

Gender Equality

TOWARDS A MORE GENDER-BALANCED SHARING OF PAID AND UNPAID WORK

- ▶ Female labour participation has grown enormously in the Netherlands, but gender gaps in labour market outcomes persist. The gender pay gap for full-time workers is 14%, close to the OECD average, and the gender gap in working hours is large, as most women work part-time.
- ▶ The Netherlands has been lagging behind in encouraging fathers to take parental leave and engage more intensively in unpaid care work at home.
- ▶ Extending good-quality childcare and out-of-school hours care support would help mothers to reduce participation in unpaid care work and increase hours in paid work.
- ▶ Completely closing gender gaps in labour force participation and working hours could boost the annual GDP per capita growth rate by roughly 35% relative to the baseline over the period to 2040.

What's the issue?

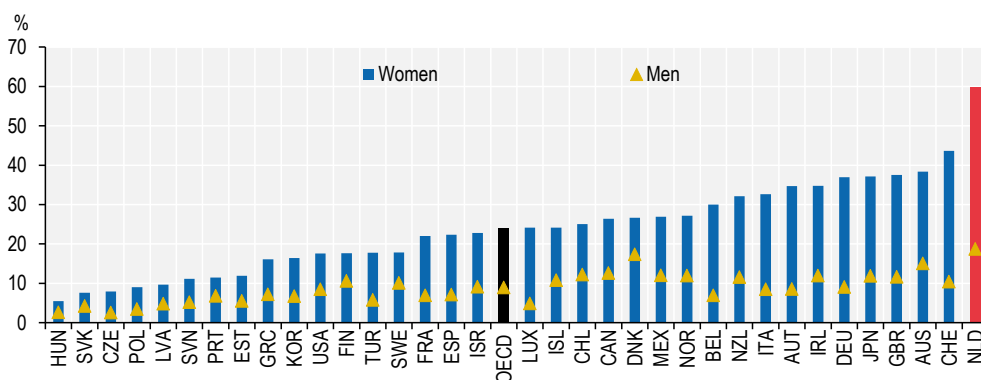
The employment rate for women in the Netherlands has doubled from 35% in the early 1980s to 70% in 2016. However, much of the increase has been in part-time employment: almost 60% of employed women are in paid employment for fewer than 30 hours per week in the Netherlands (see Figure). Women spend almost 4 hours per day on unpaid housework while men spend around 2 hours per day, close to the OECD average. Working part-time can add to job satisfaction of workers, freeing up time for childcare or leisure activities, but it also means that women's education and skills are not applied to their full potential in the Dutch labour market. Furthermore, part-time work affects long-term career and earnings progression of women.

At the median, the gender pay gap for full-time workers is 14% in the Netherlands, just below the OECD average. As they are often better educated than young men, young women (age 25-29) in full-time employment often earn more than men of the same age. However, gender gaps reverse in favour of men when children enter the household.

When children are born, fathers' leave-taking is important for ensuring that both mothers and fathers take an important stake in personal caregiving. Fathers can be encouraged to take leave to care for children by providing paid paternity leave or individual entitlements to paid parental leave. Several OECD countries now offer

Many Dutch women work part-time, much more than in the OECD

Proportion of employed in part-time employment, by sex, 2016



Note: Part-time employment as a proportion of total employment. 'Part-time' refers to persons who usually work less than 30 hours per week in their main job. For the United States, data reflect part-time employees among dependent employees only. For Japan and Korea, part-time employment is based on actual rather than usual weekly working hours and all jobs rather than just the main job.
 Source: OECD Gender Data Portal (<http://www.oecd.org/gender/data/>)

fathers strong financial incentives to take parental leave for at least two months. For example, Japan and Korea provide fathers and mothers with around one year of non-transferable paid parental leave each; in Germany, parents are granted a bonus of 2 extra months of paid leave when they both use parental leave for 2 months. The Netherlands has been lagging behind in this area, but new legislation aims to extend fathers' paid leave entitlements to 6 weeks as from 2020 onwards.

Over half (56%) of the children up to two years of age participate in formal childcare in the Netherlands (38% in the OECD), but use per week is short at 18 hours versus 30 hours on average in the OECD; participation is lowest among children from low-income families. Addressing access issues to quality childcare (e.g by further reducing the cost to parents and increasing capacity) would increase labour force participation of women, strengthen earnings potential of low-income families and support the cognitive development of children.

Childcare issues continue into primary school. In Denmark, Hungary, Slovenia and Sweden, for example, more than 50% of children aged 6 to 11 attend out-of-school-hours care during a typical week. However, this percentage was only about 20% in the Netherlands in 2014.

Why is this important for the Netherlands?

Like all OECD countries, the Netherlands could make large gains from closing gender gaps in paid work, and especially from closing the gender gap in working hours. OECD estimates suggest that closing existing gender gaps in both participation and working hours through increases in women's paid work could potentially boost the Netherlands' projected annual GDP per capita growth rate by as much as roughly 35% over the period to 2040, relative to the expected baseline (OECD, 2018a). In reality, fully closing gender gaps could require changes in men's patterns of paid work and/or increased public investment in family supports such as childcare, possibly dampening the economic gains and carrying a possible fiscal cost, respectively. Still, the potential for economic gains from moving towards this kind of arrangement are large, and may also involve substantial welfare gains.

The unequal division of paid and unpaid work also means that women are more exposed to financial risks and to poverty in old age. For example, women in the Netherlands are almost three times more likely than men to experience an income decrease of 20% or more in the case of divorce. Shorter working lives and constrained careers also help explain why gender pension gaps in the Netherlands are among the largest in the OECD: women's pension income is on average more than 40% lower than men's.

What should policy makers do?

- ▶ Increase the period of paid paternity leave to encourage greater participation of fathers in childcare responsibilities.
- ▶ Build on new measures to further reduce the cost of formal good-quality childcare to all parents. Stimulate greater attendance of formal good-quality childcare among children of low-income families.
- ▶ Increase pay transparency measures that expose discriminatory pay practices and make it more financially attractive for mothers to return to work and/or increase part-time working hours.



Further reading

OECD (2018a), *Is the Last Mile the Longest? Economic Gains from Gender Equality in Nordic Countries*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264300040-en>.

OECD (2018b), *OECD Gender Data Portal*, <http://www.oecd.org/gender/data/>

OECD (2018c), *OECD Family Database*, <http://www.oecd.org/gender/data/> <http://www.oecd.org/els/family/database.htm>

OECD (2018d), *OECD Employment Outlook*, Chapter 6, "Starting close, growing apart: Why the gender gap in labour income widens over the working life chapter", OECD Publishing, forthcoming July 4.

OECD (2017a), *Dare to Share: Germany's Experience Promoting Equal Partnership in Families*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264259157-en>.

OECD (2017b), *The Pursuit of Gender Equality: An Uphill Battle*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264281318-en>.

OECD (2016), *Who uses childcare? Background brief on inequalities in the use of formal early childhood education and care (ECEC) among very young children*, http://www.oecd.org/els/family/Who_uses_childcare-Backgrounder_inequalities_formal_ECEC.pdf