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Our double edged sword: the business case for gender equality

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For thousands of years women have had fewer life chances than men. Despite changes in gender norms, women are still performing almost all of the household work and childcare duties. Women are underrepresented in government and boardrooms, earn less than men for comparable work and are much more likely to live in poverty. In the UK, for instance, almost half of all women have total individual incomes of less than £100 a week, compared with less than a fifth of men.

At the same time, fertility rates are running at below replacement levels in nearly every developed country in the world. In their most recent book *Women, Work and Politics* Torben Iversen and Frances Rosenbluth demonstrate that this fertility crisis is partly the outcome of a trade-off that women are making between having a career and having a family.

We may be in the midst of an economic crisis but this largely overlooked demographic crisis is no less dangerous. Growth doesn't happen overnight and is dependent on two main ingredients: more workers and higher worker productivity. As women have unequivocally chosen careers at the expense of having children, we will soon be drastically short of the former. Improving gender equality must therefore be the cornerstone of any government strategy to avoid a future pension's crisis and ensure sustainable economic growth. Or, to put it another way, women's childbearing capacities might be one of the most powerful sources of female bargaining power to secure gender equality.

“Poverty is being judged by what you have, not by who you are”

Statistics about the gender pay gap mask the realities of what daily life is like to be a poor woman living in a rich democracy. In 2006, The Women's Budget Group interviewed a group of women from Birmingham, Cardiff and London in an attempt to map a picture of individual women's experiences of living below the poverty line. They asked participants to complete the sentence 'Poverty means to me...'. Several overarching themes emerged. In descending order of prominence, they were: human rights, isolation, children, money and finances, employment and education, physical and mental health, the 'postcode lottery' and housing. As their report said, many of the participants' statements frame the issue so succinctly that they are worth quoting here.

“Poverty is being judged by what you have, not by who you are” (London)

“[Poverty means having] to choose between paying for my boiler to be fixed or my children's lessons to support their dyslexia” (Birmingham)

“Poverty to me means making excuses because of a lack of money for not attending social meetings with friends or taking part in leisure activities” (Birmingham)

“[Poverty means] never having enough money to pay my bills and give my children treats and a holiday” (Cardiff)

“[Poverty means] going to bed in the day to keep warm, b/c can't afford to keep the heating on” (Birmingham)

“[Poverty means] having no real chance to improve myself and no hope for my future. I can’t go to college because my husband won’t pay and because he won’t divorce me I can’t go” (London)

The report, *Women and poverty: experiences, empowerment and engagement*, published by the Joseph Rowntree Foundation, is worth reading in full and can be accessed online.

George Osborne – swapping workers’ rights for company shares

But governments all over the world are now facing a crisis. As it turns out, gender inequality doesn’t help anyone, least of all governments’ budgets. As the primary caregivers, women are often forced to choose a career over having children. And women all over the world have voted, and they have unequivocally chosen careers at the expense of having children. Average fertility across OECD countries has more than halved since 1970 and female labour force participation has risen by 50 per cent. The result: an increasingly elderly population that is being supported by a disproportionately small workforce and an impending pension and immigration crisis.

By withholding their childbearing capacity, they have forced governments to try to address the conflict between having a family and pursuing a career. Governments in OECD countries have responded by spending increasing amounts on family services.

This relatively proactive response is good news for women all over the world who have either been forced to choose between starting a family and pursuing professional success or, who have had the decision made for them, by an employer who didn’t want to take the risk of hiring her during her childbearing years.

In contrast, George Osborne’s announcement last year that workers will be able to trade their employment rights, including their rights to request flexible working, for shares was a regressive step. Also, in light of the already existing pension crisis, it seems short-sighted to provide women with even more disincentives to have children. After all, capital gains tax free shares won’t compensate the poorest families; the average amount that these families would have ever paid in capital gains tax will likely be much smaller than the value of being able to work flexible hours or give less than 16 weeks’ notice for returning from maternity leave.

Poor women hit hardest

Gender inequality can partly be explained by the fact that women often take time off work or slow down their careers to have children. But even women who don't take time off are affected. All women are less likely to be hired or promoted because, on average, as women, they are statistically more likely to take a break during child-bearing years or look after sick or aging relatives. If you think about any well-paid or high skilled career or job, it's easy to see how a person's productivity and ability could be significantly hampered by taking time off for a few years. On the other hand, the damage to women's employability due to career interruption is much lower at the bottom end of the career ladder: administrative work, food service jobs, house cleaning and some manual labour jobs. This is often given as an explanation for women's domination of the service industry and, consequently, the lowest paid jobs.

Will the government create well-paid, part-time jobs?

Women want to have careers. So the best chance we have of raising fertility rates to the sustainable population equilibrium is to enable women to carve out a career without having to sacrifice a family. The question now is, how can we best help women to pursue careers without having to forgo childbearing?

The most preferable solution would be for men and women to share equally in child rearing and domestic responsibilities. However, the traditional division of labour at home is deeply culturally ingrained and so a more equitable division seems far away. And as long as women make less money than men, it doesn't make economic sense for women to continue working if their family member is earning more, particularly when childcare is so expensive.

Another approach would be to promote female-friendly labour market practices such as increasing the number of part-time and flexi-time jobs. Unfortunately, part-time jobs have tended to be the lowest skilled and therefore poorest paid. Also, part-time hours are not much use if they aren't flexible. Consider, for example, a woman who takes up a part-time job that runs from 2pm-5pm every day. Unless her partner can do the school run, she will likely have to pay somebody else to pick up the kids from nursery or school. This might not seem so bad if it weren't for the fact that the 'somebody else' is likely to be a woman working for very low wages (childcare has

never been a well-paid job). Moreover, to ensure parity with full-time male workers, these jobs need to offer full benefits on a pro-rated basis, an offering many employers will be able unable or unwilling to afford.

Nevertheless, increasing access to part-time employment can work. In Holland, workers who have been employed at a firm for over a year are allowed to shorten or increase their working hours on request, as a result of The Act on Adjustment of Working Hours passed in 2000. They are still given the same pay and benefits as full time workers (pro-rated) and part-time work isn't just reserved for low skilled jobs, spanning occupations from law to medicine. Fertility rates in Holland have increased from 1.7 in 2000 to 1.8 in 2010. It's likely that other factors will have been at play here too, but it also seems likely that Holland's female friendly labour market has had something to do with the increase in fertility.

A solution that is already being tried in many countries across the world is to increase public sector spending on day care and other family services to subsidise the cost of having children. This would help to reduce the conflict between having children and seeking remunerative work but won't eliminate it altogether. As already mentioned, as long as women are more likely than men to take career breaks in order to raise children or look after aging or sick relatives, employers will still discriminate against women when recruiting. And, as we've already established by looking at our low fertility rates, women are ready and willing to forgo having children to gain economic independence.

The key to increasing fertility rates is government policies that reduce the need for women to trade having children with having a career. This means investing in high quality, full-time childcare services as well as the creation of flexible and part-time jobs across a full range of occupations as opposed to just poorly paid part-time jobs in the service industry. If we can close the gender pay gap, gender-neutral family leave policies would make sharing equally in childcare responsibilities a realistic choice for parents. If we sort out gender inequality then the fertility crisis will take care of itself.

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