**Box: What is holding women back in the labour force? Multi-dimensional challenges to labour market attainment**

[insert picture of choice here]

The *World Employment and Social Outlook: Trends for Women 2017* (ILO, 2017) shows that women around the globe continue to fare worse than men across most labour market dimensions. To begin, their participation rate at just over 49 per cent is nearly 27 percentage points lower than the rate of men. When participating in the labour market, they face higher unemployment rates, and are often subject to significantly different employment conditions. For instance, 14.9 per cent of women are contributing family workers, as opposed to 5.5 per cent of men. The combination of differences in employment conditions, sectoral and occupational segregation, and outright discrimination results in a significant gender pay gap.

Indeed, the reality is that women face a multiplicity of labour market barriers. For instance, the decision to participate or not in the labour market depends on the interplay of three fundamental drivers, which are shaped by social norms and life-cycle circumstances. First, a woman’s personal preference to pursue paid work is a very important determinant. However, surveys indicate that some 70 per cent of women – regardless of their employment status – prefer to work at paid jobs. Considering that more than half of all women globally are out of the labour force, this suggests that a preference for paid work is not sufficient in itself to ensure participation in the labour force, as there are significant challenges restricting their capacity and freedom to participate. Second, women can be pressured to conform to gender roles prescribed by the family, community, class, religion or society to avoid the risk of social exclusion. Indeed, gender roles embodied in some religions can have a fairly strong negative influence on a woman’s probability to participate in the labour market. Third, socio-economic constraints, such as the need to provide care for dependents or the need for transportation, compete with the potential returns from the labour market. For instance, lack of transportation turns out to be a severe deterrent for participation of women in developing countries, while the presence of children is also weakly negatively related to the probability to participate. These drivers are interdependent. Considering the interaction of these three fundamental drivers shows that although personal preferences to pursue paid work is an important driver of participation, its importance is often outweighed by socio-economic and gender role constraints.

Estimates reported in ILO (2017) suggest that simply reducing the gap in participation rates between men and women by 25 per cent by the year 2025 (as G20 leaders committed to in 2014) has the potential to yield significant economic gains, raising global GDP in 2025 by an additional 3.9 per cent (equivalent to raising average global GDP growth over the next eight years by almost half a percentage point), or US$5.8 trillion.[[1]](#footnote-1) The regions with the largest gender gaps, namely Northern Africa, the Arab States and Southern Asia, would see the greatest benefits.

The achievement of such a goal would also unlock large potential tax revenues of around US$1.5 trillion.[[2]](#footnote-2) If a fraction of this additional revenue were directed towards addressing gender inequalities in the labour market, such as, the socio-economic constraints discussed above, it would result in positive multiplier effects in the economy. By reducing and redistributing unpaid care work through improved public care services and social infrastructure it would effectively allow women to have better access to the labour market. This includes the provision of adequate maternity protection and parental leave and benefits for both men and women. Participation also needs to be more accessible for women through flexible working arrangements and reintegration measures that allow women to work while balancing care responsibilities and transition more easily from maternal leave. For instance, Canada just made a historic commitment for an inclusive, high-quality, and accessible care framework in the country’s most recent budget, which will help to ensure that even vulnerable communities have equal access to care and hence, further enable women to participate in the labour market.

Moving forward, the ILO proposes a comprehensive policy framework that rests on three pillars: reshaping gender role conformity and personal preferences, addressing socio-economic constraints, and raising equality in labour market conditions.

Source: ILO, 2017*.*

**References:** International Labour Office (ILO). 2017. *World Employment and Social Outlook: Trends for Women 2017* (Geneva).

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1. In 2010 US$, using PPP exchange rates. [↑](#footnote-ref-1)
2. In 2010 US$, using PPP exchange rates. (note: this could also be footnote 1) [↑](#footnote-ref-2)