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Gender Equality at Work

The Economic Case for More Gender Equality in Estonia





What to expect in this presentation?

- Gender labour market gaps in Estonia: magnitude, drivers, and cost
- Addressing labour market gender gaps:
 - Improving work-life balance
 - Enhancing women's bargaining power and combating gender-based wage discrimination within firms
 - Steering both more women and more men towards EHW and ICT
 - Countering traditional gender norms among the adult population
- Policy recommendations



GENDER LABOUR MARKET GAPS IN ESTONIA:

MAGNITUDE, DRIVERS, AND COST

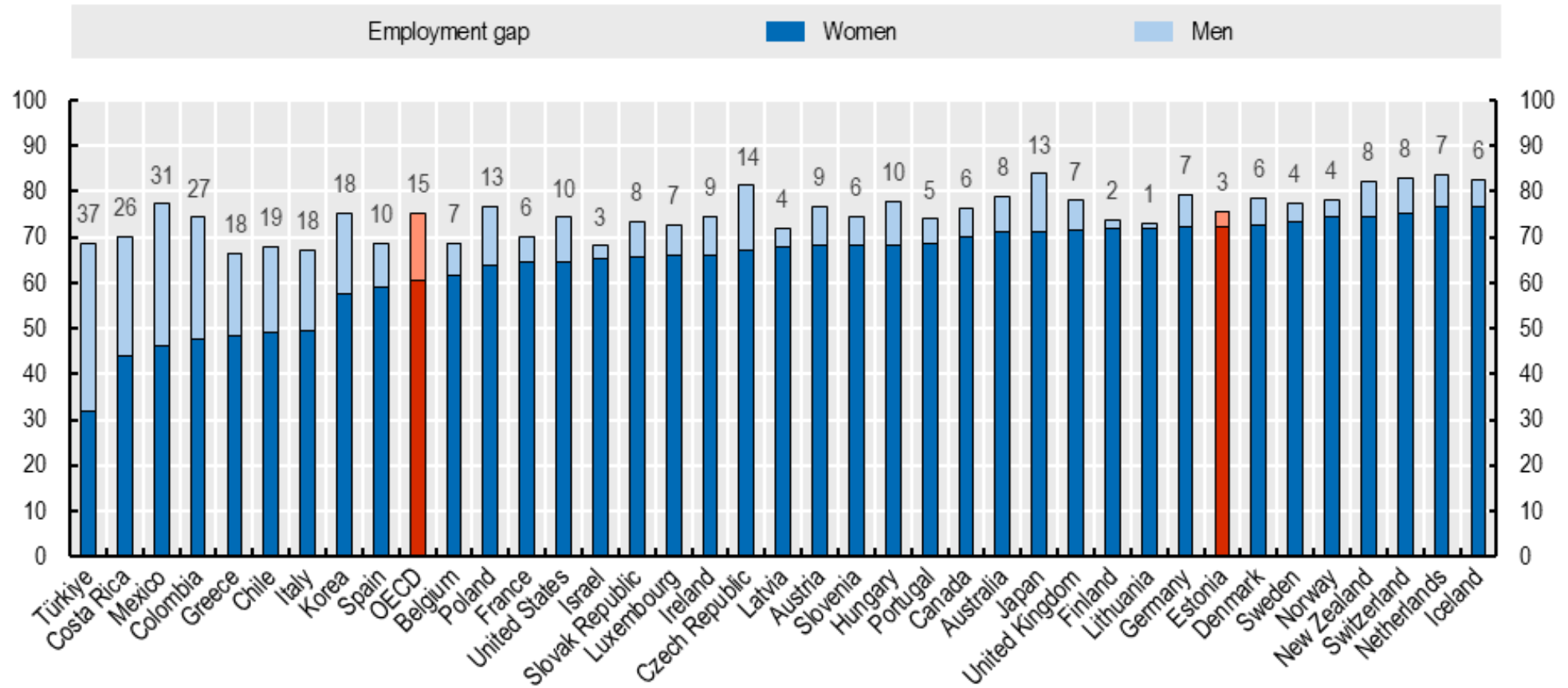


MAGNITUDE



Gender employment gaps in Estonia are small...

Employment rate by gender, 2021

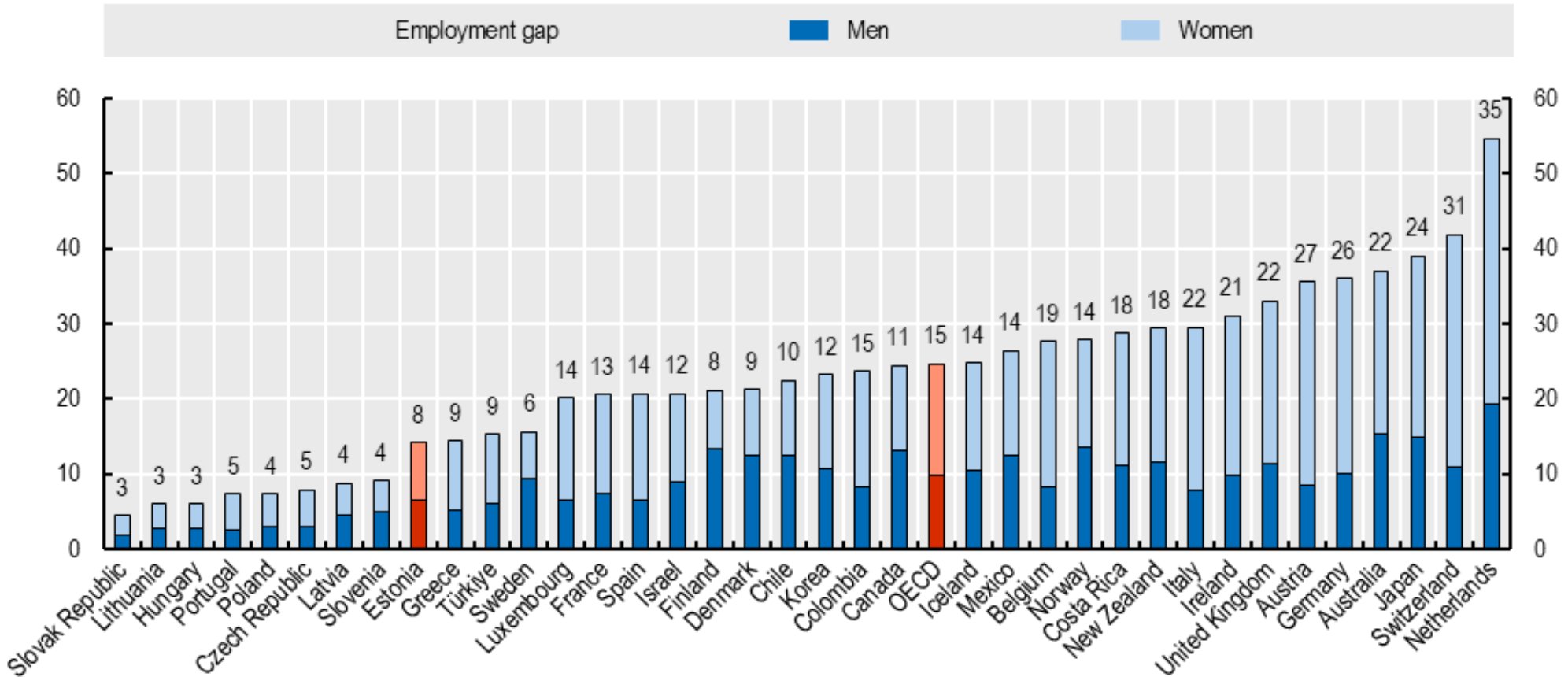


Note: Persons in employment divided by the population. Data refer to the population aged 15-64. Instead of 1999, data refer to 2000 for Latvia, Lithuania, and Slovenia and to 2001 for Colombia.
Source: OECD Employment database



