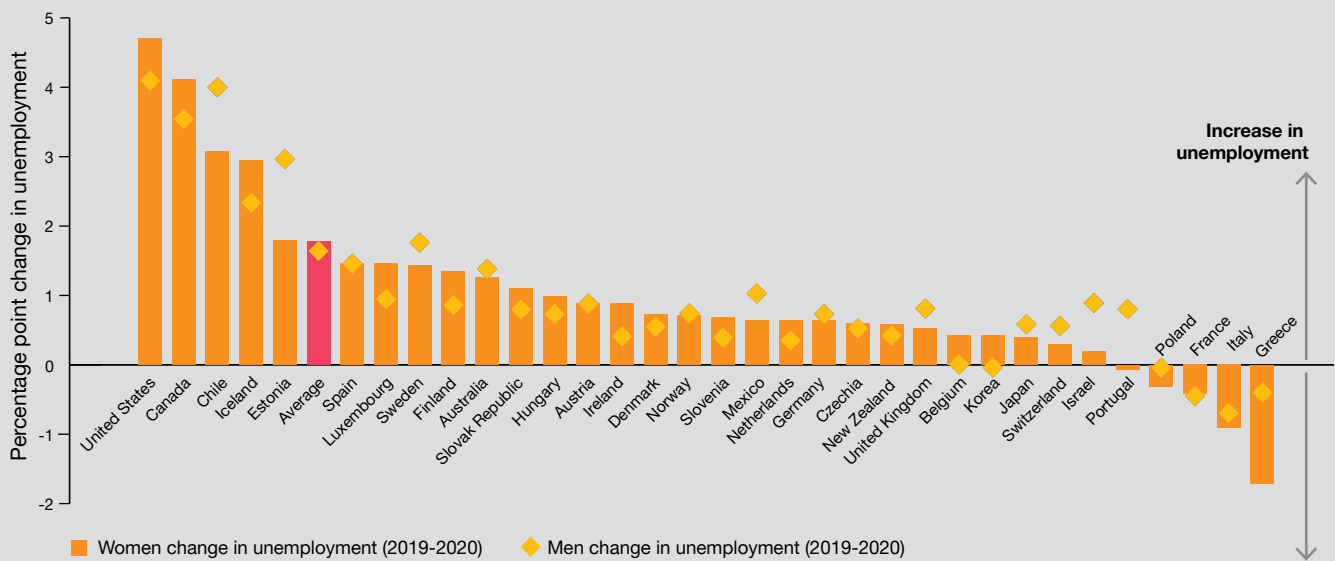
- The unemployment rate increased by 1.7 percentage points for women and men between 2019 and 2020.\*
- However, labour force participation fell more for women, with the size of the female working age labour force shrinking by 1.7%, compared to a 1.3% decrease for men.\*\*

Higher female unemployment rates and lower female labour market participation were observed in the majority of OECD countries:

- Only five out of 33 countries recorded a fall in the female unemployment rate – Greece, Italy, France, Poland and Portugal.
- Only five out of 33 countries recorded an increase in the female participation rate – Luxembourg, United Kingdom, Poland, Estonia and Germany.

Comparatively, the unemployment rate increased more for women than men in 17 out of the 33 countries in our Index. Women in the United States (US), Canada, Chile and Iceland were hardest hit – with unemployment rates rising considerably more than the OECD average. In the US, Iceland, and Canada women fared the worst relative to men; whereas in Estonia and Greece men's jobs were hit the hardest, relative to those of women.

### Comparing the change in the male and female unemployment rate between 2019 and 2020 (all OECD countries)



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\*Source: OECD data on male and female unemployment rates for ages 15-64, for 2019 and 2020. Accessed on 4th March 2022. Further details of all data sources are listed in the Technical Appendix.

\*\*PwC analysis of OECD data on the labour force size for ages 15-64 by sex, change between 2019 and 2020. Accessed on 4th March 2022. Further details of all data sources are listed in the Technical Appendix



## In focus: interpreting the narrower gender pay gap in 2020 with caution

**A narrowing of the gender pay gap (on average by one percentage point) partially offset the increase in female unemployment and fall in female labour force participation, preventing the Index from falling a further 0.7 points.**

While the narrowing of the gap is an encouraging sign of progress, it needs to be interpreted with caution. The average change masks substantial variation between the 33 OECD countries, with the gender pay gap either remaining unchanged or widening in 20 of the countries.

Significant outliers, with large falls in their gender pay gaps include Mexico (-9%), Chile (-7%), the UK and Australia (both -4%). These large changes in a small number of countries drive up the average.

In 2020, the pandemic and job retention schemes temporarily affected median wages and hours worked in many OECD countries. Improvements in the pay gap reflected in 2020 data are therefore unlikely to be sustained in the long term (all else equal).

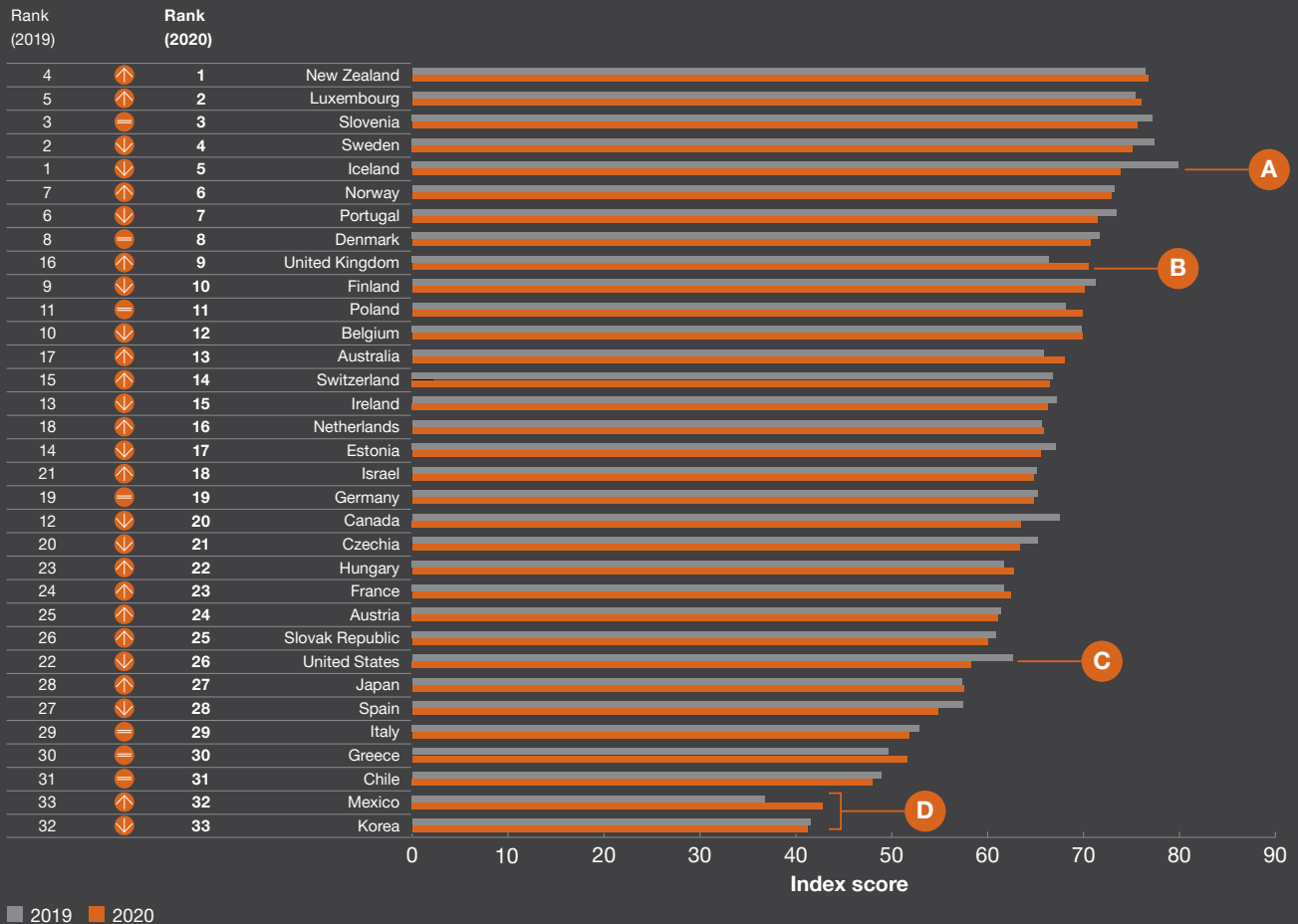


To put this result in perspective, it took nine years for the average gender pay gap across the 33 OECD countries in the Index to fall by one percentage point. In 2020, we've seen the same magnitude of change in just one year.

# PwC Women in Work Index, 2020 vs. 2019\*

## Changes in rank

Average Women in Work Index across the OECD in 2019: 64.5 and in 2020: 64.0



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\*Each year the OECD updates the labour force data for all countries and so all comparisons made with 2019 Index scores use the updated data.

The top five countries in 2020 remain unchanged from 2019, but their order has altered.

New Zealand and Luxembourg moved up three positions in rank to take first and second respectively.

**A** Iceland experienced the largest decrease in its absolute Index score between 2019 and 2020 mainly due to a fall in the female participation rate and a rise in female unemployment. Its ranking moved down four places.

**C** The US experienced the second largest decrease in absolute Index score of the 33 countries, predominantly driven by a rise in the female unemployment rate by 4 percentage points from 4% to 8% between 2019 and 2020.

**B** The United Kingdom showed the second largest absolute increase in its Index score of all 33 countries. This was predominantly driven by a 4 percentage point fall in its gender pay gap from 16% in 2019 to 12% in 2020.

**D** Korea and Mexico remain at the bottom of the OECD rankings. However, due to a large fall in its gender pay gap: from 19% in 2019 to 10% in 2020, Mexico's Index score increased the most (in absolute terms) of all OECD countries, allowing it to move past Korea in the rankings, from last into second last place.

# For the first time, New Zealand tops the Women in Work Index with Luxembourg and Slovenia taking second and third place

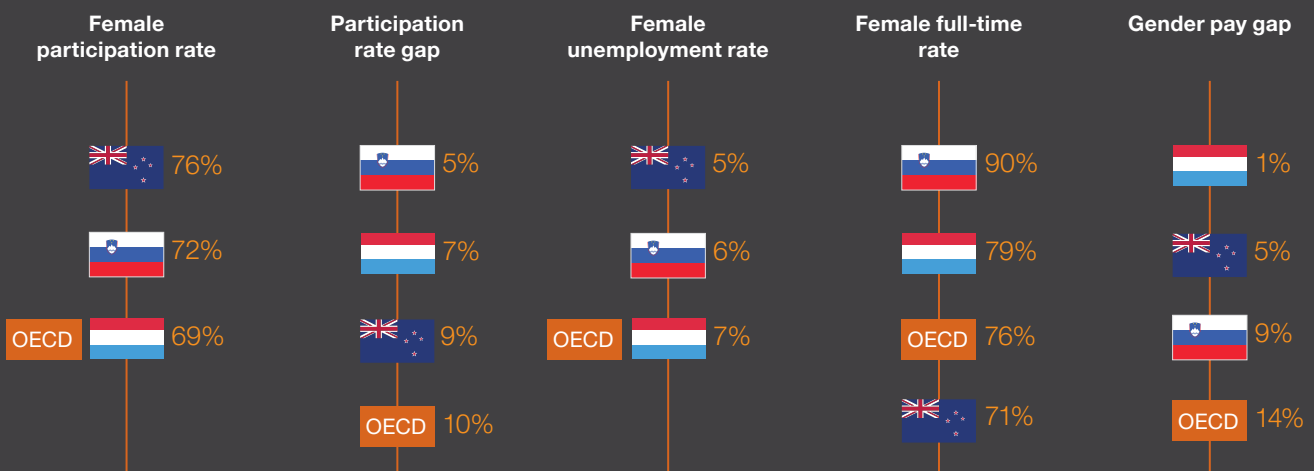
1 

2 

3 

<b>Main strength</b>	<b>New Zealand</b> ranks first on the Index for the first time in the Index's 10 year history. Its strong performance is due to its small gender pay gap (5%), low female unemployment rate (5%) and relatively high female labour force participation rate of 76%.	<b>Luxembourg</b> ranks second on the Index, scoring above the OECD average for all of the indicators. It continues to record the lowest gender pay gap (1%) in the OECD.	<b>Slovenia</b> ranks third on the Index. The country's high share of female employees in full-time employment (90%) and small participation rate gap (5%) contributes to its strong overall performance.
<b>Summary of key changes between 2019 and 2020</b>	Between 2019 and 2020, New Zealand's Index score increased marginally (from 76.4 to 76.7) due to improvements in the gender pay gap and the full-time female employment rate.	Luxembourg's Index score increased from 75.4 to 76.0 between 2019 and 2020. An increase in female labour force participation and a consequent fall in the participation rate gap were the key drivers of this change.	Between 2019 and 2020, Slovenia's Index score decreased from 77.2 to 75.6. Marginal increases in the gender pay gap and the female unemployment rate contributed to the fall.
<b>Overall result in the rankings</b>	New Zealand moved up two spots from third place in 2019, overtaking Iceland and Sweden to take the top spot in 2020.*	Luxembourg moved up three spots from fifth place in 2019 to second place in 2020.	Despite an absolute fall in its Index score, Slovenia held onto third place in 2020, due to the comparatively worse performances of Iceland and Sweden, which led to a drop in their rankings.*