... and part-time employment is not common

The incidence of part-time employment, by gender, 2021

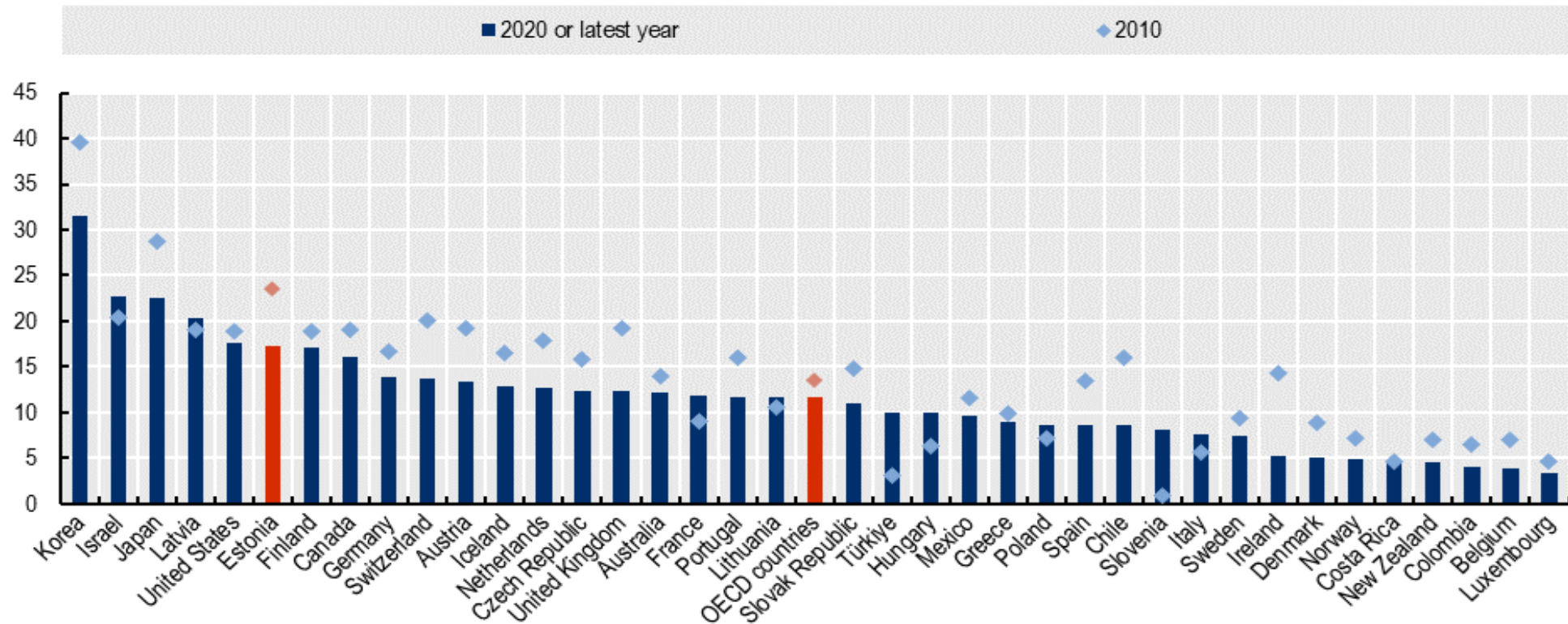


Note: Instead of 2021, data refer to 2019 for Australia. Data refer to the incidence of part-time work in total employment. Part-time employment is based on a common 30-usual-hour cut-off in the main job.
Source: OECD Employment Database.



Alas, the gender wage gap is wide, but narrowing

Gender wage gap at median gross earnings, by year



Notes: Instead of 2010, data refers to 2011 for Chile and Costa Rica. Instead of 2020, data refers to 2019 for Belgium, Colombia, Denmark, Finland, Germany, Ireland, and Italy; 2018 for Costa Rica, Estonia, France, Iceland, Israel, Latvia, Lithuania, the Netherlands, Slovenia, Spain, and Türkiye; 2014 for Luxembourg.

Source: OECD (2022), Gender wage gap indicator. OECD Employment database.

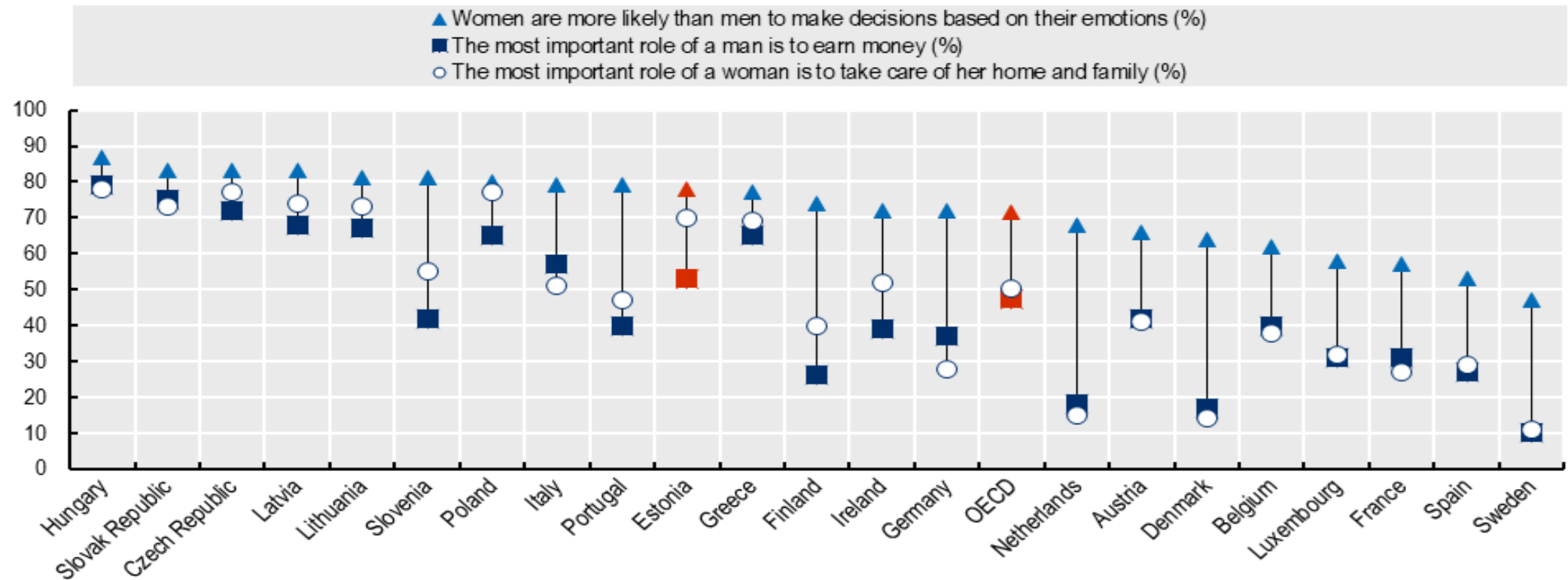


DRIVERS



Estonians hold above average traditional gender stereotypes, which contributes to...

Proportion of respondents who “agree” or “fully agree” with different gender stereotypes, 2017



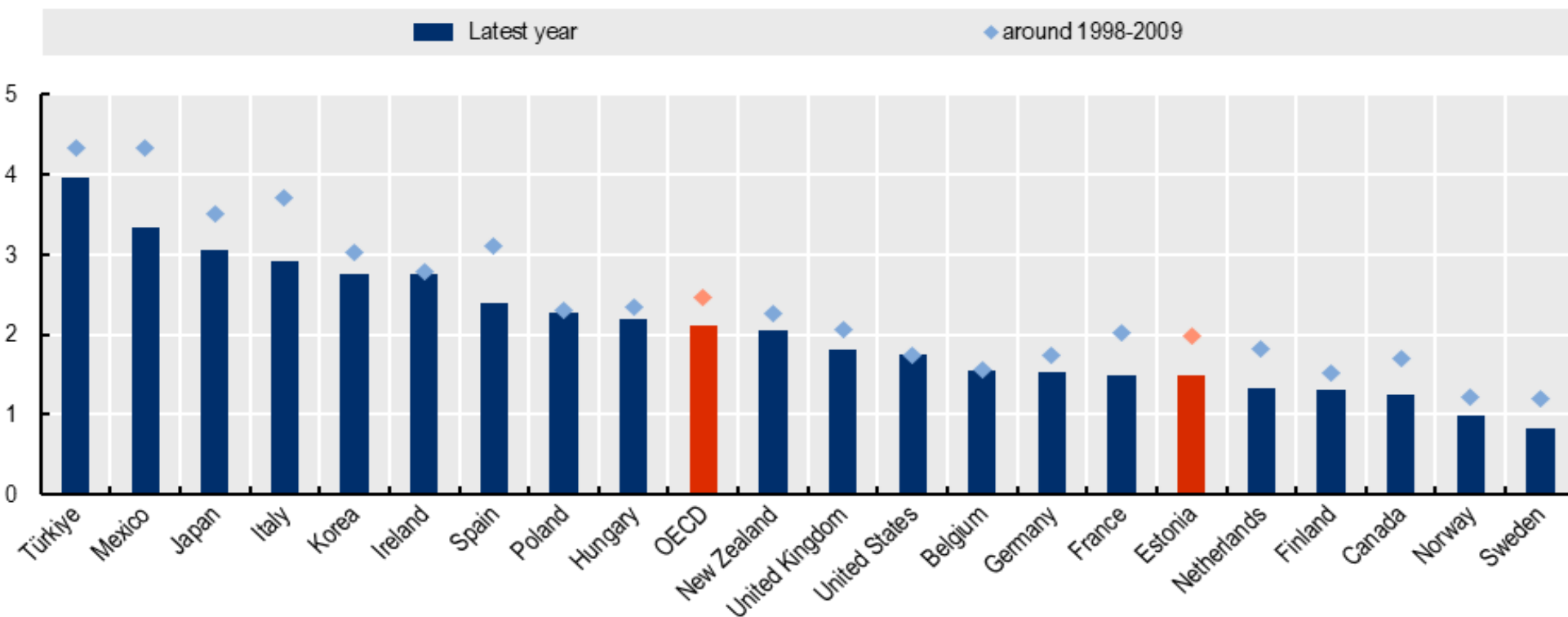
Note: OECD average refers to the simple country average of OECD countries that are also in the EU.

Source: 2017 Eurobarometer on Gender Equality.



... 1. women shouldering the heaviest burden of unpaid housework

Difference between women and men in hours spent in unpaid work per day



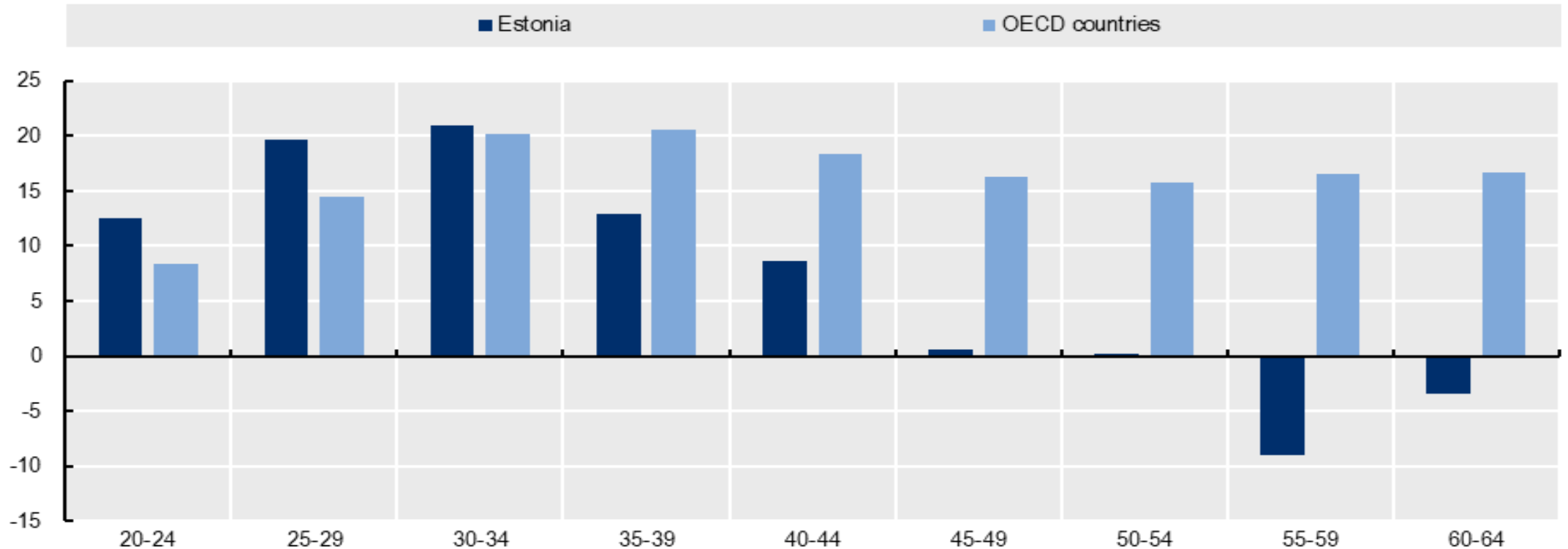
Note: Time spent in unpaid work includes: routine housework; shopping; care for household members; childcare; adult care; care for non-household members; volunteering; travel related to household activities; other unpaid activities. For more information on the exact categories used for each country and a detailed breakdown by sub-activity refer to the OECD Time Use Database available via the following link: [OECD Time Use Database](#).

Source: OECD Time Use Database for latest year and Society at a Glance 2011, OECD Social Indicators Chapter 1: Cooking and Caring, Building and Repairing: Unpaid Work around the World for data around 1998-2009.



In Estonia, women are less likely to be in employment than men when young but not at older ages

Gender gap in employment-to-population ratios, percentage point gap (male-female), five-year age groups, 2018



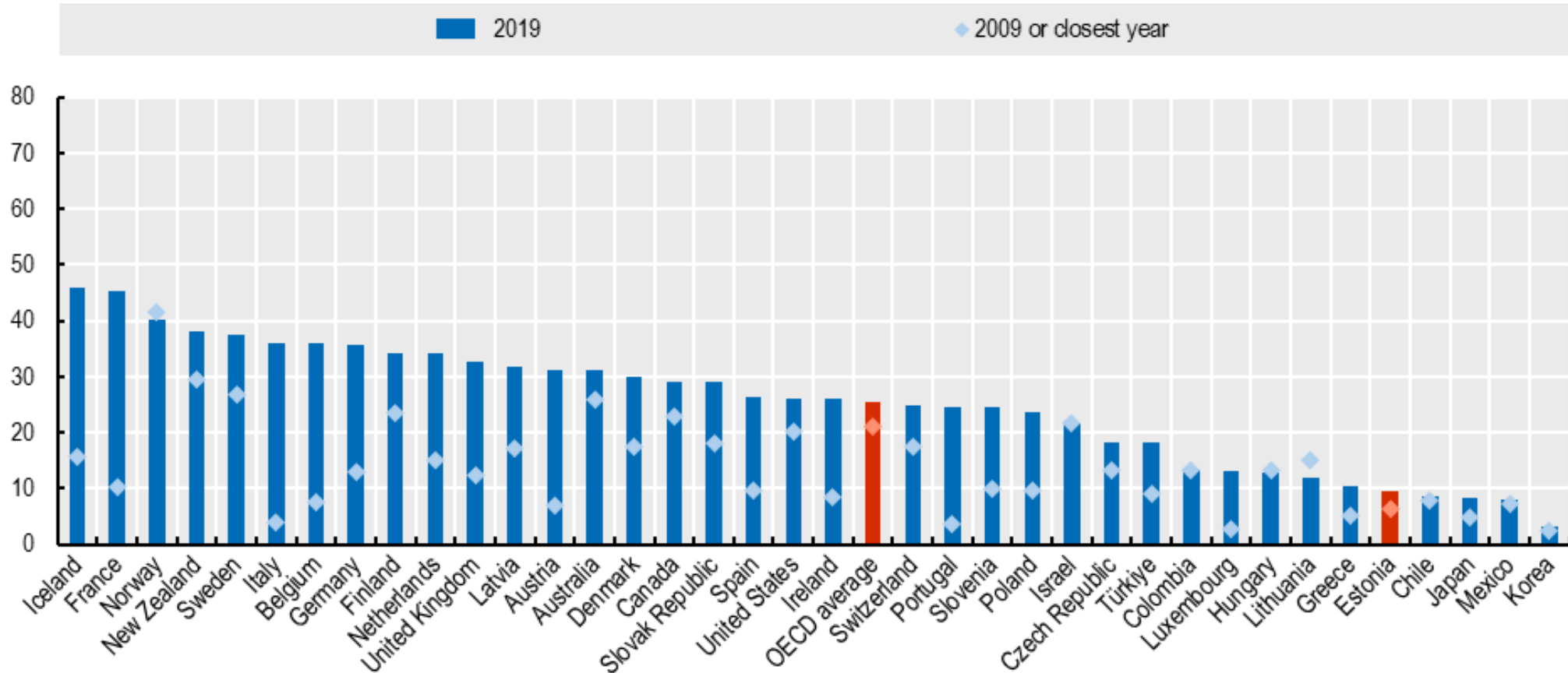
Note: A positive bar means that male employment-to-population ratios are larger than female employment-to-population ratios for the specific age group. A negative bar means that female employment-to-population ratios are larger.

Source: OECD Employment Database.



... 2. the pervasiveness of the view that women cannot perform as well as men in the workplace

Female share of seats on boards of the largest publicly listed companies



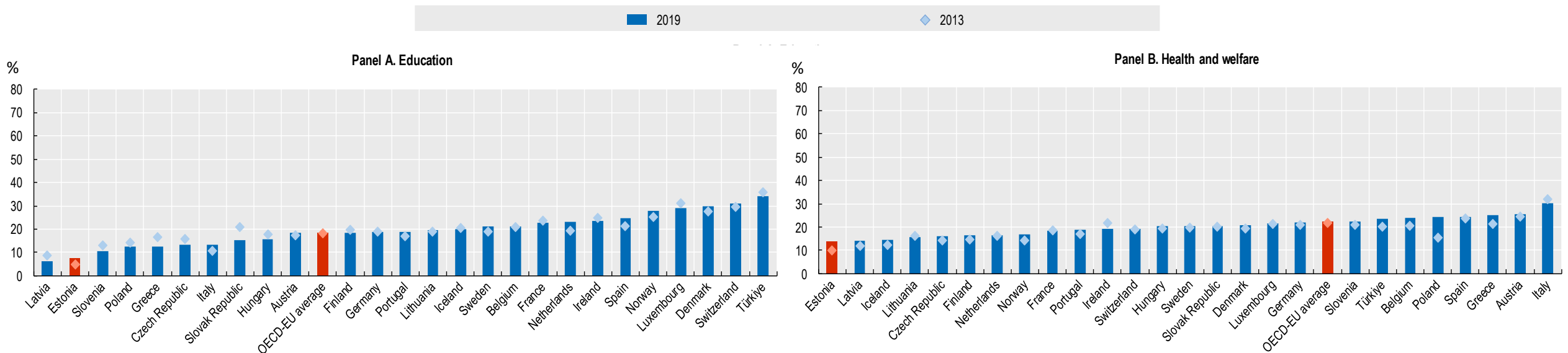
Note: Instead of 2009 data refers to 2016 for New Zealand, Australia, Canada, United States, Switzerland, Israel, Colombia, Chile, Japan, Mexico and Korea.