## 2020 performance of the top three countries on each metric, against the OECD average

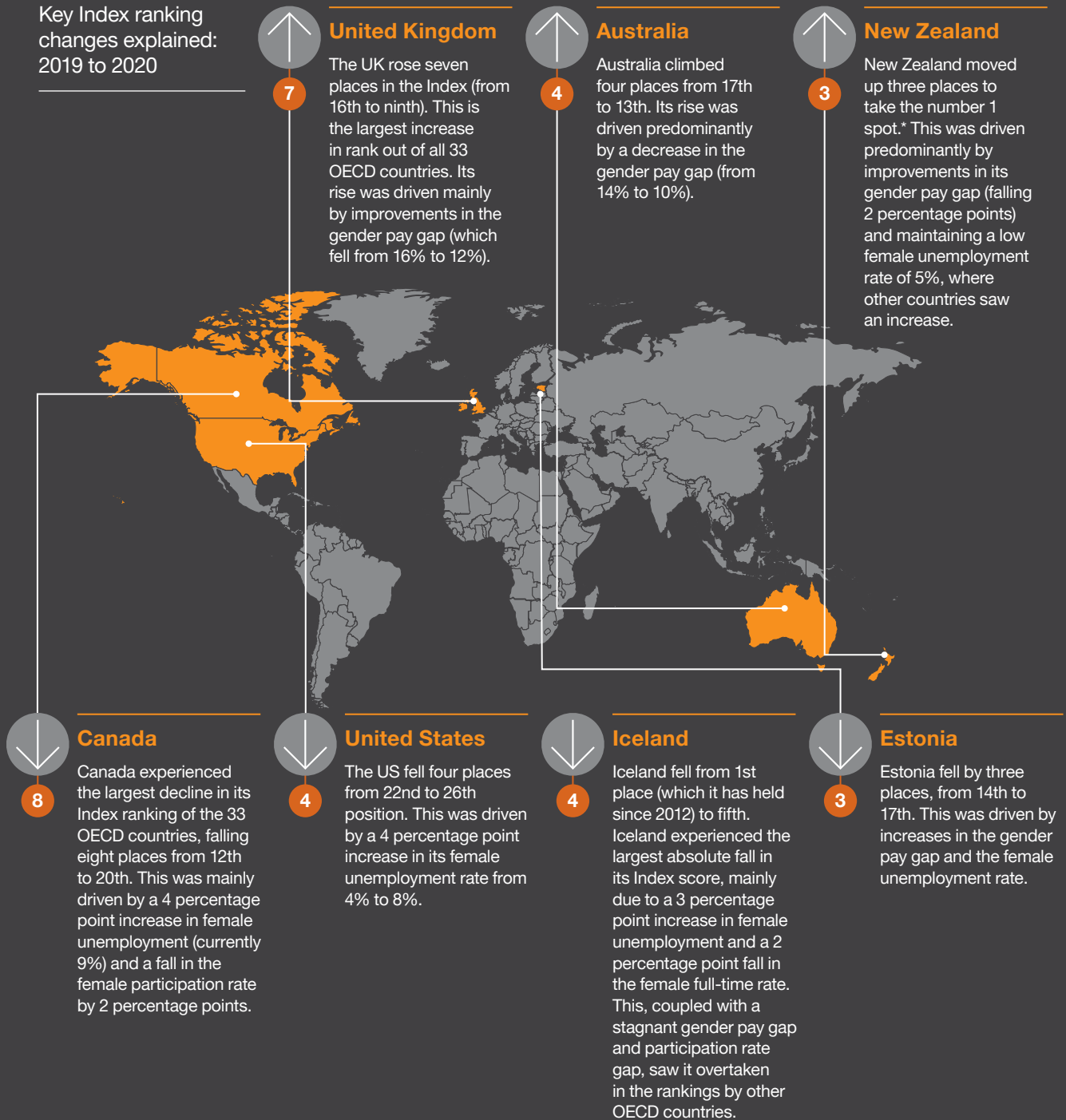


Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\*Each year the OECD updates the labour force data for all countries and so all comparisons made with 2019 Index scores use the updated data. Last year, the Index reported New Zealand in 3rd place and Slovenia in 4th, however using the updated 2019 data, New Zealand ranks in 4th and Slovenia ranks in 3rd.

# The UK climbed the most in the rankings, while Canada suffered the largest slide

Key Index ranking changes explained: 2019 to 2020



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\*Each year the OECD updates the labour force data for all countries and so all comparisons made with 2019 Index scores use the updated data. Last year, the Index reported New Zealand in 3rd place and Slovenia in 4th, however using the updated 2019 data, New Zealand ranks in 4th and Slovenia ranks in 3rd.

# The ‘motherhood penalty’ and the pandemic – what really drove more women than men to leave the workforce during COVID-19

**Women raising children pay a ‘motherhood penalty’ in underemployment, slower career progression, and lower lifetime earnings.** An employment gap opens up between men and women with children once a first child is born.\* On average, women’s employment rates drop significantly while men’s stay relatively constant.

The gap persists over time, as women with children often take on part-time roles and/or lower quality, less secure work. This is known as occupational downgrading. By the time a child is 20 years old, women are still unlikely to have ‘caught up’ with men.<sup>10</sup> This not only affects their career progression and earnings long term, but contributes to a persistent gender pay gap, alongside higher rates of poverty and economic insecurity for single women over retirement age.<sup>11</sup>

Evidence from across the globe shows women’s earnings fall substantially after having a child in a way that is not experienced by men.

A study of six OECD countries (Denmark, Sweden, the US, the UK, Austria and Germany) found that while the size of the penalty varies, it exists across all countries – in the long run women earned between 21% (Denmark) to 61% (Germany) less than they did before having children while men’s earnings were largely unaffected by parenthood.<sup>\*\*12</sup>

**The motherhood penalty is driven by the unequal burden of unpaid care.** Women’s unpaid care and domestic work is worth more than US\$10 trillion each year to the global economy – more than a tenth of the world’s GDP.<sup>13</sup> But it is not recognised in formal measures of the size of the economy.

According to UN Women, women across the globe spent an average of 26 hours per week on childcare alone before the pandemic, compared to only 20 hours for men. This increased to an average of more than 31 hours per week in total during the pandemic (7.7 hours more than men), this ‘second shift’ is almost as much as an extra full-time job.<sup>\*\*\*14</sup>

**COVID-19 amplified gender inequalities in unpaid childcare, forcing more women than men out of the workforce across the OECD.** School and childcare facilities closing caused immense strain on parents.

According to the OECD’s Risks that Matter Survey, mothers were three times more likely than fathers to report taking on either the majority, or all, of the additional unpaid care work created by school or childcare facility closures.<sup>\*\*\*\*</sup> Juggling paid work with these additional demands caused women raising children to reduce their contribution to the labour market, and in some cases leave the workforce altogether.

In its December 2021 report: Caregiving in Crisis, The OECD examined the labour market outcomes during the COVID-19 pandemic for women and men with comparable parenthood status across 25 OECD countries. It found that:

- **Mothers of children under 12 were over 3 percentage points more likely to have left employment than fathers of children under 12** (between the first and the third quarter of 2020).<sup>\*\*\*\*\*</sup>
- **For women and men without children under 12, the gap was less than half a percentage point.**<sup>15</sup>

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\* According to a study by the Institute for Fiscal Studies, which uses longitudinal data from the British Household Panel Survey (for 1991-2008) and the Understanding Society Survey (for 2009-2015).

\*\* Long-run penalties are calculated as the average penalty from five years after the birth of the first child to 10 years after.

\*\*\* According to survey data from 16 countries.

\*\*\*\* According to the OECD Risks that Matter (RTM) 2020 survey. This survey combined self-reported employment and caregiving microdata for 25 OECD countries disaggregated by parenthood status.

\*\*\*\*\* This time period represents the early months of the pandemic, and the period with the most intensive public lockdowns.

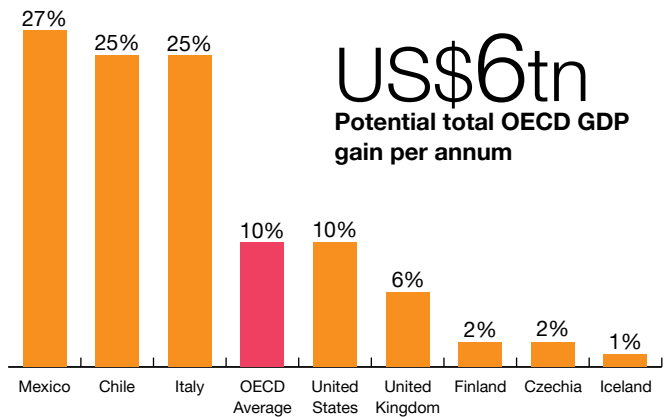


# There are trillion dollar gains to be made from increasing female employment across the OECD

**Our analysis estimates the potential gains for each country if female employment rates rose to match those of Sweden's – a consistent top performer in the Index with a female employment rate of 67%.**

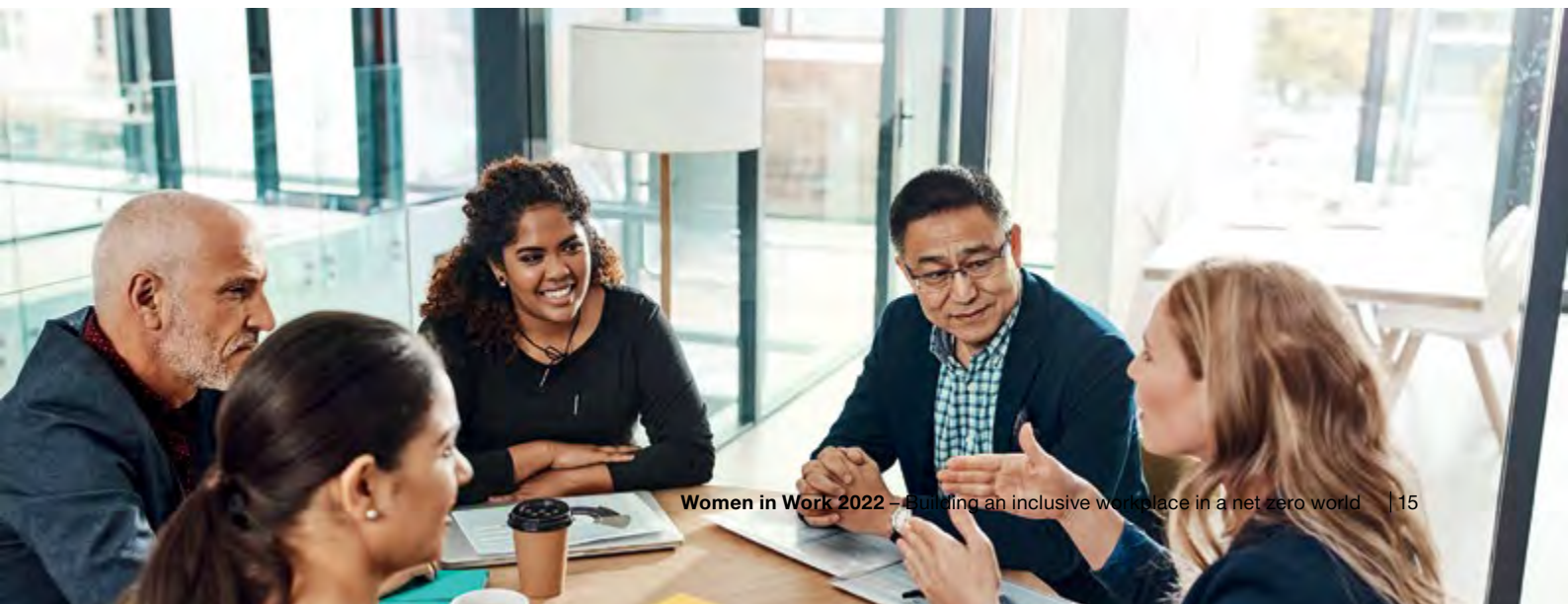
- The potential economic gains across the OECD from an increase in women in employment amount to a gross domestic product (GDP) increase of more than **US\$6 trillion per annum**.
- In absolute terms, **the US would gain the most, as much as US\$2.1 trillion**, over three times as much as the next biggest winner, Mexico.
- Countries with relatively low female employment rates, such as Mexico, Chile and Italy, would accrue the largest potential gains in percentage terms. Increasing female employment rates to match those in Sweden could generate **GDP increases of nearly 30% per annum** for these countries.
- Countries that already have a high share of women in work, such as Iceland and Czechia, would enjoy a smaller boost in GDP.
- The economic benefit to the UK could be substantial: increasing the female employment rate from 60% to that of Sweden's (67%) would result in **gains of around 6% of UK GDP, or £124 billion (US\$180 billion) per annum**.

**Potential gains to GDP from increasing the female employment rate across the OECD to match Sweden's\***



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

\*This refers to the gross economic gains per annum from boosting female employment rates to match Sweden's. Men's employment rates are assumed to be constant. Gains reported are in nominal terms.

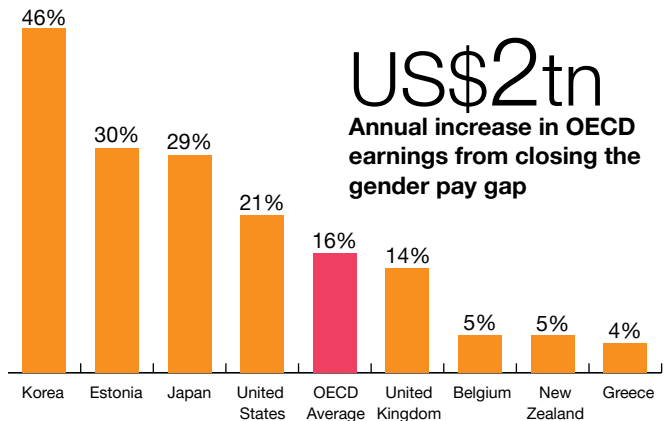


# And further trillion dollar gains from closing the gender pay gap

Increasing women’s average wages to match those of their male counterparts would generate gains to female earnings of more than **US\$2.1 trillion per annum across the OECD**, an increase of **20%**.