Source: OECD Gender Data Portal: <https://www.oecd.org/gender/data/employment>



... 3. the sorting of girls into EHW studies...

Proportion of men among graduates, by field of education, 2019



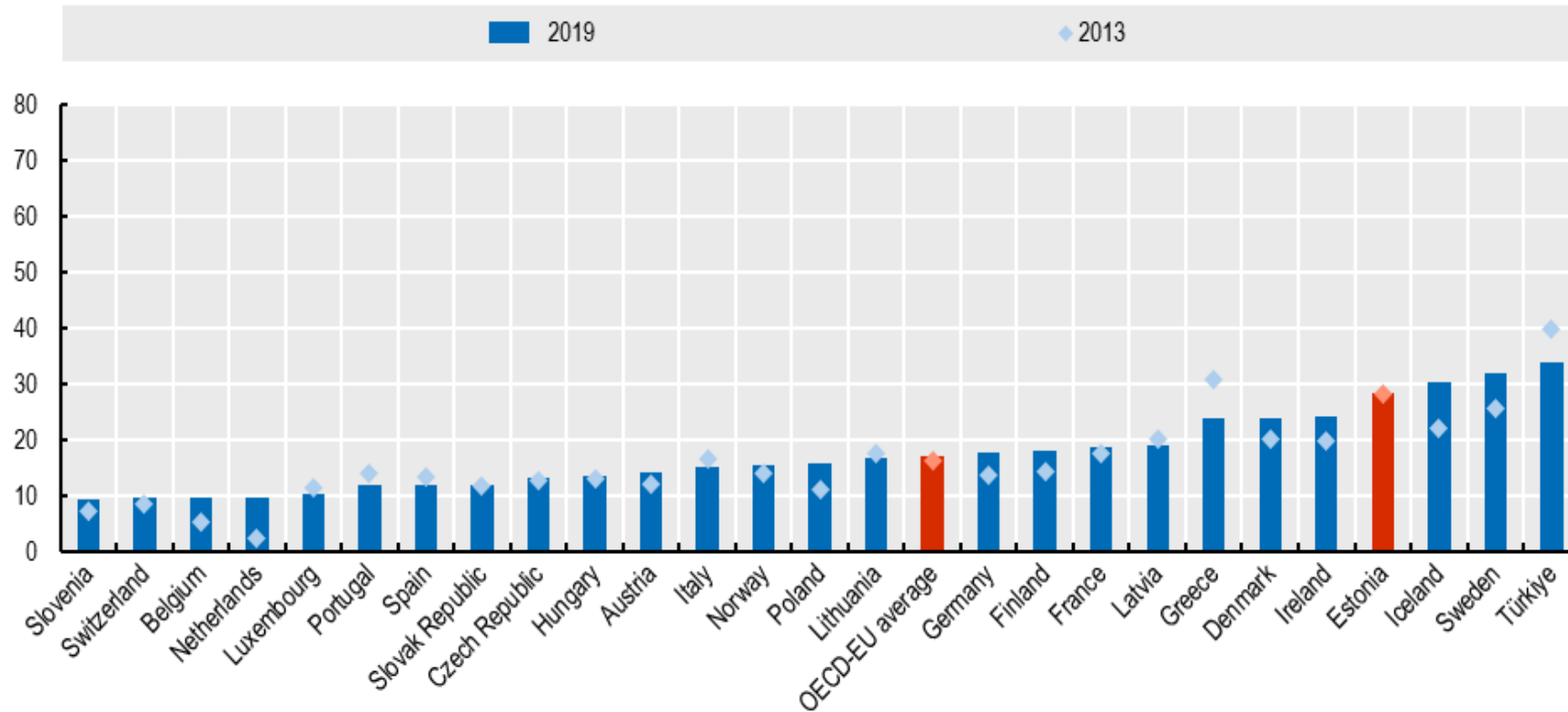
Note: Data refer to tertiary education (ISCED 5 8) and VET (ISCED 35 and 45). Instead of 2013, data refer to 2014 for EU and Türkiye and to 2015 for Poland.

Source: Eurostat (2021) Database on Graduates by education level, programme orientation, sex and field of education https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=educ_uae_grad02&lang=en.



... and the sorting of boys into ICT studies

Proportion of women among graduates in Information and Communication Technologies



Note: Data refer to tertiary education (ISCED 5 8) and VET (ISCED 35 and 45).

Source: Eurostat (2021) Database on Graduates by education level, programme orientation, sex and field of education, https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=educ_uae_grad02&lang=en.

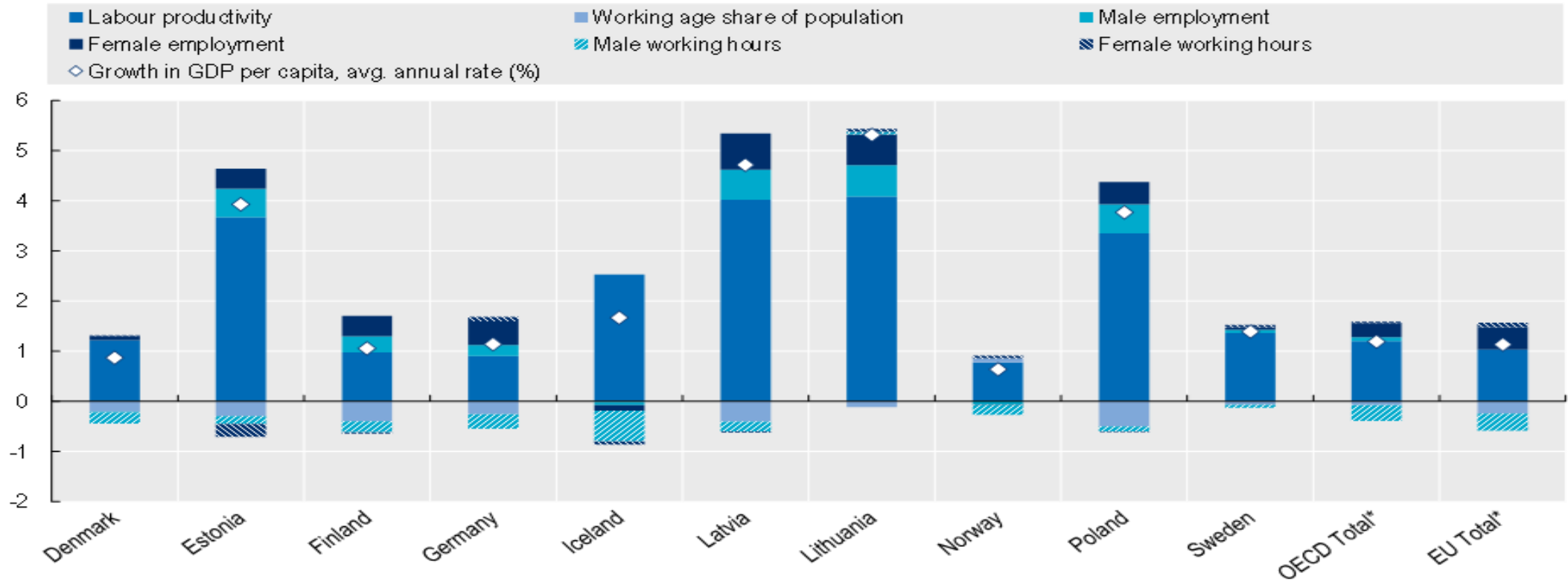


COST



Gains in female employment have been an important driver of GDP growth

Average annual rate of growth in GDP per capita (%) and disaggregation of growth into its primary components, Estonia and selected OECD countries, 2000 - 2019



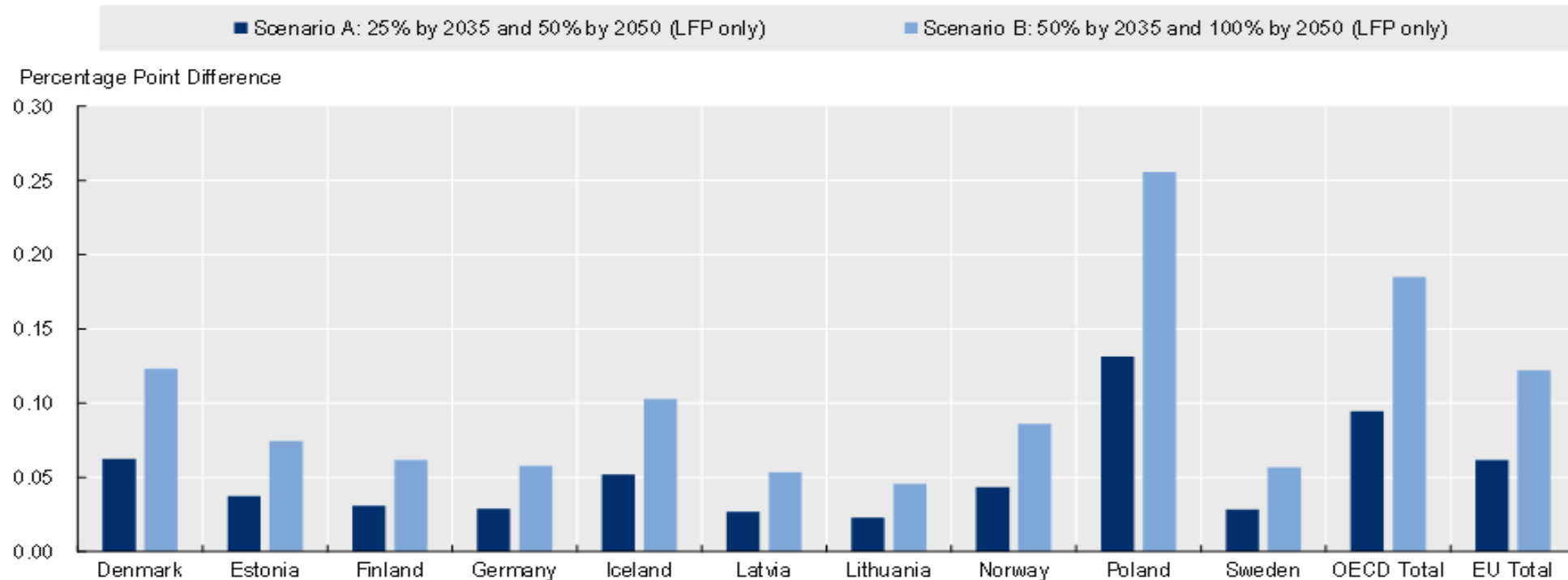
Note: Estimates based on the decomposition of national accounts data using labour force survey estimates (see review for more detail).

Source: OECD estimates based on data from the OECD National Accounts Database and the OECD Employment Database



Closing gender gaps in labour force participation will spur economic growth

Estimated difference relative to the baseline in the projected average annual rate of growth in potential GDP per capita over the period 2020-50, different gender gap scenarios (narrowing gender gaps in labour force participation only), percentage points, Estonia and selected other OECD countries



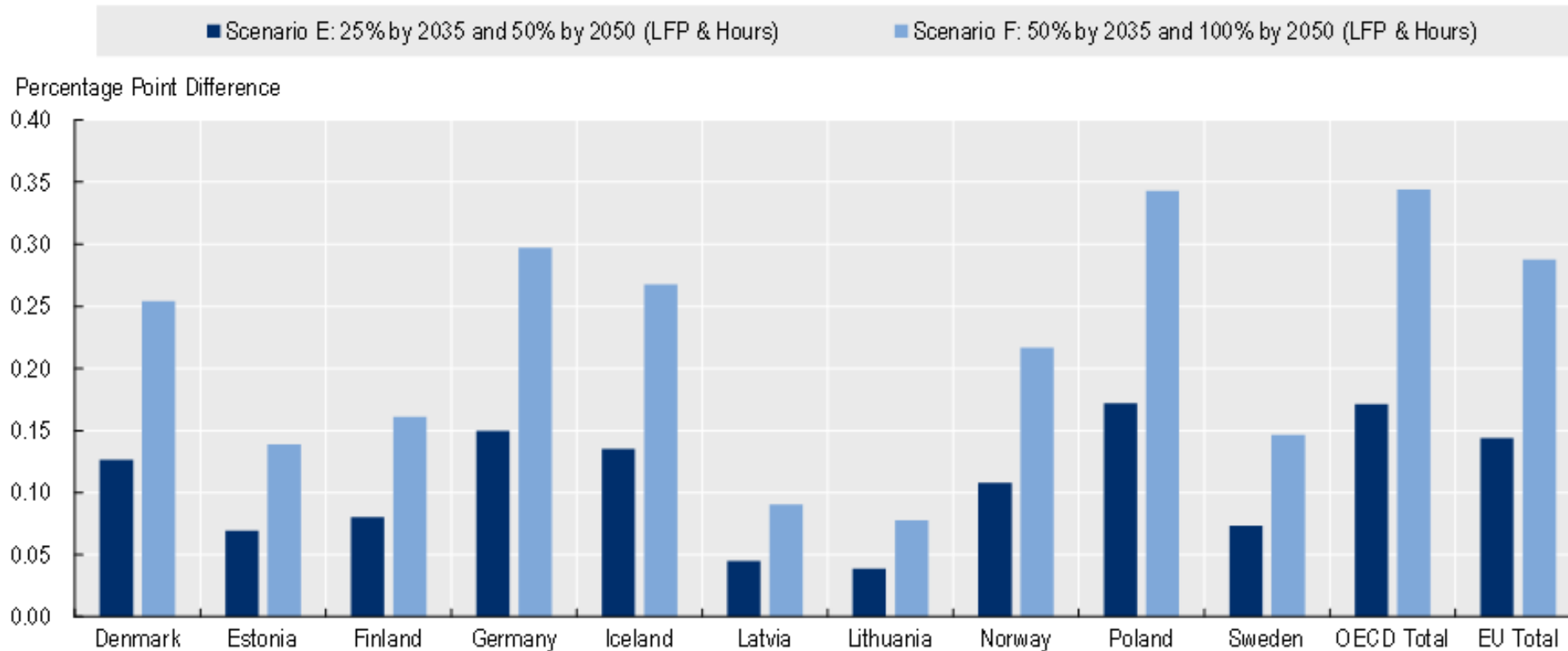
Note: See review of methods and data used. OECD and EU totals are the weighted total across all OECD and EU member countries.

Source: OECD estimates based on OECD population data, the OECD Employment Database, and Employment Projections; and the OECD Long-Term Growth Model



Closing LFP and working hours gaps simultaneously would boost GDP strongly

Estimated difference relative to the baseline in the projected average annual rate of growth in potential GDP per capita over the period 2020-50, different gender gap scenarios (closing gender gaps in labour force participation and working hours simultaneously), percentage points, Estonia and selected other OECD member countries



Source: OECD estimates based on OECD population data, the OECD Employment Database, and Employment Projections; and the OECD Long-Term Growth Model,



“Educational sorting and productivity” and “work-life balance” growth scenarios for Estonia

Estimated difference in economic growth relative to the baseline, different gender gap scenarios

Scenario	Detail	Age	Difference in projected potential GDP, 2050, %	Difference in the average annual rate of growth in potential GDP, 2020-50, percentage points
Educational sorting	Productivity gap closure (100%)	15-24	9.63	0.30
Unpaid work and leave-taking	LFP & HRS gap closure (100%) + productivity gap closure (50%)	25-49	10.30	0.33



ADDRESSING LABOUR MARKET GENDER GAPS IN ESTONIA



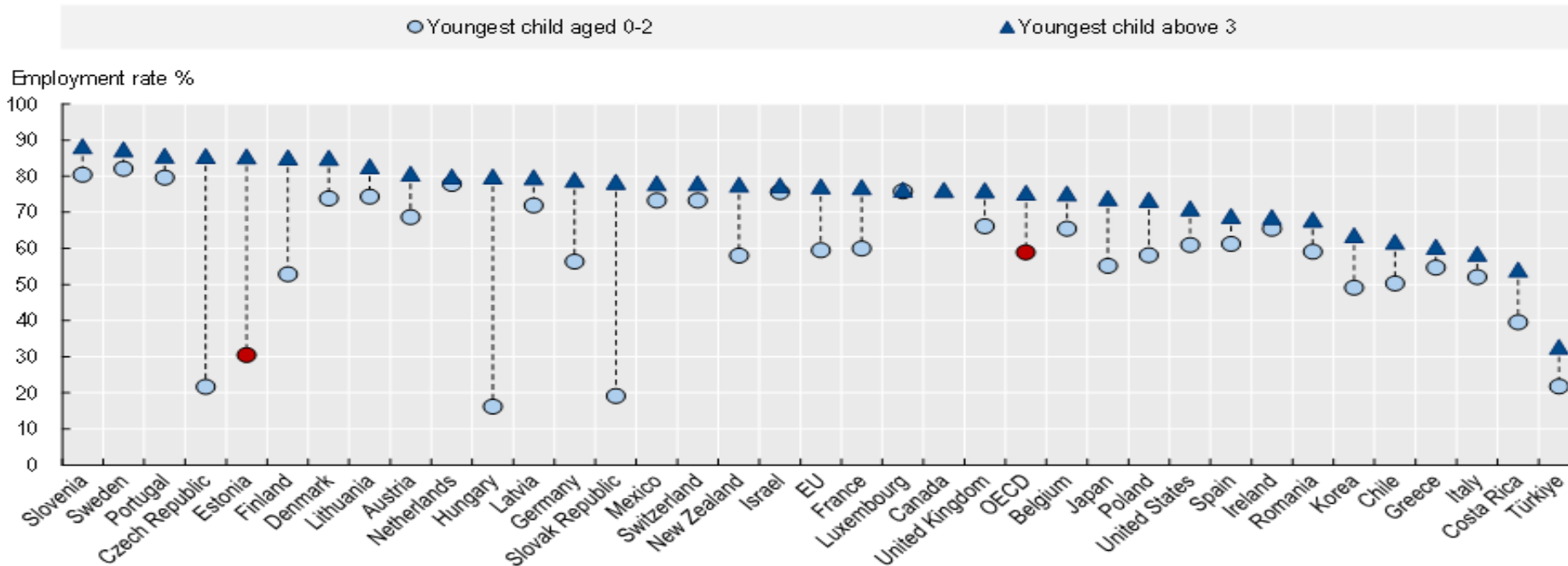
IMPROVING WORK-LIFE BALANCE



The share of Estonian women in work with children not yet 3 years of age is low

Employment rates (%) for women (15-64 year-olds) with children (0-14 year-olds) by age of the youngest child, 2019 or latest available year