- Of the OECD countries, the US would achieve the largest gains in absolute terms by closing the pay gap, with total female earnings increasing by **US\$870 billion per annum**, almost 3.5 times as much as the next biggest winner, Japan.
- In percentage terms, the largest gains would be for countries with the largest gender pay gaps, notably Korea, Estonia and Japan. The increase in female earnings from closing the pay gap in these countries could range from one-quarter to two-thirds of the current value. **Gender pay parity could boost Korea’s female earnings by as much as 46% per annum.**
- Countries with relatively small gender pay gaps such as Greece, New Zealand and Belgium would generate a smaller increase in female earnings.
- **Closing the gender pay gap in the UK could increase female earnings by £72 billion (US\$92 billion) per annum, an increase of 14% of their current value.**

Potential gains to female earnings from closing the gender pay gap across the OECD\*



Source: PwC analysis of OECD and Eurostat data, all data sources are listed in the Technical Appendix.

\*This refers to the gross economic gains per annum. Gains reported are in nominal terms.



# UK performance



# The UK's Index score increased more than 4 points between 2019 and 2020, moving it from 16th to 9th place

## UK ranking: #9

### UK Performance 2019 – 2020

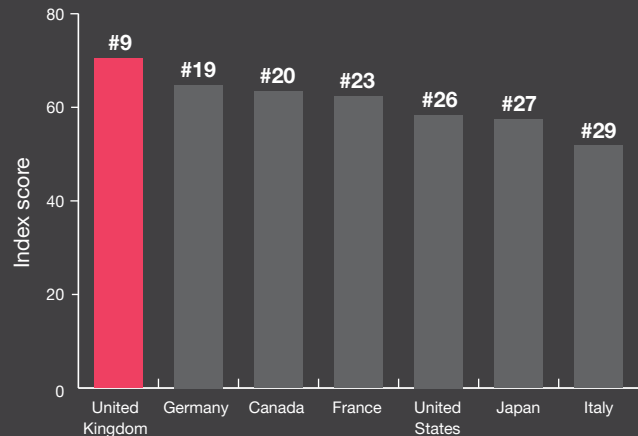
The UK moved up seven places on the Index in 2020, from 16th position in 2019, to rank ninth out of the 33 OECD countries. This puts it in first position among the G7 economies for the first time in the history of the Index.

With the average Index score across the 33 OECD countries falling by half a point, the UK bucked this trend, increasing its Index score by more than 4 points (from 66.4 in 2019 to 70.5 in 2020). This is the largest annual improvement the UK has achieved in the 10 year history of the Index, placing it almost 10% above the OECD average in 2020. Overall drivers of the UK's performance were:

- **A significant narrowing of the gender pay gap of four percentage points in just one year** (from 16% in 2019 to 12% in 2020).<sup>16</sup> This drove around three quarters of growth in the UK's Index score. Comparatively, the gender pay gap in the UK fell only two percentage points between 2011 and 2019. In the context of the pandemic, this result must be interpreted with caution, and is unlikely to be sustained longer term. The available 2021 data from the UK's ONS indicates the pay gap has already widened to 14%, with at least half of the gains from 2020 only temporary.<sup>16</sup>
- **Improvement in the female participation rate** – this increased one percentage point, from 74% in 2019 to 75% in 2020. In comparison, the OECD average decreased one percentage point from 70% to 69%. This also helped to close the participation rate gap by one percentage point, resulting in a gap of 8% for the UK compared to the OECD average of 10%.
- **An increase in the share of female employees in full-time employment** – up two percentage points to 66% – although still well below the OECD average of 76%.

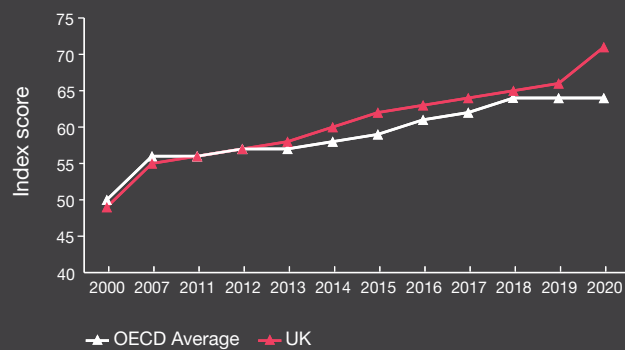
### Index score comparison: UK compared with the G7 (2020)

Ranks show the country's Index performance within the OECD



Source: PwC analysis of OECD and Eurostat data, all data sources are listed in the Technical Appendix.

### UK Index performance compared to the OECD average



Source: PwC analysis of OECD and Eurostat data, all data sources are listed in the Technical Appendix.

<sup>16</sup>The gender pay gap as reported by the OECD as 'the gender wage gap', is calculated as the difference between the median gross weekly earnings of men and women working full time on adult rates of pay. This differs from the gender pay gap as required under UK reporting regulations which is outlined here <https://www.gov.uk/government/collections/gender-pay-gap-reporting>



## In focus: narrowing the UK's gender pay gap – will all of the gains be temporary?

Based on our analysis of 2021 ONS data, the UK's gender pay gap has already widened again from 12% (2020) back up to 14% (2021) – and so the UK has lost half of the gains made between 2019 and 2020.\* It is unclear if this trend will continue into 2022, as the temporary effects of the pandemic and job retention schemes that have affected median weekly earnings continue to wear off.

The direct drivers of the large fall in the UK's gender pay gap between 2019 and 2020 can be explained as follows:

- **An increase in median weekly earnings for women of £15.10 (2.9%).** This was largely in line with historical growth, and all else being equal, indicates progress towards gender wage equality. Examining 2021 data, a similar year-on-year percentage increase in female weekly earnings was achieved as in 2020.
- **For the first time in history\*\* median weekly earnings for men fell by £10.20 (1.6%).** This fall was likely temporary, due to factors related to the pandemic and the impacts of job retention schemes.

It's likely more men than women in higher income brackets lost their jobs, reduced hours, or reduced pay because of furlough.\*\*\* This would have dragged down median weekly earnings for men. Examining 2021 data, male median weekly earnings bounced back with an increase of 5.3% (2020-2021) compared to the previous year-on-year fall of 1.6%, indicating this effect will prove to be temporary, and it will not contribute to any sustained reduction in the gender pay gap into the future.

Interestingly, the fall in weekly earnings for men in 2020 was based on a below trend increase in hourly earnings, and a fall in the weekly paid hours. The median weekly hours worked by men fell between 2018 and 2019 and between 2019 and 2020, but marginally increased between 2020 and 2021. Conversely, median weekly paid hours for women have remained constant over the same period.

It is interesting to consider what this means for gender equality in work. **If men are reducing hours spent in the labour force to take on more of the unpaid domestic and care work done by women, then this is positive for overall gender equality.**

### How the shift in weekly earnings impacted the UK's gender pay gap

Men's pay	Women's pay	Gender Pay Gap
Median weekly earnings	Median weekly earnings	Median weekly earnings
2019 = £629.20	2019 = £527.90	2019 = £101.30 <b>16%</b>
2020 = £619.10	2020 = £543.00	2020 = £76.10 <b>12%</b>
<b>£10.10 per week</b> ↓	<b>£15.10 per week</b> ↑	<b>£25.20 per week</b> ↓
2021 = £651.60	2021 = £558.10	2021 = £93.50 <b>14%</b>

Source: PwC analysis of ONS data, all data sources are listed in the Technical Appendix.

\*The gender pay gap as reported by the OECD as 'the gender wage gap', is calculated as the difference between the median gross weekly earnings of men and women working full time on adult rates of pay. This differs from the gender pay gap as required under UK reporting regulations which is outlined here <https://www.gov.uk/government/collections/gender-pay-gap-reporting>

\*\*Since 1997, when the Office for National Statistics (ONS) began reporting earnings data in this series.

\*\*\*The 2020 sample data on weekly earnings in the UK comes from a survey conducted in April each year. Based on our analysis of response to the survey questions and a breakdown of furlough take up by income bracket (data from September 2020), we estimate that 2% of workers in the 2020 wage survey would have fallen from above to below 2019 median wage – therefore affecting the 2020 result. While data on the gender breakdown of this result is not available, given more men than women are paid above the median, it is more likely that take up of furlough by these higher income bracket workers, would have resulted in skewing the median wage downwards. If instead, the median gross hourly earnings of men and women employed full time on adults rates of pay (as reported by the ONS) are used to calculate the gender pay gap, it falls by 1.8 percentage points, from 9.7% in 2019 to 7.9% in 2020..



## Index results vary across the UK's nations and regions, but the gap narrowed in 2020 – with devolved nations taking three of the top four spots

**Lower-performing nations and regions of the UK show greater improvement in 2020 than those ranked at the top.** This helps to narrow the gap between the best and worst performing nations and regions, indicating a reduction in geographical inequalities in employment outcomes for women across the UK.

Ten of the 12 UK's regions and nations show an increase in their Index scores between 2019 and 2020. This growth is not spread equally, with regions at the bottom of the rankings growing at a faster rate than those at the top.

This regional convergence is also reflected in longer term growth trends. Between 2010 and 2020 the gap between the first and last place in the Index falls from 13.1 to 11.1 (a 15.3% fall). However, few regions are able to cross the average mark, with the notable exceptions of:

- Wales, which ranked seventh in 2010 and now ranks second.
- East Midlands which ranked fifth in 2010, and is currently in last place.

As the UK Government continues to focus on reducing regional inequalities through its levelling up agenda, policies should be aimed directly at encouraging more women into full-time employment.

### Reigning champion

The South West retains first place for the third year in a row on the Index with its Index score increasing from 42.2 to 44.0; with Wales, Scotland, and Northern Ireland in second, third, and fourth place respectively.

The South West has the third lowest female unemployment rate (3.7%), second lowest labour force participation rate gap (5%) and continues to have the highest female labour force participation rate in the country at 79%.

## Biggest improvers

Wales sees the largest improvement in its Index score, increasing from 35.4 in 2019 to 43.3 in 2020. It moves into second place, up five spots from 2019.

This is mainly driven by an improvement in the gap between male and female labour force participation rates (9% to 5%), with female participation improving one percentage point and male participation falling one percentage point.

Wales also shows marginal improvements on all of the other indicators including the female unemployment rate and gender pay gap, for which it currently ranks second and third of the UK's nations and regions respectively.

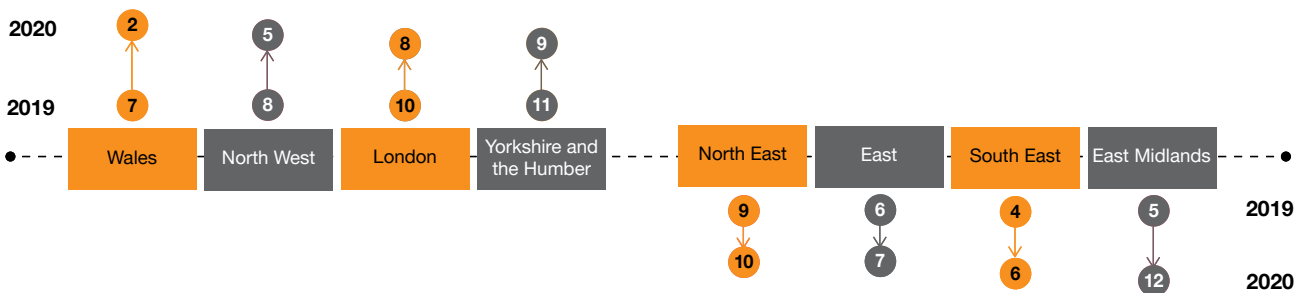
The North West is the only other region in 2020 to move from below to above average on the Index. This is mainly driven by its improvements in the female participation rate (75% to 76%). It currently ranks in fifth place.

## Women in Work Regional Index scores, 2020 and 2019



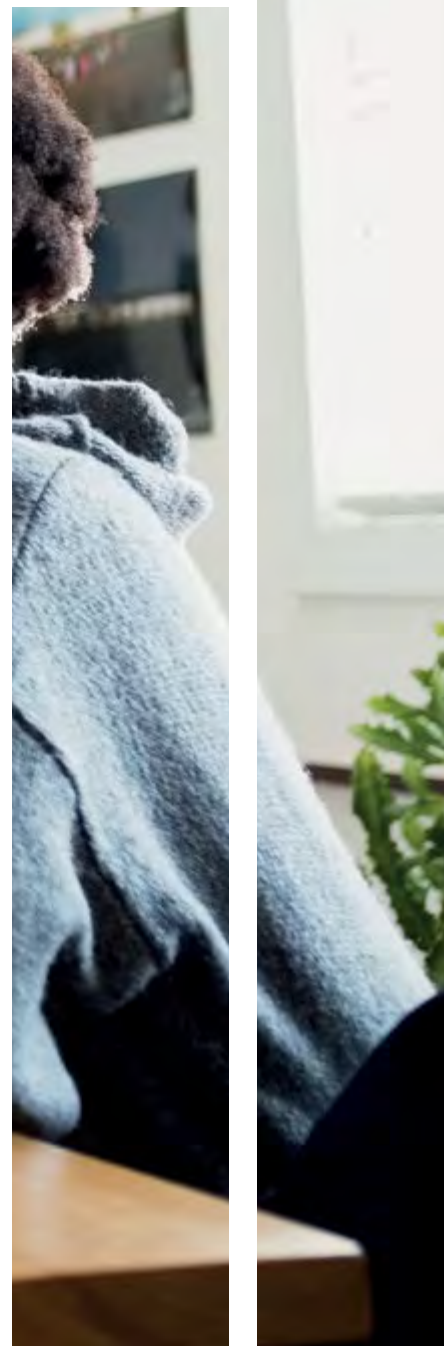
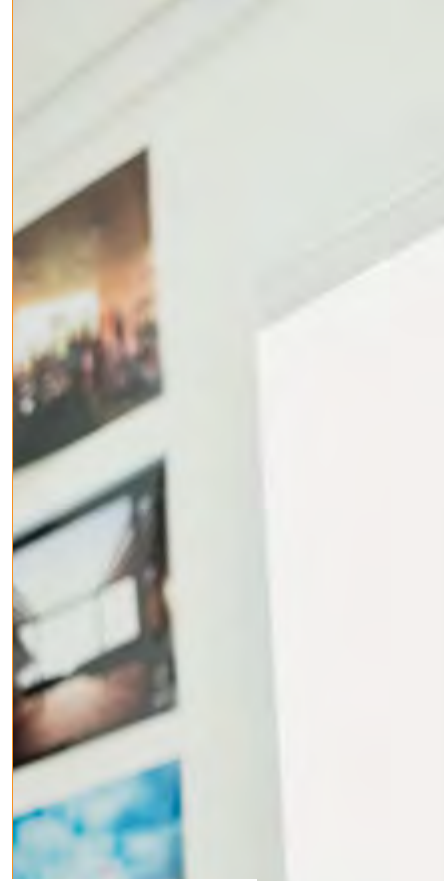
Source: PwC analysis of ONS data, all data sources are listed in the Technical Appendix.