Employment rates (%) for women (15-64 year-olds) with children (0-14 year-olds) by age of the youngest child



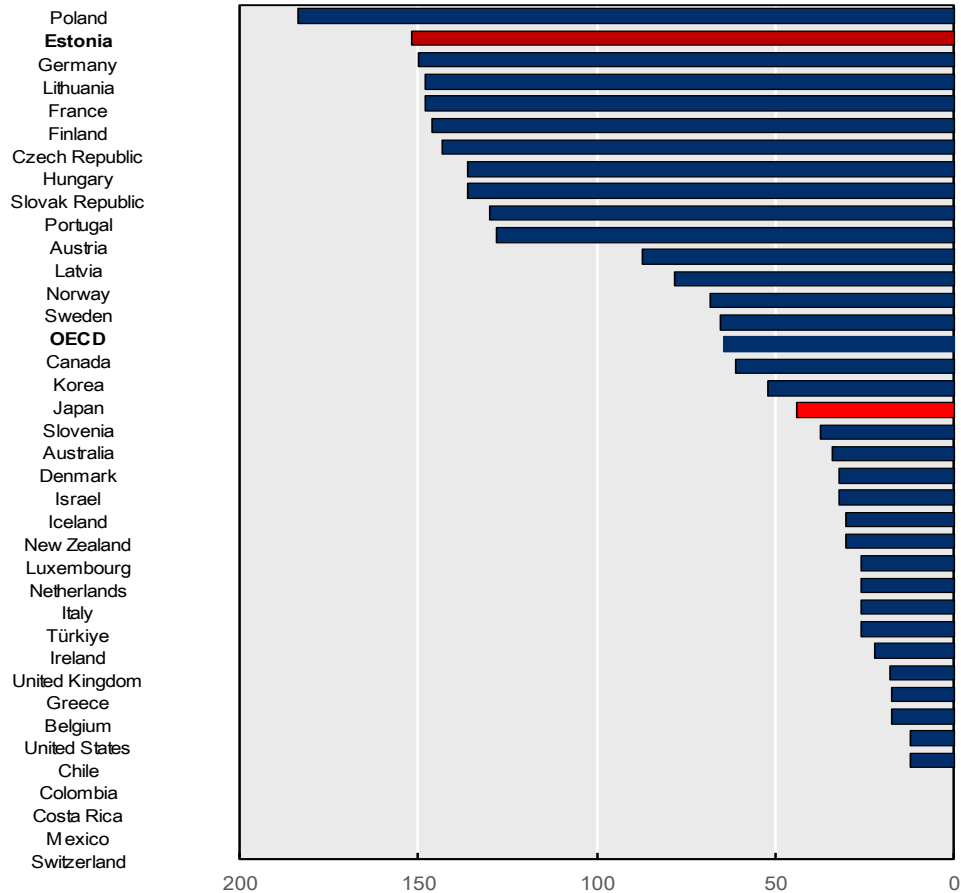
Note: See Chart LMF1.2.A from OECD Family Database, LMF1.2 Maternal employment. Estimates for children above 3 based on youngest child aged 3-5 and 6-14. The data concern 2019 and predate the January 2021 change in the LFS definition that considers all workers on parental leave in employment regardless of its duration. For most countries, women on maternity and parental leave are considered as employed. Estonian mothers on maternity leave are considered as employed, while those on parental leave were considered inactive by the ELFS in 2019. See more information here: http://www.oecd.org/els/emp/LFSNOTES_SOURCES.pdf.

Source: OECD Family Database, LMF1.2 Maternal employment

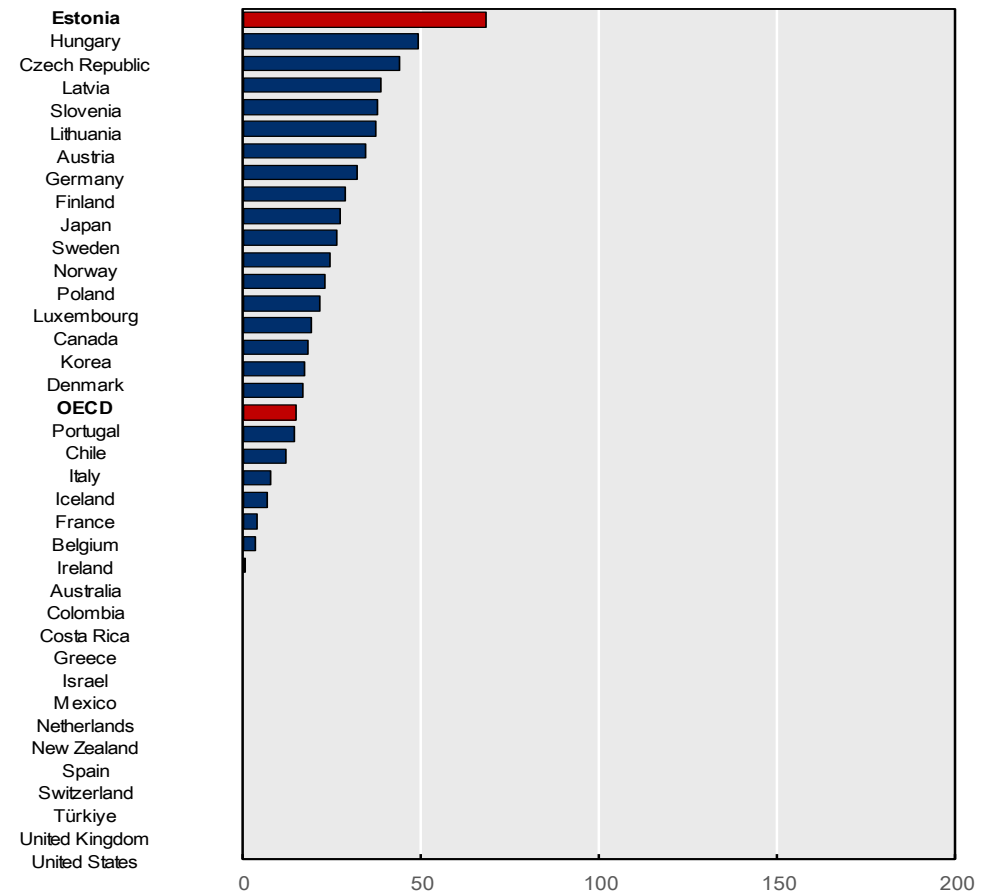


Estonia has one of the most generous parental leave schemes across the OECD

Panel A. Weeks of job protected parental and home care leave available to mothers, regardless of income support



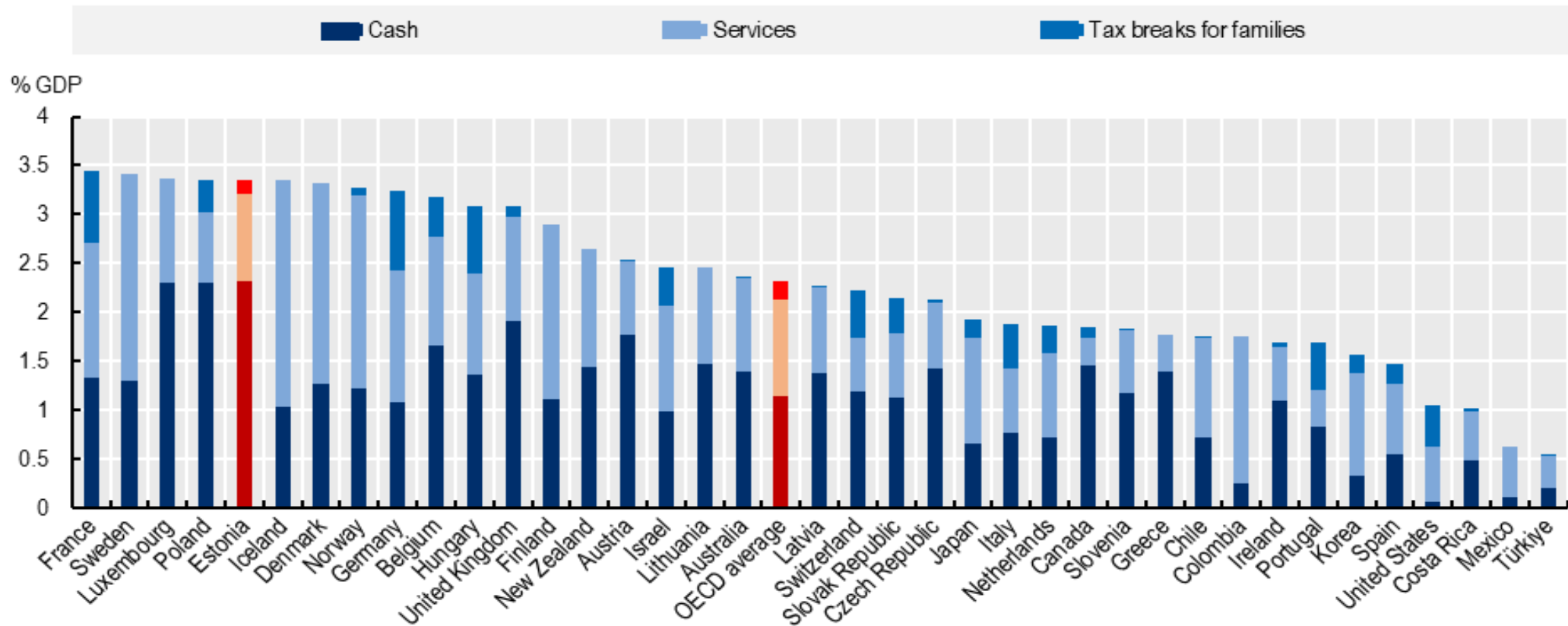
Panel B. Paid parental and home care leave available to mothers (full-rate equivalent)





Public spending on family benefits is high in Estonia, but does not focus on Childcare services

Public expenditure on family benefits by type of expenditure, in percent of GDP, 2019 or latest available





ENHANCING WOMEN'S BARGAINING POWER AND COMBATING GENDER-BASED WAGE DISCRIMINATION WITHIN FIRMS



Women's low bargaining power and discrimination *within* firms is an important part of the story

Difference in monthly earnings between similarly skilled men and women as a share of monthly earnings of men, 2002-2018

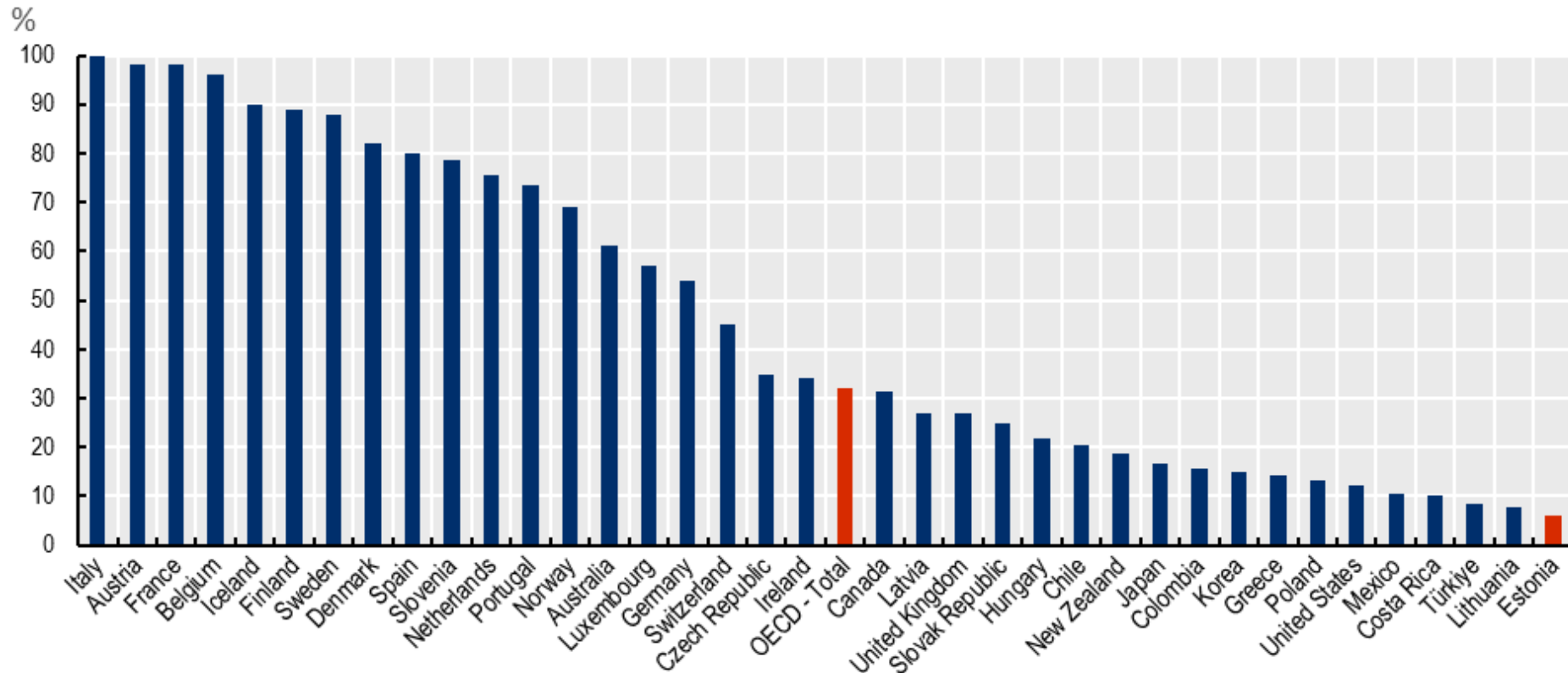


Source: OECD calculations based on Estonian Tax and Customs Board Register.



Estonian workers are rarely covered by collective bargaining agreements

Proportion of employees covered by collective bargaining agreements, OECD countries, 2020 or latest available year



Note: Data refer to 2020 for Canada, New Zealand and the United States; 2019 for Italy, Austria, Belgium, Costa Rica, the Czech Republic, Hungary, Japan, Iceland, Lithuania, Mexico, the Netherlands, Poland, Türkiye and the United Kingdom; 2018 for Australia, Chile, Denmark, France, Germany, Korea, Latvia, Luxembourg, Portugal, Spain, Sweden, and Switzerland; 2017 for Finland, Greece, Ireland, Norway and Slovenia; 2016 for Colombia and the Slovak Republic..

Source: OECD (2021), OECD/AIAS database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS).



Pay transparency policies

- A promising way to improve women's bargaining power and counter gender-based discrimination within firms (discrimination in both wage and promotion).
- Critical to mandate the reporting of both gender pay gaps and the gender composition within job categories that correspond to categories of work of equal value.
- Strengthening enforcement, beyond imposing financial penalties on “non-compliers”
 - Obliging employers to publish their gender gap statistics on media available to all
 - To eliminate the administrative burden, one could task a state public body with the responsibility of computing firm-level gender gaps based on administrative data
- Concomitantly providing employers with guidelines on how to close gender gaps



STEERING BOTH MORE WOMEN AND MORE MEN TOWARDS EHW AND ICT



A three-faceted approach

- Ensuring that school staff and textbooks foster a culture of gender equality
- Improving the recognition of EHW jobs
- Implementing digital skills training with a gender lens to raise girls' appetite for ICT careers