## Biggest Movers in the PwC Women in Work Index ranking between 2019 and 2020



Source: PwC analysis of ONS data, all data sources are listed in the Technical Appendix.

# Gender and ethnicity in the workplace





# In the UK, unemployment rates for women from Ethnic Minority groups are 2.6 times higher than those for White women

While we have seen slow but steady gains for women over a decade of the Women in Work Index, not all women have experienced these gains equally.

Unemployment data from the UK broken down by gender and ethnicity shows the stark disparities in employment outcomes between women from Ethnic Minority groups and other groups.\*

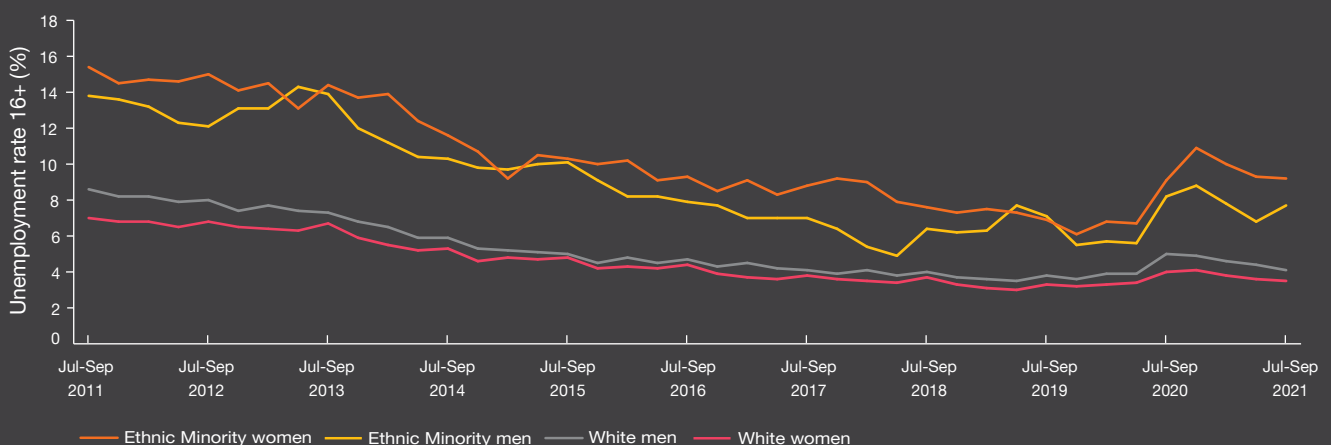
Women from Ethnic Minority groups experience significantly worse employment outcomes and workplace experiences than White women in the UK.<sup>17</sup> In 2019, even before the pandemic, one in eight Ethnic Minority women in the UK were insecurely employed, compared to one in 16 White women.<sup>\*\*18</sup> Women from Ethnic Minority groups were also more likely to be underemployed compared to White women, and they were also over-represented in low-paid work.<sup>\*\*\*19</sup>

While employment outcomes in the UK have gradually improved for all women over the last decade (as shown in the breakdown of unemployment rate data by gender and ethnicity, presented here for Q3 2011 to Q3 2021 inclusive), these gains have not been shared equally.

In the UK, on average, women from Ethnic Minority groups are still more than a decade behind White women in terms of unemployment, and are proportionately worse off now than they were in 2011.

- **At the start of the decade**, the unemployment rate for Ethnic Minority women was more than double that of the rate for White women – 15.4% versus 7.0%.
- **Over the decade**, the unemployment rate fell for both White women and Ethnic Minority women, but at a much slower rate for Ethnic Minority women.
- **At the end of the decade**, the unemployment rate for Ethnic Minority women is now **2.6 times** that for White women – 9.2% versus 3.5%.

UK quarterly unemployment rate 16+ by ethnic group and gender, Q3 2011 to Q3 2021



Source: PwC analysis of ONS data, all data sources listed in the Technical Appendix.

\*PwC analysis of ONS data, all data sources listed in the Technical Appendix

\*\*Insecure work as defined by the TUC. The total number in 'insecure work' includes (1) agency, casual, seasonal and other workers, but not those on fixed-term contracts, (2) workers whose primary job is a zero-hours contract, (3) self-employed workers who are paid less than the National Living Wage (£8.72).

\*\*\*Underemployment as calculated by the TUC. This is based on how many workers across the economy want more hours in their existing jobs as well as the regularly published measure of the number of workers in part-time jobs who want to work full-time.

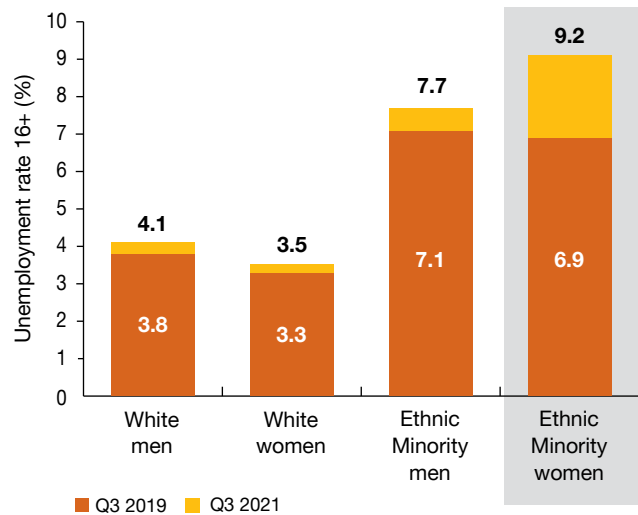
# COVID-19 exacerbated economic inequalities, with women from Ethnic Minority groups hit hardest by job losses

**During the pandemic, the disparities in employment outcomes widened between women from Ethnic Minority groups compared to White men and women, and men from Ethnic Minority groups.**

Between Q3 2019 and Q3 2021, the unemployment rate for Ethnic Minority women rose substantially more than for other groups. For women from Bangladeshi and Black ethnic groups, the increase in the unemployment rate over this period was particularly severe, rising by 9.4 percentage points to 16.5% and 5.6 percentage points to 11.8% respectively.

Overrepresented in insecure, low-paid employment to begin with, women from Ethnic Minority groups were more likely to lack a stable source of hours and income, workplace protections (such as protection from unfair dismissal, statutory sick pay and the right to paid leave) and access to government support schemes such as furlough during the pandemic.<sup>20</sup> This left them highly exposed to job and income losses.

**UK quarterly unemployment rate 16+ by ethnic group and gender, Q3 2019 to Q3 2021**



## Change in unemployment rate, Q3 2019 to Q3 2021




White men	↑	0.3 pts
White women	↑	0.2 pts
Ethnic Minority men	↑	0.6 pts
<b>Ethnic Minority women</b>	↑	<b>2.3 pts</b>

Source: PwC analysis of ONS data, all data sources are listed in the Technical Appendix.

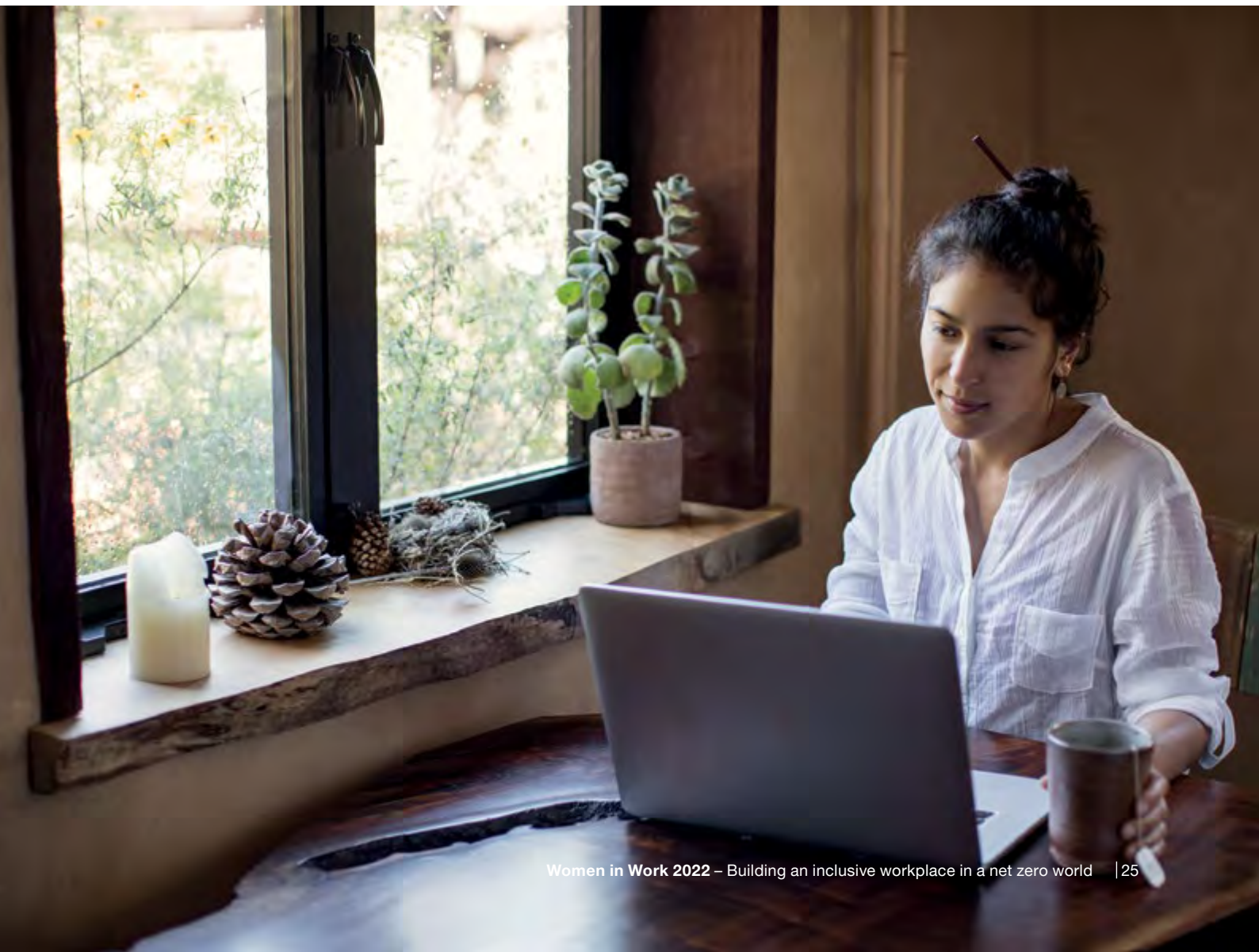
Part of the reason women from Ethnic Minority groups were hit harder by the pandemic is because women and people from Ethnic Minority groups are overrepresented in the contact-intensive service sectors that were most heavily impacted by COVID-19 lockdowns.\*<sup>21</sup> In the

wholesale and retail and arts and entertainment sectors, the number of Ethnic Minority women working in these sectors fell proportionally more than the number of White men and women, and Ethnic Minority men working in these sectors, between Q3 2019 and Q3 2020.<sup>22</sup>

**Percentage change in the number of employees (between Q3 2019 and Q3 2020)**

Sector	White men	White women	Ethnic Minority men	Ethnic Minority women
 Wholesale & retail	-1%	-1%	-14%	<b>-17%</b>
 Accommodation & food	-15%	-11%	-28%	<b>-14%</b>
 Arts & entertainment	-8%	+3%	+14%	<b>-44%</b>

Source: Trade Union Congress (TUC) analysis of Labour Force Survey data, all data sources are listed in the Technical Appendix.



# In the UK, on average, for every £1 earned by a White man, a woman from an Ethnic Minority group with the same occupation and qualifications earns only 87p (a White woman 89p)\*

Our **ethnicity and gender pay penalty analysis** explores how the pay received by Ethnic Minority women in the UK is influenced by the intersection of gender and racial inequalities in the workplace. It takes national earnings data from the Annual Population Survey, disaggregated by gender and by ethnic group, and statistically controls for important individual and occupational drivers of earnings (such as age, occupation and qualifications).\*

This analysis effectively allows a 'like-for-like' comparison of pay between workers of each gender and from each ethnic group, with the same occupation and level of qualifications. Pay differences or 'pay penalties' observed can therefore be interpreted as a measure of the gender and racial discrimination that exists in the workplace.\*\*

**Our analysis shows that women from Ethnic Minority groups earn less than men from both White and Ethnic Minority groups and White women, working in the same occupations and with the same level of qualifications.\***



**On average, for every £1 earned by a White man with the same occupation and qualifications:\***

- **Men from Ethnic Minority groups earn 93p (pay penalty = 7%)**
- **White women earn 89p (pay penalty = 11%)**
- **Women from Ethnic Minority groups earn 87p (pay penalty = 13%)**

These pay penalties provide compelling evidence that an individual's race and gender, and the intersection of these two characteristics, are significant determining factors of pay and professional success. The implication of this is that we cannot fix employment and pay disparities simply by addressing skills gaps.