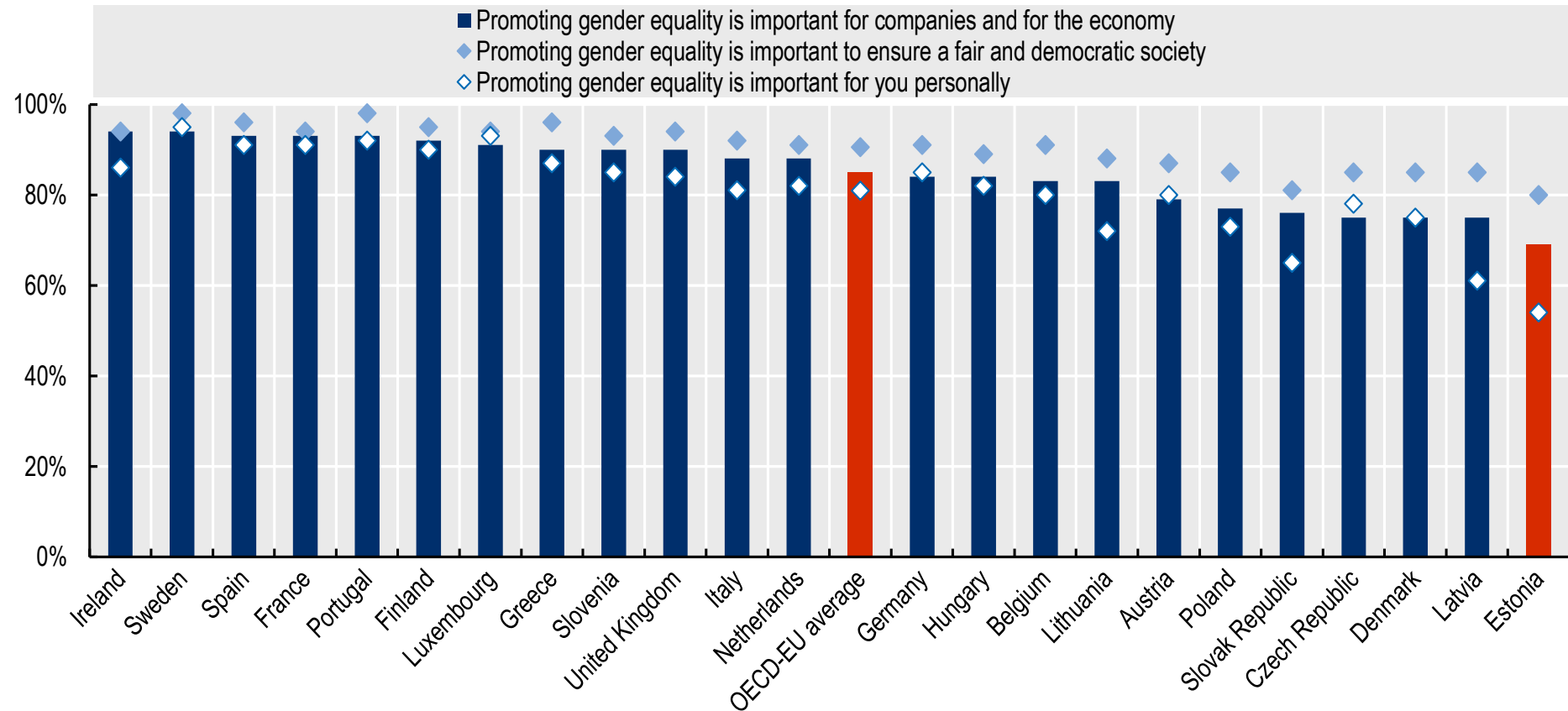


COUNTERING TRADITIONAL GENDER NORMS AMONG THE ADULT POPULATION



Awareness that gender inequality is an issue is the lowest in Estonia

Share of respondents who agree with each of the following statements, in 2017





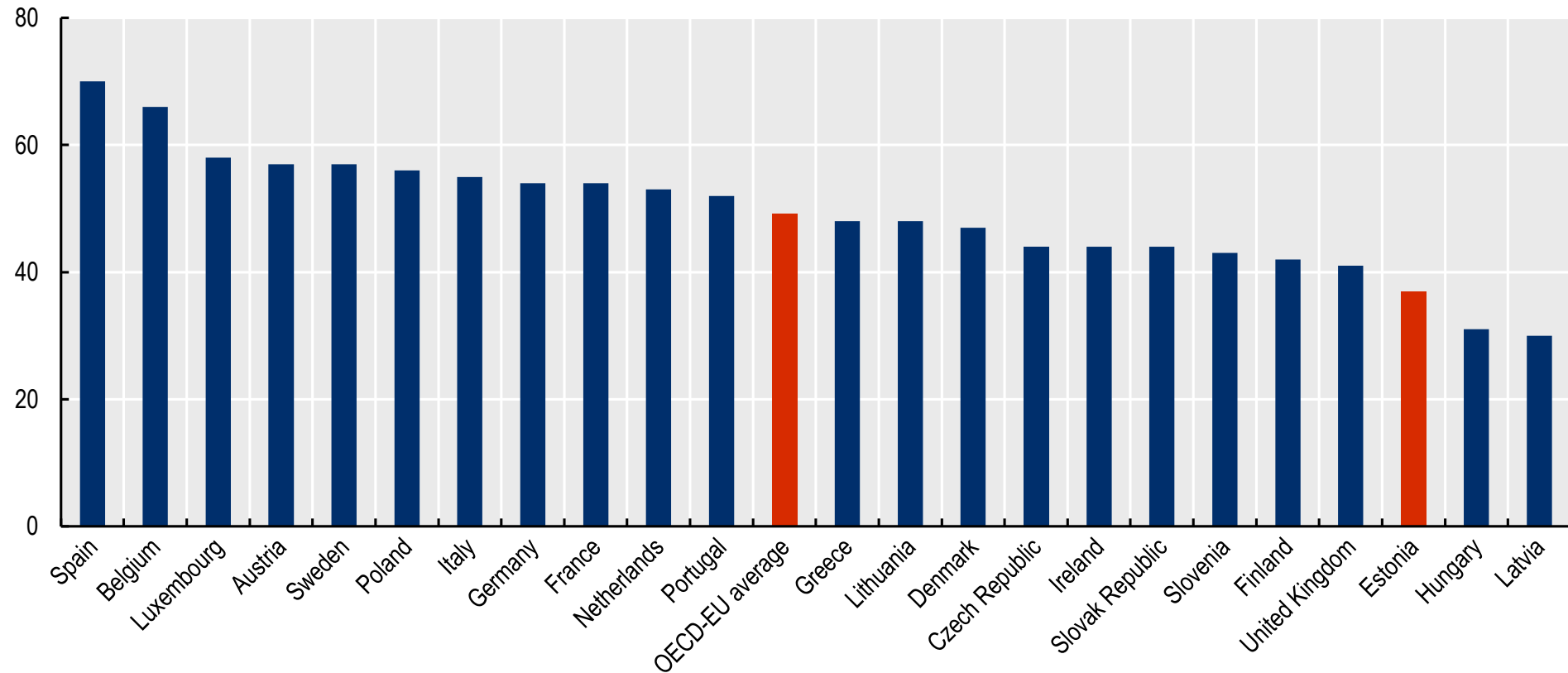
The objective of countering traditional gender norms should go beyond educational settings

- Two policies could be implemented in priority to foster public engagement.
 - First, embracing gender mainstreaming in policy making and budgeting.
 - Second, getting everyone involved in the fight against gender-based violence.



Willingness to take an active role in combating intimate partner violence is low in Estonia

Share of respondents who report being “very willing” or “willing” to intervene when witnessing an incident of intimate partner violence, 2019





POLICY RECOMMENDATIONS



Policy recommendations

Policy objective 1: Improving work-life balance

- *Encourage a more equal division of the leave entitlements among parents.* Recent reform extended paternity leave from 10 working days to 30 calendar days, and increased flexibility in taking parental leave. Future reform, could introduce a “father quota” in parental leave system, and reform could be introduced gradually. To reduce gender gaps in labour market outcomes, parental leave entitlements should be shared more equally among parents.
- *Provide a continuum of childcare supports to parents.* Estonia has a comprehensive system of work-life balance supports for parents, and net childcare fees for parents are among the lowest in OECD countries. But, access to childcare is an issue for children aged 18 to 36 months. There is a case for introducing a greater focus in family support on family services, including formal childcare.



Policy recommendations

Policy objective 2: Enhancing women's bargaining power and combating gender-based wage (and promotion) discrimination within firms.

- *Enshrine pay transparency policies on the Estonian labour market. A renewal of the pay transparency measures originally planned under the Gender Equality Act and Other Acts Amendment Act of 2016 could mandate a firm-level reporting of the gender composition and pay differences at different job categories.*
- *Complement pay transparency with other measures:*
 - The creation of a gender-neutral job classification common to all employers by a government body such as the *Pay Competence Centre at the Labour Inspectorate* to deeply anchor the concept of “equal pay for work of equal value”
 - Online training courses directed at employers (e.g. through the *Virtual Competence Centre at the Ministry of Social Affairs*)



Policy recommendations

Policy objective 3: Steering both more women and more men towards EHW and ICT

- *Ensure that gender stereotypes are not perpetuated in the classroom:*
 - Mandating pre- and in-service training on gender equality for future and incumbent teachers, career counsellors and youth workers at all levels and in all types of schools and higher education institutions
 - Improving the review of textbooks proposals by increasing the focus on gender equality and publishing guidelines to tackle gender bias in instructional materials
- *Increase the attractiveness of EHW jobs by linking pay rises with successful in-service training for new essential qualifications.*
- *Ensure that the improved participation of male and female students in ICT activities translates into more girls choosing ICT careers, by more systematically adopting a gender lens throughout the curriculum, for instance by increasing pupils' and students' exposure to female role models working in STEM fields.*



Policy recommendations

Policy objective 4: Countering traditional gender norms among the adult population

- *Involve all Estonians in the fight against gender-based violence*
 - Continuing organizing yearly awareness-raising events with large media coverage on strategic dates, e.g. on the International Day for the Elimination of Violence against Women (November, 25).
 - Strengthening the promotion of reporting mechanisms, to encourage victims, witnesses, as well as (potential) perpetrators to report the violence they undergo, witness, or (intend to) perpetrate.



Further information



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Gender Equality at Work
Reducing the Gender Employment Gap in Hungary



Gender Equality at Work
The Role of Firms in the Gender Wage Gap in Germany



2013 OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship