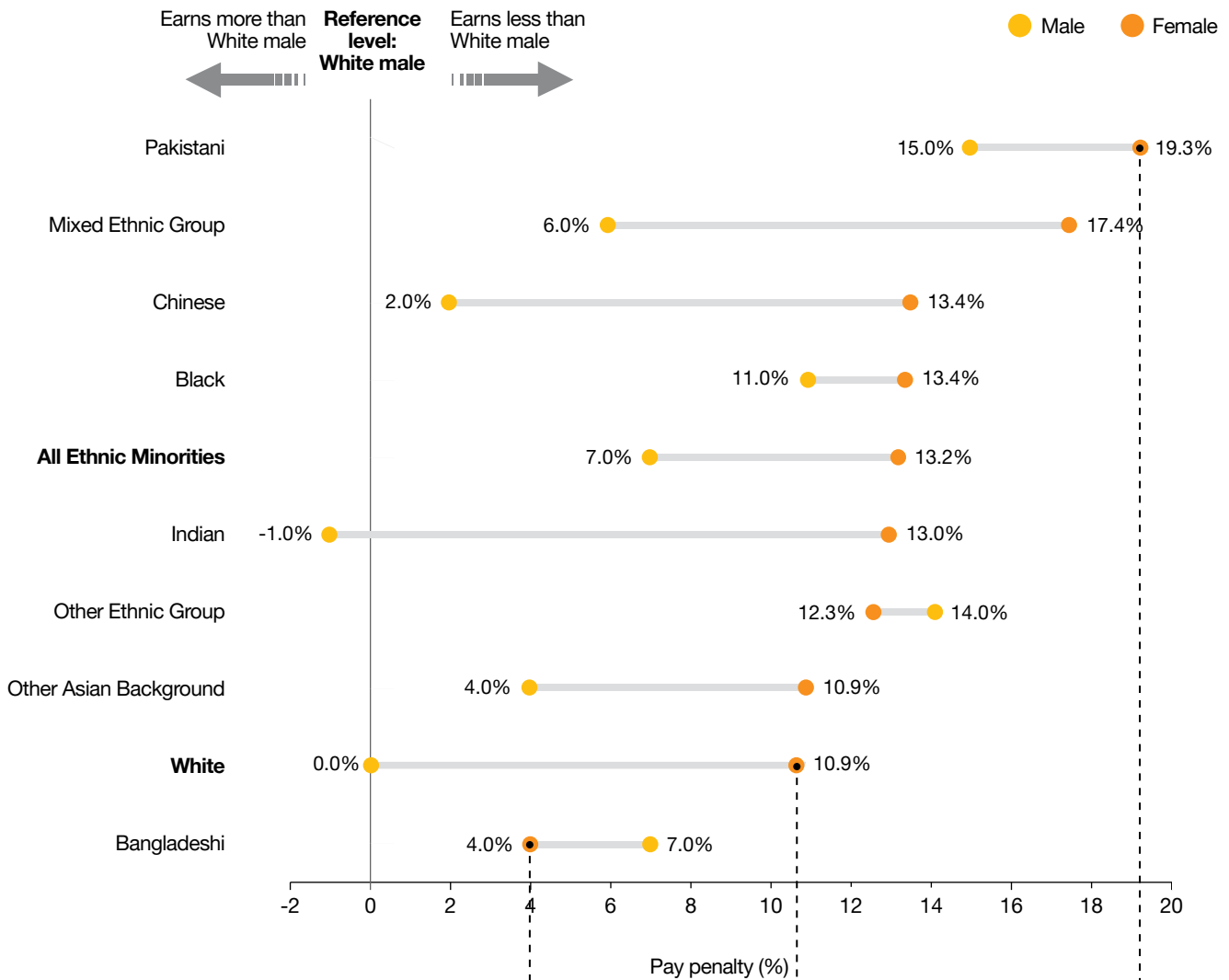
Over the past seven years, there has been little movement in these pay penalties, showing that the UK is not making the progress needed towards equality in work.<sup>23</sup> If the UK Government is to deliver an inclusive recovery from COVID-19 and successfully level up economic opportunities and outcomes across society, there is a need to address the systemic and structural gender and racial inequality which exists in the labour market.

Differences in the size of the pay penalty experienced between and within each ethnicity/gender group also suggests the way in which racial and gender inequalities intersect matters in explaining pay and employment outcomes. For example, the pay penalties experienced by women from both the Black and the Chinese ethnic groups are very similar (c.13.4% compared to the reference White man). But the size of the pay penalty for Chinese women is 11.3 percentage points greater than that for Chinese men; while for Black women, it is only 2.3 percentage points greater than for Black men. This demonstrates that both characteristics (ethnicity and gender) play their own role, but also an intersecting role, in driving inequalities. Using an intersectional framework to design and assess policies is therefore essential if we are to understand how different characteristics intersect the labour market and reduce existing inequalities.

\*Our ethnicity and gender pay penalty analysis builds on the analysis produced in our [Strategy & Ethnicity Pay Gap Report 2021](#) and applies only to the UK. It takes national earnings data from the Annual Population Survey, disaggregated by gender and by ethnic group, and statistically controls for a range of personal and work-related pay-determining characteristics (such as age, region, occupation and qualifications). Please see the Technical Appendix for the full methodology including the complete list of characteristics controlled for.

\*\*Pay penalties are pay gaps which persist after controlling for pay-determining characteristics.

## Pay penalties by gender and ethnicity, 2020\*\*



On average, relative to White men, Bangladeshi women face the lowest pay penalty of all women (4%) and are one of only two ethnic groups for which the pay penalty for women is lower than for men (the second being the Other ethnic group).

When comparing gender-based pay disparities within each ethnic group, White women experience one of the greatest differences in pay compared to men from the same ethnic group (namely, White men), that is 10.9%. The size of this disparity is exceeded only by women from three other Ethnic Minority groups (Mixed, Chinese and Indian).

Pakistani women face the highest pay penalty of all men and women, on average, earning 19% less than White men with the same personal and work-related characteristics.

Source: PwC analysis of ONS data, all data sources are listed in the Technical Appendix.

# COVID-19 has raised greater awareness of the unfairness experienced by women from Ethnic Minority groups in the workplace

**Women from Ethnic Minority groups not only receive lower pay than women and men from both White and Ethnic Minority groups; they also experience significant barriers in terms of participation, progression and representation in the workplace.<sup>24</sup>**

Ethnic Minority women are severely underrepresented in leadership roles across society. They face barriers to entering the labour market and are often forced to take jobs that are insecure and/or below their qualification level.<sup>25</sup> Once in the workplace, they continue to experience gender and racial biases and discrimination, holding back their progression at every level of seniority.<sup>26</sup>

**In the UK, a Trade Union Congress (TUC) survey of Ethnic Minority women found that approximately:<sup>27</sup>**

**1/3 of women surveyed reported**

Being unfairly passed over for or denied a promotion at work.

Unfairly denied access to training and development opportunities.

Experiencing racist jokes, so-called banter at work and verbal abuse.

The disproportionate impact of the pandemic on Ethnic Minority people, coupled with the Black Lives Matter movement that gained pace in 2020, helped to highlight racial and gender inequalities in our society, and the need for governments and businesses to take action to effect lasting change.

Even with an increased focus from organisations on the need for gender and racial equality at work, the challenge is now in translating this commitment into action; to achieve meaningful improvement in the everyday experiences of Ethnic Minority women in the workplace.

This need for action was demonstrated in the responses to a large-scale study of women in corporate America, conducted by McKinsey in partnership with LeanIn.Org in 2021 which found that:<sup>28</sup>

The types and number of microaggressions women of colour experience in the workplace have not changed very much compared to two years ago – they remain far more likely than White women to experience disrespectful and ‘othering’\* behaviour.

“More White employees see themselves as allies to women of colour, although they are no more likely than last year to speak out against discrimination, mentor or sponsor women of colour, or take other actions to advocate for them.”

“Compared with men at the same level, women are doing more to support their teams and advance diversity, equity, and inclusion efforts. They are also more likely to be allies to women of colour. Yet this critical work is going unrecognised and unrewarded by most companies.”



\*Othering behaviour includes: (1) others questioning your judgement, (2) being interrupted or spoken over more than others, (3) others commenting on your emotional state, (4) hearing/overhearing insults about your culture or people like you

# Impact of the transition to net zero



# Looking ahead, the transition to net zero will shape future employment opportunities for women

As we emerge from the COVID-19 pandemic, we must focus on the future. We must seek to develop labour markets that are inclusive to women and other disadvantaged groups. The next three decades will see governments, businesses and households transition towards a world with net zero emissions. The role that workers of the world play in this transition will be key in determining their economic outcomes.

The climate crisis and the road to achieving net zero emissions is one of the most significant forces shaping labour markets today, and into the future, along with rapid technological innovation and large-scale automation.<sup>29</sup> A study by the International Labour Organisation (ILO) found that a shift towards a green economy will be a **‘major source of jobs growth in the future of work’**.<sup>30</sup> This shift will likely cause **‘significant changes across sectors and occupations’**.<sup>31</sup>

Governments across the world are gearing up to decarbonise their economies and meet net zero targets:

- The UK is committed to reaching net zero emissions by 2050, with an interim target of ending the sale of new petrol and diesel cars by 2030.<sup>32</sup>
- South Korea has also committed to net zero by 2050, aiming to cut greenhouse gas emissions by 40% by 2030 (compared to 2018).
- Canada has committed to phase out coal consumption in the energy sector by 2030.<sup>33</sup>

This is driving creation of new **green jobs**, and demand for associated green skills across the world. For instance, LinkedIn jobs data in the US shows that the ratio of oil/gas jobs to renewables/environment jobs has decreased from 5:1 in 2015, to 2:1 in 2020.<sup>34</sup>

While there is no universally agreed definition of a ‘green job’, according to the ILO, green jobs contribute to preserving or restoring the environment, regardless of which sector they are in. Green jobs help improve efficiency in the use of energy and raw materials, limit emissions, minimise waste and pollution, protect and restore ecosystems, and support adaptation to the effects of climate change.<sup>35</sup> Therefore, they cut across most sectors and occupations of the economy.

Survey data from PwC UK’s Future of Government survey (2021) shows that women are already feeling less prepared to take up green jobs compared to men, both due to perceived lack of awareness of the opportunities available, and perceived gap in skills (as shown in the table below).<sup>36</sup> To pursue gender equality in the workplace, **it is critical that action is taken to ensure that women are well-equipped to access jobs and opportunities in the new green economy of today, and in the coming decades.** Without this action, we not only risk wasting an opportunity to enact a gender-inclusive transition to net zero, but also worsening existing disparities in the labour market.

## Future of Government survey findings (PwC, 2021)

“I understand what ‘green jobs’ are”

“I work in a ‘green job’ currently”

“I am aware of opportunities for ‘green jobs’”

“I have the skills I need to work in a ‘green job’”

“I am interested in working in a ‘green job’ in the future”

Proportion of respondents who agree with this statement

	Male	Female
“I understand what ‘green jobs’ are”	56%	49%
“I work in a ‘green job’ currently”	20%	13%
“I am aware of opportunities for ‘green jobs’”	32%	21%
“I have the skills I need to work in a ‘green job’”	31%	20%
“I am interested in working in a ‘green job’ in the future”	35%	30%



# Jobs created across the OECD from the energy sector's transition to net zero will be concentrated in only a few sectors

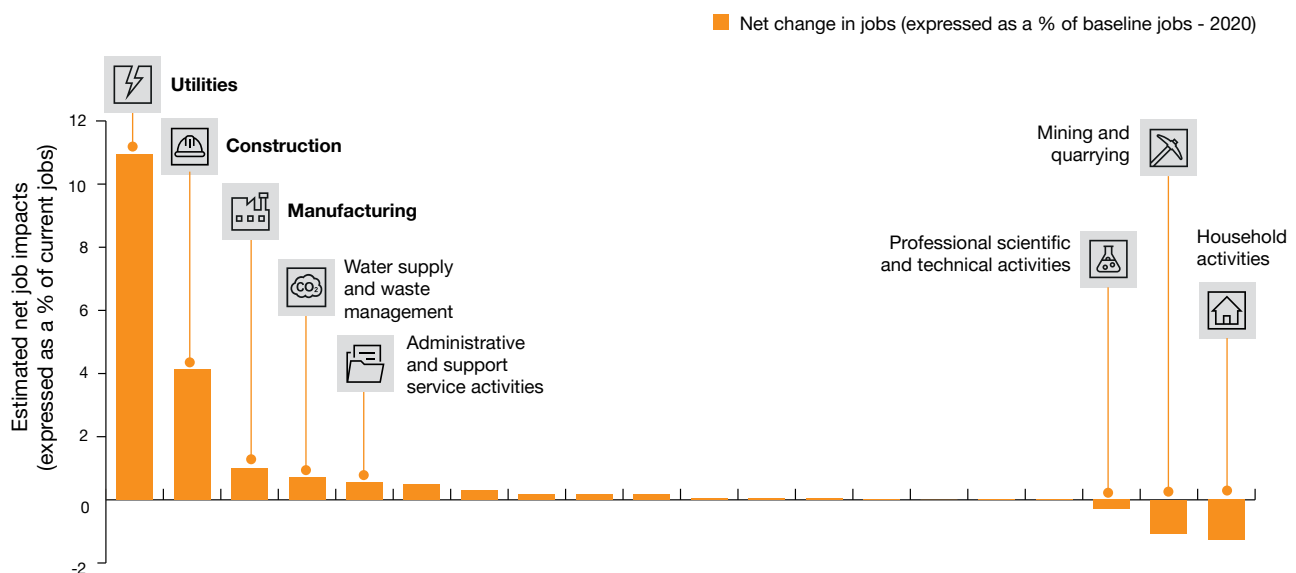
**The energy sector is responsible for approximately 35% of total emissions globally.<sup>37</sup> This sector's transition to net zero will both create jobs and replace them.**

Our analysis shows that the net effect will be an increase in jobs overall, with more jobs in 2030 in 15 out of 20 sectors across the OECD economies. However, the largest proportional gains in jobs will be in utilities, construction and manufacturing. Our analysis is based on an employment dataset developed by the ILO. We examined the changing composition of jobs across all sectors of the economy in 2030, as a result of the shift towards energy sustainability. This includes the direct, indirect, and induced employment effects from changes in the way energy is produced, and the amount of energy produced (e.g. increase in solar energy and other renewables versus decrease in use of fossil fuels).\*\*

**The jobs created are not the same as the ones lost. We estimate the net effect on jobs in each sector across the OECD.**

Jobs are expected to grow the most (in net terms) in the utilities sector (11%), followed by construction (4%) and manufacturing (1%). Interestingly, the utilities sector is also likely to see the largest proportional job gains and job losses compared to all other sectors. The sector is expected to lose 7% of its jobs by 2030 but gain 18% of current jobs. For example, while jobs for workers in oil refineries might be lost, jobs for wind turbine engineers or solar panel technicians will be created. The implication for workers in these sectors is that even though there will be more jobs in total, new skills may be required to take advantage of the new jobs being created.

**Estimated net job impacts at 2030 across the OECD by sector, as a result of the energy sector's transition to net zero (expressed as a % of current number of jobs)\***



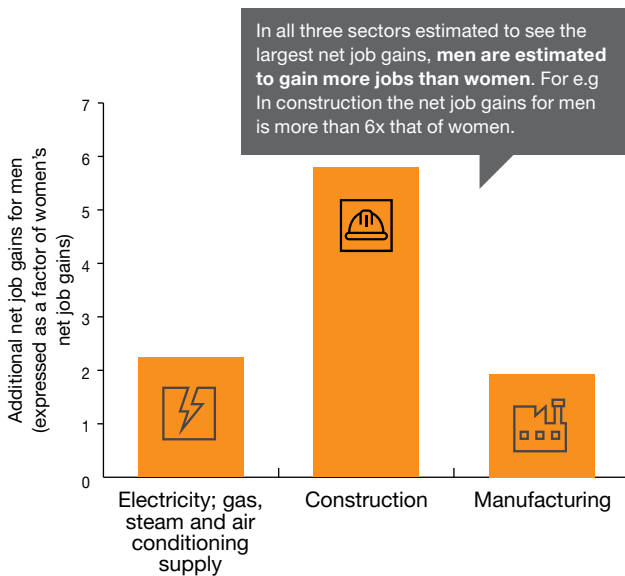
Source: PwC analysis of ILO data, all data sources are listed in the Technical Appendix.

\*We estimate the impact on jobs using a dataset developed by the ILO that focuses on the changes in employment as a result of changes in the energy sector. The changes in the energy sector are based on the energy sustainability scenario developed by the ILO. This scenario accounts for changes in the way energy is produced and consumed that will be needed to achieve an 'energy sustainability' scenario in line with the 2°C global warming goal. If we were to consider the transition of other key sectors to net zero, we would expect the employment effects to be larger than those considered here. Across the OECD, the energy sector transition is estimated to have a larger effect on jobs than other defined transitions such as the transition in the agriculture sector. Given data constraints, this analysis extends to 28 out of the 33 OECD countries on the Index. [Further detail in Technical Appendix]

\*\* Direct effects refer to the impacts on employment in the energy sector that is generated directly from changes such as the increased use of solar energy. Indirect effects refer to the employment effects that occur as a result of the impact of the change on other supply chains (both within the energy sector and beyond). Induced effects refer to employment effects that are driven as a result of changes in employee spending across the economy due to the initial change in the energy sector. Therefore, this analysis captures the employment impacts of changes in the energy sector across all sectors of the economy, both in terms of direct impacts and the knock-on impacts.

# These sectors are all male-dominated, leaving men better placed to take advantage of job opportunities

**Additional job gains for men across the OECD**  
(expressed as a multiple of estimated net job gains for women)\*



Source: PwC analysis of ILO data, all data sources are listed in the Technical Appendix.

**These sectors also account for much larger proportion of the total male workforce as compared to the total female workforce.** Utilities, construction, and manufacturing currently employ nearly 31% of the male workforce across the OECD, compared to only 11% of the female workforce.\*\* Therefore, job creation in these sectors will have a larger impact on male employment overall as compared to female employment. Without direct policy action or government and business intervention to increase female participation in these sectors, women are unlikely to end up with an equal share of the newly created green jobs.

**Looking at this impact from an occupational lens suggests a similar story.** Our analysis suggests the occupations expected to see the largest proportional net job gains from the transition of the energy sector to net zero include assemblers, building and electrical trade workers. These occupations are also all heavily male-dominated. Therefore, in addition to women being less well-positioned sectorally to benefit from job opportunities created by transition, they are also less well-positioned than men based on their current occupations.

**In the three sectors estimated to see the largest net job gains by 2030, men will experience greater job gains than women across the OECD:**

- In the construction sector, men can expect to get **nearly six times** more of the newly created jobs than women.
- In utilities and manufacturing, men can expect to get **twice as many new jobs** than women.

**The uneven distribution of newly created jobs is likely driven by the current gender split across jobs in these sectors.** In construction for example, 89% of workers are male compared to 11% female.\*\* This means that men are currently much better placed than women to take advantage of new jobs created in these sectors from the energy sector's transition to net zero.

## Women from Ethnic Minority groups

- Women currently make up only 32% of the global energy sector.<sup>38</sup>
- Individuals from racial and Ethnic Minorities account for only 22% of the global energy sector.<sup>39</sup>

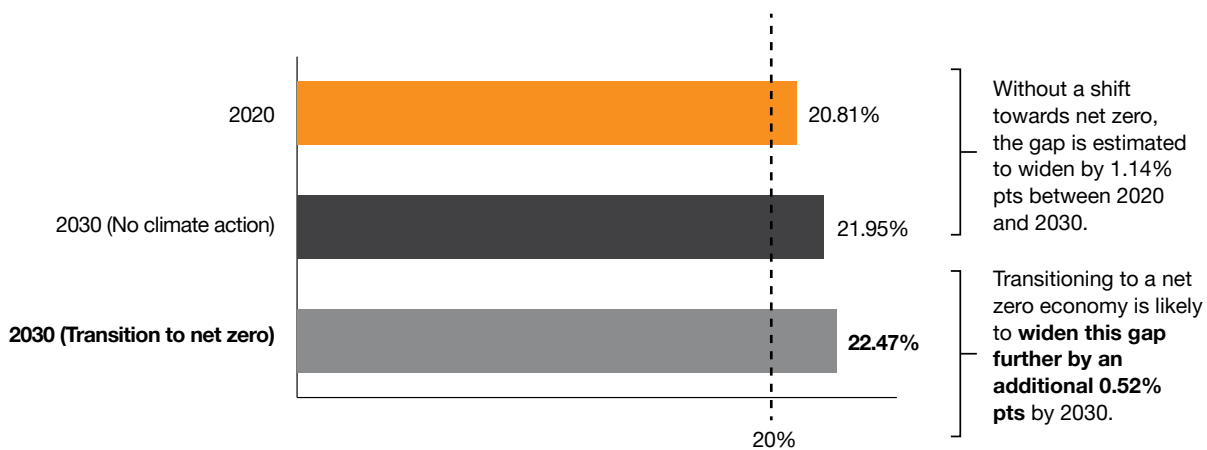
Therefore, **women from Ethnic Minority groups are likely to face greater setbacks than White women in taking advantage of the job opportunities created by the energy sector's transition to net zero.**

\*We estimate the impact on jobs using a dataset developed by the ILO that focuses on the changes in employment as a result of changes in the energy sector. The changes in the energy sector are based on the energy sustainability scenario developed by the ILO. This scenario accounts for changes in the way energy is produced and consumed that will be needed to achieve an 'energy sustainability' scenario in line with the 2°C global warming goal. If we were to consider the transition of other key sectors to net zero, we would expect the employment effects to be larger than those considered here. Across the OECD, the energy sector transition is estimated to have a larger effect on jobs than other defined transitions such as the transition in the agriculture sector. Given data constraints, this analysis extends to 28 out of the 33 OECD countries on the Index.[Further detail in Technical Appendix]

\*\*This is based on PwC analysis of ILO data on jobs composition by sector for 28 OECD countries. Please see Technical Appendix for further details on methodology.

# Without policy action, the transition to net zero will widen the gap between the number of men and women employed across the OECD

**Additional men in employment (compared to women) across the OECD: 2020 versus 2030**  
(expressed as a % of the number of women in employment\*)



Source: PwC analysis of ILO data, all data sources are listed in the Technical Appendix.

**If nothing is done to encourage more women to enter the sectors where the transition to net zero is creating employment, by 2030 the gap in the number of jobs held by men and women will widen.**

- In 2020, there were 21% more men than women employed across the OECD.\*
- Net zero aside, other structural changes in employment (for example automation) are expected to widen the gap between male and female employment by 2030. Even if the the OECD took no action to address the climate crisis, this gap would be expected to increase by one percentage point, to 22% more men employed than women in 2030.

- Taking into account the effects of the transition to net zero, **our analysis shows that the gap is expected to widen by a further 0.5 percentage points, to 22.5% more men than women employed across the OECD by 2030.**



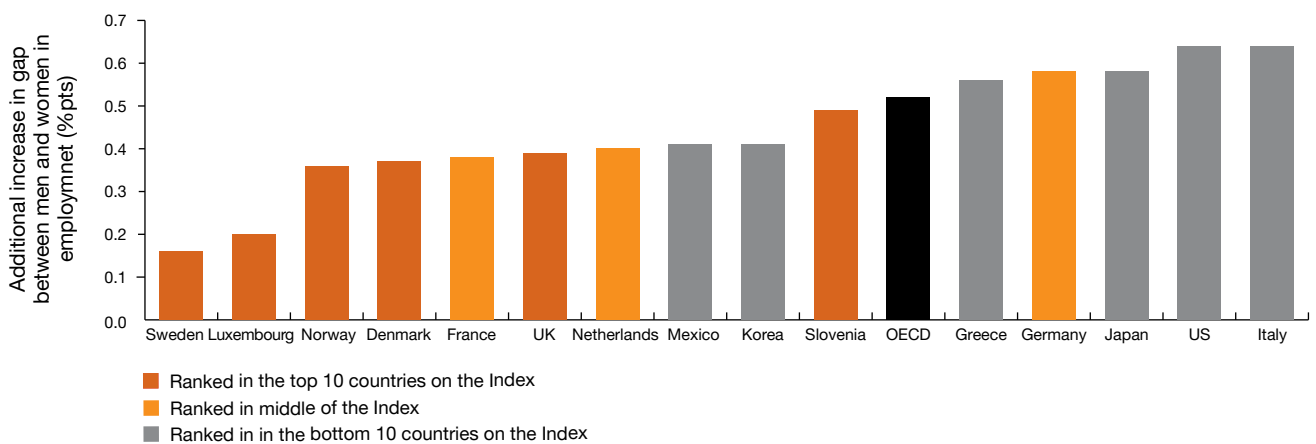
**The transition to net zero is likely to worsen the overall employment position of women relative to men across the OECD.**

\* This is based on PwC analysis of ILO scenario data on jobs composition by sector for 28 OECD countries. Please see Technical Appendix for further details on methodology.

**The energy sector's transition to net zero is expected to drive an increase in the employment gap across the OECD countries by 0.52 percentage points on average, but the size of the gap will be larger in some countries than others.** For example, the employment gap is estimated to widen by as little as 0.16 percentage points in Sweden and as much as 0.64 percentage points in Italy as a result of the energy sector's transition to net zero.

As is the case across the OECD as a whole, the overall gap in these countries is likely to widen further due to other structural changes in employment. Although the degree of disparity is expected to vary between countries, the transition to net zero is likely to worsen the overall employment position of women relative to men across the OECD.

**Additional employment gap due to the net zero transition at 2030, by country**



Source: PwC analysis of ILO data, all data sources are listed in the Technical Appendix.



# Inclusive policies for a fairer future



# Governments and businesses must learn from the pandemic to build a net zero world with an inclusive future

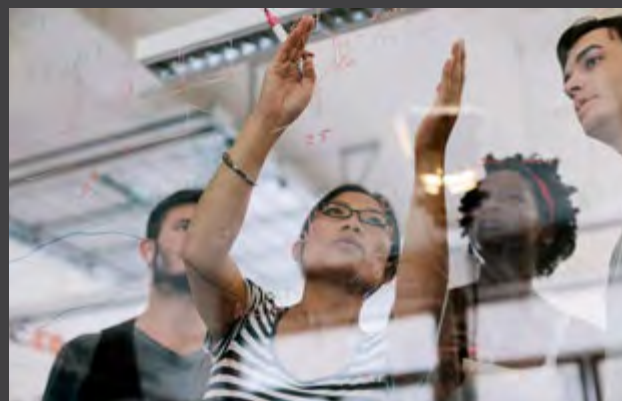
**The pandemic has demonstrated that when a global crisis hits unexpectedly, it is the most disadvantaged who are hit the hardest.**

History shows us that no matter the driver, when crisis hits on a global scale – be it famine, economic or financial market collapse, public health pandemic, or environmental or climate crisis – it is always those with the fewest resources and protections that are the most vulnerable to shocks. Without adequate protections, these groups will suffer the most.

**Governments needed to act fast when COVID-19 hit. Policies needed to be developed quickly to prevent widespread loss of jobs and livelihoods.** There were many successes, but there were also mistakes. According to UN Women's COVID-19 Global Gender Response Tracker (2021), only 42% of the measures put in place by governments around the world were gender sensitive. The rest failed to directly address the specific risks and challenges faced by women and girls.<sup>40</sup>

We must learn from these mistakes in addressing the climate crisis. Across the globe, governments and businesses are increasingly taking action to address the climate crisis. In 2020/21, 28% of the \$17.2 trillion of government spending planned by the largest 30 economies was targeted towards environment related stimulus.<sup>41</sup> This is being matched by action from the private sector. For example, 30 to 40% of major heavy goods vehicles manufacturers, pharmaceutical companies and telecommunication companies worldwide have joined the Race to Zero campaign, a global campaign aimed at achieving a healthy zero carbon recovery and mobilising net zero initiatives.<sup>42</sup>

These are positive indicators of commitment and momentum, but these funds need to be spent effectively, so that everyone in society benefits. Evidence based policy is needed if we are to successfully achieve a just, gender inclusive transition to a net zero global economy. We must understand the structural transition underway in economies and labour markets, and how it will affect different groups in society.



**Preparing our female workforce with the right skills to successfully navigate the green jobs market is one side of the equation.** This will help to create more economic security for women by improving access to high quality and sustainable jobs in markets of long term growth.

**The other side of the equation is using the transition to net zero as an opportunity to redesign work and the labour market – to better meet the needs of women and other marginalised groups.** Flexible working should be optimised for both women and men, encouraging greater sharing of parenting responsibilities, and eliminating biases towards people who work flexibly.

Policies must look to drive the real generational change needed for a more equal society, by addressing the underlying social inequalities experienced by women – in the greater burden of unpaid childcare and domestic labour they undertake. This will include policies that reduce the burden of care (for example, more affordable childcare); and policies that redistribute the burden of care (for example, equal paid parental leave).

It will take government, business, and communities all working together with not only ambition but also effective policy and clear accountability if we are to achieve this fairer, greener future.

# Women and disadvantaged groups must be explicitly considered in designing fair policy and business practices

**This is essential if we are to improve equality and achieve a fairer future for everyone in both work and society.**

Governments and businesses should assess the impact of any new or existing policy on women and other disadvantaged groups.

- **For governments**, all new spending commitments should be assessed using a gender and intersectional analytical framework.
- **For businesses** this should include understanding how practices impact their employees, supply chain, customers and community.

Both governments and businesses should include representative stakeholder engagement to allow for different points of view and ideas.

OECD governments do have some existing measures in place to assess gendered impacts of policy and spending; but when the pandemic hit, many skipped this step. For example, the UK Government relaxed the rules for mandatory gender pay gap reporting in the 2019/20 financial year.

Many businesses have also made public commitments to gender equality, but accountability for these is not always demonstrated. For example, in the UK, despite the increase in voluntary targets set by firms to boost gender diversity on UK boards, the 2021 Female Financial Times Stock Exchange (FTSE) Board Report shows that while there has been progress in terms of female representation on corporate boards, 21% of the FTSE 100 companies and 32% of FTSE 250 companies are yet to reach the target of 33% women on their boards.<sup>43</sup>

Data from the US also shows that women are still promoted to managerial positions at significantly lower rates than men – and this is even more so the case for women from Ethnic Minority groups.<sup>44</sup> Public reporting on progress is a step in the right direction to help improve outcomes for women, and there is an argument for government intervention to go one step further and make certain targets mandatory rather than voluntary.<sup>45</sup>

**Six key principles for governments and businesses to follow to improve equality in society and the workplace:**

1	Gender budgeting
2	Equality impact assessment of policies and spending
3	Equal gender representation in leadership
4	Promoting gender equality in government and supply chain procurement
5	Mandatory pay gap reporting (by gender, ethnicity, and other protected characteristics)
6	Disaggregated collection of data to inform fairer policies for society and in the workplace

**Impact assessments need to be embedded into climate strategies to ensure a just transition to net zero for all.**

Women are disproportionately negatively impacted by climate change and are currently less well placed to benefit from the opportunities of the transition to net zero than men.<sup>46</sup> It is vital that governments and businesses incorporate a gender and equality lens into their net zero strategies to ensure women and other marginalised groups are accounted for and are part of the solution for mitigating climate change. Without this, the effects of climate change could further delay reaching gender equality and widen the employment gap between men and women across the OECD.<sup>47</sup>



## Six key principles – what they are and who does them well

1

### Gender budgeting

#### What is it?

Analysing the expected impacts of all new government spending by gender, and restructuring revenues and expenditures to promote gender equality.

#### Who does it well?

Iceland made gender budgeting mandatory at the state level across all of its ministries in 2016, in a five year rolling plan.<sup>48</sup> This allowed Iceland to use existing budget analysis to inform COVID-19 response measures, making a gendered policy response easy, even in a time of crisis.<sup>49</sup>

2

### Equality impact assessment

#### What is it?

Assessing the economic and social impacts of proposed policies and programmes on different groups in society, and specifically disadvantaged or marginalised groups. Good practice should go beyond simply identifying and mitigating any adverse effects on marginalised groups (so as not to put them at greater disadvantage), and include proactive solutions to address underlying social inequalities, such as those identified in this report around the unequal distribution of unpaid care borne by women.

#### Who does it well?

The Canadian Government carries out equality impact assessment of government policies through its Gender-based Analysis Plus tool. In 2017, this process helped to identify and change immigration regulation that was leading to greater domestic violence against women: the regulation required sponsored spouses / partners of Canadian citizens to live with their sponsor for two years. This made women more likely to remain in abusive relationships than seek help, out of fear of losing permanent resident status.<sup>50</sup>

3

### Equal gender representation in leadership

#### What is it?

Women's participation in leadership as well as diversity in teams is proven to improve efficiency, ability to solve complex problems, as well as spark innovation.<sup>51</sup> There are many good practices that can be adopted to achieve a more inclusive leadership team, including those focused on recruitment, training, and promotion and progression.

#### Who does it well?

Consumer products company Kimberly Clark increased the number of women in senior management positions by two thirds over a ten year period to 2019. The company put in place professional development programmes (including a 12 month leadership training programme for women); mentorship; coaching; women's networks; flexible working and family leave policies; as well as a programme for working women to ship breast milk to their children when on business trips. It was named as one of the *Top 70 companies for Executive Women* by the National Association for Female Executives (NAFE) in 2018, 2019 and 2020\*.<sup>52</sup>

\*NAFE stopped publishing this list after 2020.



## 4

### Promoting gender equality in government and supply chain procurement

#### What is it?

Public sector procurement processes should include measures to improve female participation. For example, quotas or targets for the number of women-owned businesses included in the consideration/assessment process; targeted procurement training or advertising directed at women-owned businesses. There is significant economic opportunity here. In the US for example, female-led businesses won less than 5% of the value of small-business eligible contracts in 2020.<sup>53</sup> In total across the OECD, public procurement accounted for almost 15% of GDP in 2020.<sup>54</sup>

Businesses can also use procurement practices to promote greater gender equality by diversifying supply chains to incorporate more businesses that are majority owned and run by women; and by favouring potential supply chain partners that pay their workers well, and have representative female senior leadership.

#### Who does it well?

Abbott Laboratories aims to promote a diverse and inclusive supply chain through its supplier diversity programme in which it provides mentoring and training to small and diverse-owned businesses. This includes those that are majority owned by women, Ethnic Minorities, veterans or LGBTQ+ individuals. It has a Monitoring & Evaluation framework in place to track spend in their supply chain. In 2020, Abbott spent \$2.3bn with small and diverse-owned businesses, an increase of 23% from 2019.<sup>55</sup>

## 5

### Pay Gap Reporting

#### What is it?

Mandatory reporting of pay gaps by gender, ethnicity, and other protected characteristics is a crucial tool in highlighting existing disparities at both the organisation and country level, and for measuring the change in these disparities over time. Greater transparency drives accountability in addressing inequalities, and helps to demonstrate organisational progress towards closing pay gaps. The OECD suggests a number of ways countries that have already put in place mandatory gender pay gap reporting should aim to advance this practice, including audit practices that aim to ensure not only compliance but quality.<sup>56</sup>

#### Who does it well?

PwC UK was one of the first organisations to voluntarily publish its gender pay gap data in 2014. It also recently became the first professional services firm in the UK to publish its ethnicity pay gap.<sup>57</sup> PwC UK is committed to taking action to address these pay disparities and support and empower women and people from Ethnic Minorities in the workplace.<sup>58</sup> It is constantly evaluating its own data to advance its breadth and depth of pay gap reporting. PwC UK also published its socio-economic background and disability pay gaps in its FY21 Annual report. It has been recognised as the number one employer for social mobility in the Social Mobility Foundation's Employer Index for the past two years.<sup>59</sup>

# 6

## Disaggregated collection of data

### What is it?

Both the public and private sectors should invest adequately in collecting data (de-identified) that is disaggregated by gender, age, sexual orientation, ethnicity, disability, geography, education and income levels, social mobility characteristics, etc – to inform effective design of future government policy and support effective workplace interventions to make work fairer for everyone.<sup>60</sup> This action is key in enabling all of the other practices and principles described here, and underpins the analysis we undertake every year as part of the Women and Work Index. Businesses should use this data to monitor and report on key metrics such as pay, working hours, promotion and progression, representation in senior roles, attrition, sick leave, and any other important employment outcomes.

### Who does it well?

The Centre for Gender Diversity and Inclusion was established by the Canadian Government in 2019 to provide data which is disaggregated by gender and other characteristics to inform effective design of future government policy. It also developed 29 indicator tables which are used to assess and track Canada's progress towards a gender and inclusive society.<sup>61</sup>



# Tackling the ‘motherhood penalty’: affordable childcare

**Affordable childcare will significantly reduce the burden of unpaid care on women. It will allow more women to remain in, or re-enter, the workforce and move us towards a more gender equal society in the long term.<sup>62</sup>**

High childcare costs act as a major barrier to employment for parents, particularly mothers.

- On average across the OECD, **low-paid single mothers in full time work lose 64% – almost two thirds – of their earnings** to childcare fees, taxes and loss of benefits.<sup>63</sup>
- For low-paid women in two parent families, the average loss of in-work earnings is 56%.<sup>64</sup>
- **In some countries, low-paid employment offers mothers no (or even negative) financial gains from entering the workforce, once childcare costs are taken into account.** This is the case for single mothers in Slovenia; and for women in two parent families in the US, the UK, and Canada.<sup>65</sup>

## OECD ‘Effective tax rate’ or loss of in-work earnings for low-paid women on entering employment<sup>70</sup>

	Excluding childcare fees	Including childcare fees (for two children in full-time care)
Single mothers, working full time on low income	Average: ~54%	Average: ~64% (Slovenia, Japan >100%)
Women in two parent families on low income	Average: ~38%	Average: ~56% (US, UK, Canada >100%)

Source: OECD, 2021. See endnote 63.

Most OECD governments provide some free and/or subsidised childcare to parents with children under the age of four. Subsidies provided should be increased, and policy details revised, so they target women’s needs better and incentivise more women to re-enter full time employment. Specific considerations for policymakers include:

- 1. Increasing provision of free childcare for children in their earliest years.** OECD governments commonly provide a mixture of free and subsidised childcare for children aged three and above, but less is provided for children under that age. Women’s labour market outcomes are only affected by what is provided for their youngest child. A study by the IFS and the University of Essex found that in the UK, an increase in free part time childcare for children aged 3-4 had only a marginal effect on women’s employment rates (increase of 0.4%) if they had children younger than the age of three, but it had a significant effect if their youngest child was three (increase of 3%).<sup>66</sup>
- 2. Providing a sufficient number of free or otherwise affordable hours of childcare per week, so that women are able to return to the workforce full time.** This increases the opportunity for women to access higher quality, more secure jobs. Studies show that the provision of part-time childcare has marginal effects on mother’s employment but provision of full-time childcare leads to a significant increase in women entering the labour force, and as this entitlement continues over time, women’s employment rates continue to increase.<sup>67</sup>
- 3. Investing more in childcare creates four times as many jobs for women as investing in construction.** A study undertaken by the Women’s Budget Group (WBG) found that increasing public investment in social infrastructure by 2% of GDP across various OECD countries (Australia, Denmark, Germany, Italy, Japan, the UK and the USA) would create nearly the same number of jobs for men if invested in construction, and would create four times more jobs for women.<sup>68</sup> In the UK this investment would create 1.5 million jobs, raising women’s employment by up to 5.9%, more than 5% in Germany, Australia and Japan and 8% in the US.<sup>69</sup>

<sup>70</sup>Based on available data of 33 OECD countries



## Spotlight on Luxembourg

**In our 2020 Index results, Luxembourg is the second highest scoring OECD country, with a very low gender pay gap (only 5%). Luxembourg performs particularly well in providing affordable and high quality childcare options to parents.<sup>71</sup> Childcare is accessible to all, including single mothers on low incomes.**

The government provides free and subsidised childcare to all children aged one to four, up to a maximum of 60 hours per week. This has led to high participation rates of children aged under five in early education across all income brackets, with very little difference in participation rate between low and high income households, contrary to the OECD average.<sup>\*72</sup>

In Luxembourg, childcare subsidies do not increase effective tax rates for single mothers on low incomes and only slightly increase those for second earner mothers on low incomes, helping to mitigate the ‘motherhood penalty’.<sup>73</sup>

This is supplemented by one of the most generous paid parental leave policies for fathers in the OECD with the government spending the most per child on parental leave than any other OECD country.<sup>74</sup>

\*Based on available data of 26 OECD countries



# Tackling the ‘motherhood penalty’: equalising paid parental leave entitlement

**Paid parental leave for fathers is essential to redistribute the burden of unpaid care carried by women. It will allow greater participation and advancement of women in the workforce and move us towards a more gender equal society in the long term.**

Governments and businesses can support greater sharing of responsibilities between parents through equal entitlement and access to well paid parental leave for both mothers and fathers. These policies help to challenge gender stereotypes and social norms by championing the important role that men have to play in the lives of their children, and recognising that childcare is a responsibility that should be shared equally between parents.<sup>75</sup>

When parents share childcare responsibilities, women return to work or increase working hours sooner, which drives higher overall participation of women in the labour market, and progression in the workplace.<sup>76</sup> This boosts productivity and reduces turnover for both male and female employees.<sup>77</sup> There are also benefits for children who are more likely to achieve better grades and have greater self confidence.<sup>78</sup>

**Parental leave shared equally from birth has long term and systemic effects, both at the individual and societal level.** It creates an expectation over time, that all workers are likely to take time off for parental duties (reducing discrimination against women from the outset in the job application process); and gives way to a more equal household split of paid work and caring responsibilities.

**In some countries where parental leave is shared, uptake by fathers remains low.** ‘Shared’ paid parental leave is already offered by a number of OECD countries and businesses. ‘Shared’ is not the same as ‘equal’. ‘Shared’ means that parents can share an entitlement between them (typically the mother’s entitlement), but one parent will forgo what the other takes. Even in the best case scenarios, this means the higher earner is never incentivised to take the leave.

With men earning more than women, and societal expectations of gender norms placing mothers in the primary caring role, it is difficult for families to justify taking advantage of paternal leave entitlements. In the UK, for example, uptake of parental leave by fathers is 3.6% (in the fifth year of the UK Government’s shared parental leave scheme),<sup>79</sup> and in Japan it is 6% (despite the national scheme running for 13 years).<sup>80</sup>

**Equal entitlements for fathers across the OECD, is a long way off from a national policy perspective.**

Across the OECD, access to paid parental leave varies considerably, in length and value of entitlements. Paid leave specific to, or reserved for, fathers is on average just under nine weeks per child, and the payment rates are (on average) lower than those for maternity leave. Six OECD countries provide no paid father-specific leave at all, and 17 offer two weeks or less.<sup>81</sup>



## Iceland leads the way

Iceland offers a total of 12 months paid parental leave with each parent allocated 6 months. Parents can transfer a maximum of one month to the other parent. If either parent decides not to use their personal five month allocation, those months are non-transferable. Parental leave is paid at 80% of average income, subject to a cap. Take up rates of paternity leave in Iceland are 86%.<sup>82</sup>

Businesses and governments should work together to increase leave entitlements for men, in a way that increases gender equality in the long term. Increase in any overall leave entitlement is an expensive policy, whether it be for government or for businesses. Large businesses currently have the opportunity to lead the way in providing more paid parental leave for fathers. While a step change in leave provision across economies may not be possible overnight, governments and businesses should work together to increase what is provided, and in doing so take account of the following important principles:

- 1. Parental leave for fathers needs to be adequately paid to create enough incentive for them to use it** – men are more often the highest earner in male-female two parent families, which reinforces mothers as the default to take time off work to care for children. Paternity leave paid at statutory pay, and even minimum wage does not work – so it needs to be paid closer to actual wage level, with the amount of the entitlement and responsibility for payment shared efficiently between families, business, and government.<sup>83</sup> The benefits of equal parental leave over the longer term for businesses (for example greater staff retention and more women in leadership roles) and for society (for example better overall social and economic outcomes for women, families, and children) should be properly quantified – to inform policy development in this area, including a framework to determine the amount of cost that should be contributed by each group for better leave policies.
- 2. Paternity leave should not be provided in place of maternity leave, but entitlements must be non-transferable between parents.** A ‘use it or lose it’ approach is the only way to break through society’s gender norms around mothers as primary carers.<sup>84</sup>
- 3. Paid paternity leave should not be dependent on a man’s partner’s employment status.** Current rules in some countries mean men are only entitled to leave if the mother of their child has been working for a certain time / earning a certain amount. This makes it harder to break the cycle of mothers being primarily responsible for care of children, and fathers primarily responsible for paid work, keeping current gender inequalities ingrained in social norms and preventing generational change.



### In the UK, businesses are leading the way

Aviva, an insurance provider in the UK, introduced a policy giving all parents up to a year of leave and 26 weeks of full basic pay in 2017. Uptake by fathers reached 95%. The average days taken by fathers is 14 times more than before the policy, when the standard UK Shared Parental Leave entitlement applied. **Two thirds of fathers (67%) took a full six months or more leave.** Aviva’s Chief People Officer summarised the policy’s success:

“When we introduced this policy, we wanted all of our parents to know they can take leave and still have a successful career, regardless of gender. The feedback from our returning parents has been fantastic. Many dads have said it has helped them to understand what women have experienced for generations, so this fresh perspective is invaluable.”<sup>85</sup>

At Zurich (another insurance company) similar success was achieved, with 78% of new fathers taking three months’ paid leave or more.<sup>86</sup>

# Learning from the pandemic: cementing the gains of flexible working

**The pandemic has accelerated the shift to new flexible working practices, particularly working remotely and on a hybrid basis. It is now up to employers and governments to cement and build on these gains towards greater flexibility. Policies should be put in place that proactively address inclusion for all types of workers in flexible practices.**

**Flexible working expands women's employment opportunities and has long been recognised for enabling women to work around caring responsibilities.** The pandemic has proven flexible working can allow more work to be done remotely than was previously accepted. This shift in expectations has provided greater opportunity for women to share caregiving responsibilities with men. Flexible working will allow men to take on more domestic and childcare work in the longer term, and help to tackle the discrimination women have traditionally faced when taking advantage of flexible options. Employers have a large role to play in encouraging and supporting men's uptake of flexible working as much as women's.

Flexible working goes beyond simply 'working from home'. In the UK, the Women and Work All Party Parliamentary Group (APPG)'s definition includes remote working, compressed hours, annualised hours, staggered hours, flexi-hours or even job-sharing.<sup>87</sup> A broad definition is important as many workers – such as key workers – are not able to do their jobs from home and should not be left out of the benefits of greater flexibility.

**Flexibility is good for employers too.** According to Chartered Institute of Personnel and Development (CIPD), good quality flexible working can help businesses to address skills shortages, attract and retain talent, support diversity, narrow gender pay gaps, improve employee job satisfaction and loyalty, and support better overall employee well-being.<sup>88</sup>

**The extent to which the gains from the pandemic are realised longer term, depends on governments and employers implementing empowering policies.**

Current evidence suggests there is still more work to be done to meet working mothers' needs. In one UK survey from August – September 2021, half of working mothers reported that their employer had 'rejected' or 'only accepted part' of their flexible working request. However, the majority said they had not asked for the flexible working arrangements they need: 31% had not asked at all, and 36% had only asked for some of the flexible working they need.<sup>89</sup> The majority of respondents said this was due to concerns around a negative reaction from the employer or because they believed it would be turned down.<sup>90</sup>

**The real win for women from flexible working, is not in their ability to access it, but in the expectation that everyone can and will do so, breaking down the associated penalty in terms of career progression.**

Governments and businesses need to take a gender responsive approach to flexible working policies to prevent unconscious bias against those who adopt flexible working arrangements.



## Four day working weeks<sup>91</sup>

- The Belgian Government recently announced legislation of an optional four day working week – employees can opt to work up to ten hours per day instead of eight, in order to work one less day per week for the same pay, subject to manager approval.
- Iceland is leading the way in this space with 86% of the country's workforce now working a shortened week after a successful trial from 2015-2019.
- Spain, Scotland and Japan have also announced plans to trial four day work weeks.



## Suggested actions for governments

- **Introduce legislation** that makes flexible working a right from the first day of work for all workers, including those on zero-hours\*<sup>92</sup> or part-time contracts.<sup>93</sup> This should include laws for mandatory disclosure of flexible working options in job advertisements.<sup>94 95</sup>
- **Address the needs of workers in sectors and occupations where remote working is not possible:** Consider how to make work fairer and more flexible for workers in sectors such as healthcare and retail (typically female-dominated sectors) where they are less able to work remotely.<sup>96</sup>
- **Toolkits for businesses:** Develop toolkits on flexible working for businesses in different sectors which disseminate good practice.<sup>97</sup>
- **Awards/Grants:** Incentivise businesses to come up with innovative ways to encourage and normalise flexible working, by awarding grants or awarding employers.<sup>98</sup>



## Suggested actions for businesses

- **Ways of working preferences:** Have conversations with new employees around their preferred ways of working.<sup>99</sup>
- **Flexible working as default:** Highlight when a job is not conducive to flexible working instead of the other way round.<sup>100</sup>
- **Think beyond traditional ways of working:** For example Pets at Home, a UK-based pet supplies retailer is assessing ways that store manager roles can be specifically redesigned to be shared or undertaken on a part-time basis.<sup>101</sup>
- **Voluntary reporting:** Consider reporting on ability to provide flexible working similar to reporting on gender/ethnicity pay gap.<sup>102</sup>
- **Inclusive flexible working:** Implement practices that ensure workers who are less present in the office are not excluded from opportunities<sup>103</sup> – including encouragement and acceptance of men taking up flexible working options.

\*Zero hours contracts: If you have a zero-hours contract your employer does not have to give you any minimum working hours and you do not have to take any work offered





# Transitioning to net zero – policies and practices to get more women into green jobs

**Government and businesses must help position women to effectively benefit from the job opportunities created by the transition of OECD economies to net zero. This will provide better quality and more secure employment for women, in sectors of strong and sustainable growth, and help to narrow the 2030 employment gap between men and women.**

Businesses and governments can provide targeted support for women to help them take advantage of new green jobs. This includes identifying barriers to entry for women in green growth sectors, upskilling and reskilling, and improving access to finance for female entrepreneurs.



**Governments can create more green jobs for women by:**

- 1. Identifying barriers faced by women in entering green jobs<sup>104</sup>:** Governments should proactively consult and engage with female workers, women's organisations and industry focused groups to better understand the barriers women face to employment in the sectors identified for net zero jobs growth. Findings should be used to inform effective policy design, and shared with businesses, workers, communities and labour representatives to encourage action towards achieving more equal access to work.
- 2. Policies to increase representation of women in Science Technology Engineering and Mathematics (STEM):** Girls and women are underrepresented in STEM studies and careers. Across the OECD, they have historically accounted for 30% of new entrants into Information and Communication Technology (ICT) and 39% in engineering, manufacturing and construction.<sup>105</sup> The underrepresentation of women in STEM is not a new issue, but with the structural changes in the economy as we transition to net zero, the persistent female skills gap in these areas presents an even greater risk to future gender equality. Governments need to do more to address this. Suggested actions include **outreach programmes** to identify the reasons for low take-up of STEM subjects; **changing stereotypes<sup>106</sup>** around STEM

being an unsuitable career choice for women via school curriculums and programmes; and **providing access to relevant training** for women currently in other occupations through use of subsidies or paid leave options.

- 3. Providing more access to finance for women entrepreneurs:** Women entrepreneurs have been among the hardest hit during the pandemic. However, research shows that women-led organisations will play a key role in the transition to net zero if they are able to access finance. Governments should ensure that green funds take steps to eliminate biases when deciding on candidates for funding and commit to investing in female-led climate mitigation projects.<sup>107</sup>



**Businesses can support and encourage more women to enter green jobs through:**

- 1. Investing in training and mentorship programmes:** Employers in the energy sectors should support workers whose jobs will change as a result of the transition to net zero.
- 2. Boosting female representation and recruitment:** Equal by 30\* found that only 20% of seats on company boards in the energy sector are filled by women.<sup>108</sup> Businesses should adopt gender sensitive recruitment, retention and promotion strategies.
- 3. Developing inclusive working environments:** A survey by Equal by 30\* revealed that women feel working in the energy sector was less inclusive to them than men; and this is further exacerbated for women from Ethnic Minorities, women with mental health challenges and women with a physical disability.<sup>109</sup> Businesses should foster an inclusive workplace culture through unconscious bias training, anonymous reporting processes and public commitments to diversity and inclusion targets.<sup>110</sup>

\*The Equal by 30 Campaign is a joint initiative by Clean Energy Ministerial (CEM) and International Energy Agency (IEA) aimed at advancing the participation of women in clean energy transition and close the gender gap.

**Example OECD initiatives that are helping to train and retrain women for success**

The **German ‘Kurzarbeit’ scheme** (Germany’s short-time working scheme) covers workers not just in economic recessions but also when they are displaced due to restructuring of the economy.<sup>111</sup> Permanent furlough schemes like this can enable workers to re-skill for a net zero world.

The Department for Equal Opportunities in Italy has invested in **STEM Summer Schools** to increase interest in STEM subjects among young girls, and fight gender stereotypes in education from a young age.<sup>113</sup>

IBM has created a **Tech Re-Entry Programme** for professionals who took a break from the labour force and want to rejoin. The programme, funded by IBM, allows these individuals to refresh their professional and technical skills through curated learning paths.<sup>112</sup>

The Australian multinational construction and infrastructure firm Lendlease has been recognised for **initiatives to support female workers early on in their careers**. These include granting access to tailored training and professional development groups.<sup>114</sup>



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