

International Women's Day

PwC Women in Work Index

March 2013

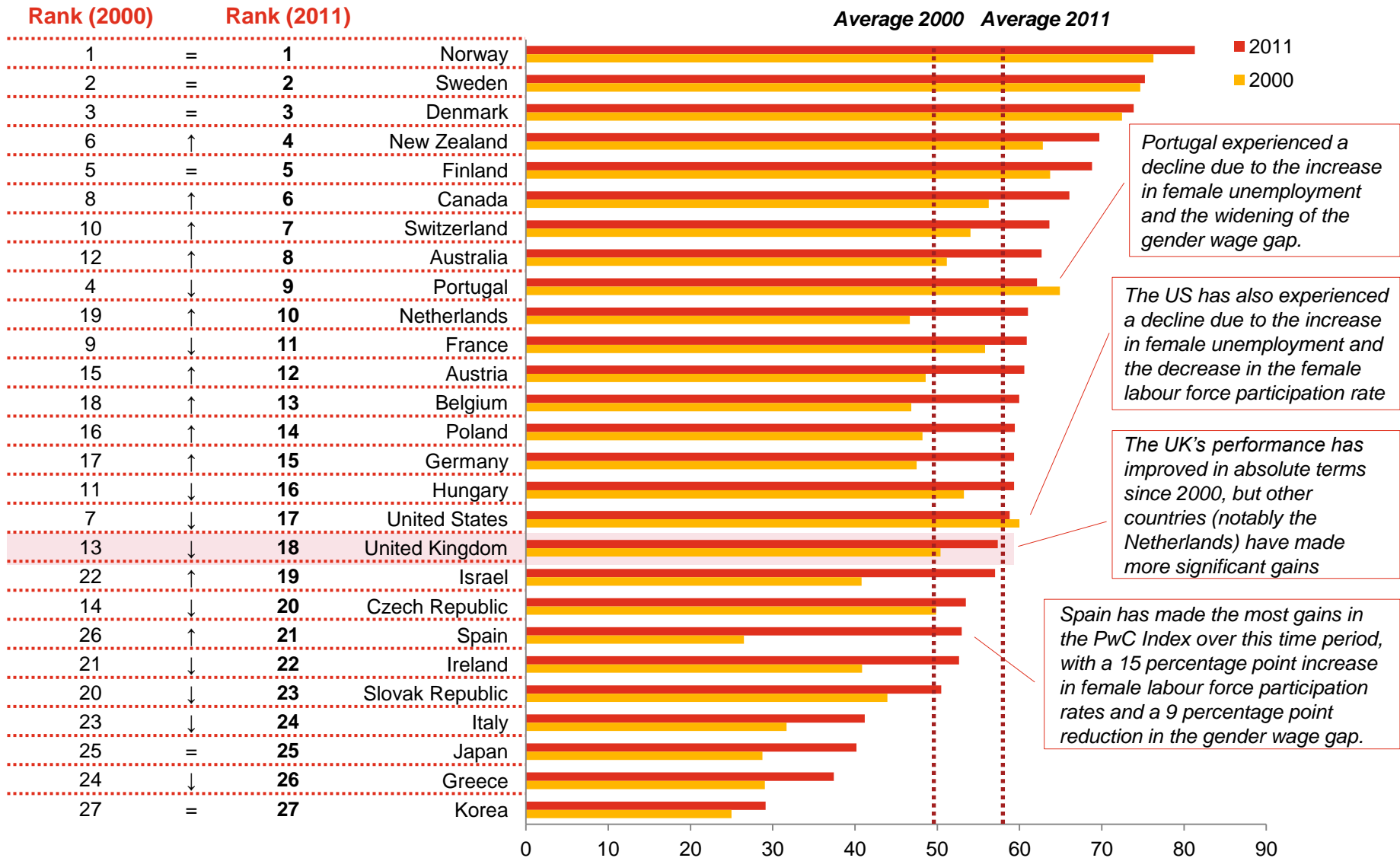
Women in Work – UK performance improving since 2000, but not as fast as others

- The PwC Women in Work (WIW) Index shows that, in 2011*, the UK was in 18th position out of our sample of 27 OECD countries. The Nordic countries were in the lead, with Norway in pole position, followed by Sweden, Denmark and Finland.
- The UK has seen improvements between 2000 and 2011 in all indicators apart from the proportion of female employees in full-time jobs. But the UK's relative position has deteriorated from 13th in 2000 to 18th in 2011 as five other countries (the Netherlands, Austria, Belgium, Poland and Germany) have made more significant gains since 2000.
- In 2011, the UK's best-performing area was the overall rate of female labour force participation, and its worst performing was the share of female employees in full-time jobs.
- Norway's strengths lie in its high female labour force participation and the low gender gap between female and male participation in the labour force.
- The UK performs relatively better on female representation in the boardroom** than on our index for the labour market as a whole. But we still lag well behind top performers on female boardroom representation such as Sweden and, in particular, Norway.

* Latest available year for which data on all indicators were available for the countries concerned (except for the gender wage gap where the latest data refer to 2010).

** Unfortunately insufficient data were available to include this factor in our index.

Figure 1: PwC Women in Work Index, 2011 vs 2000



Portugal experienced a decline due to the increase in female unemployment and the widening of the gender wage gap.

The US has also experienced a decline due to the increase in female unemployment and the decrease in the female labour force participation rate

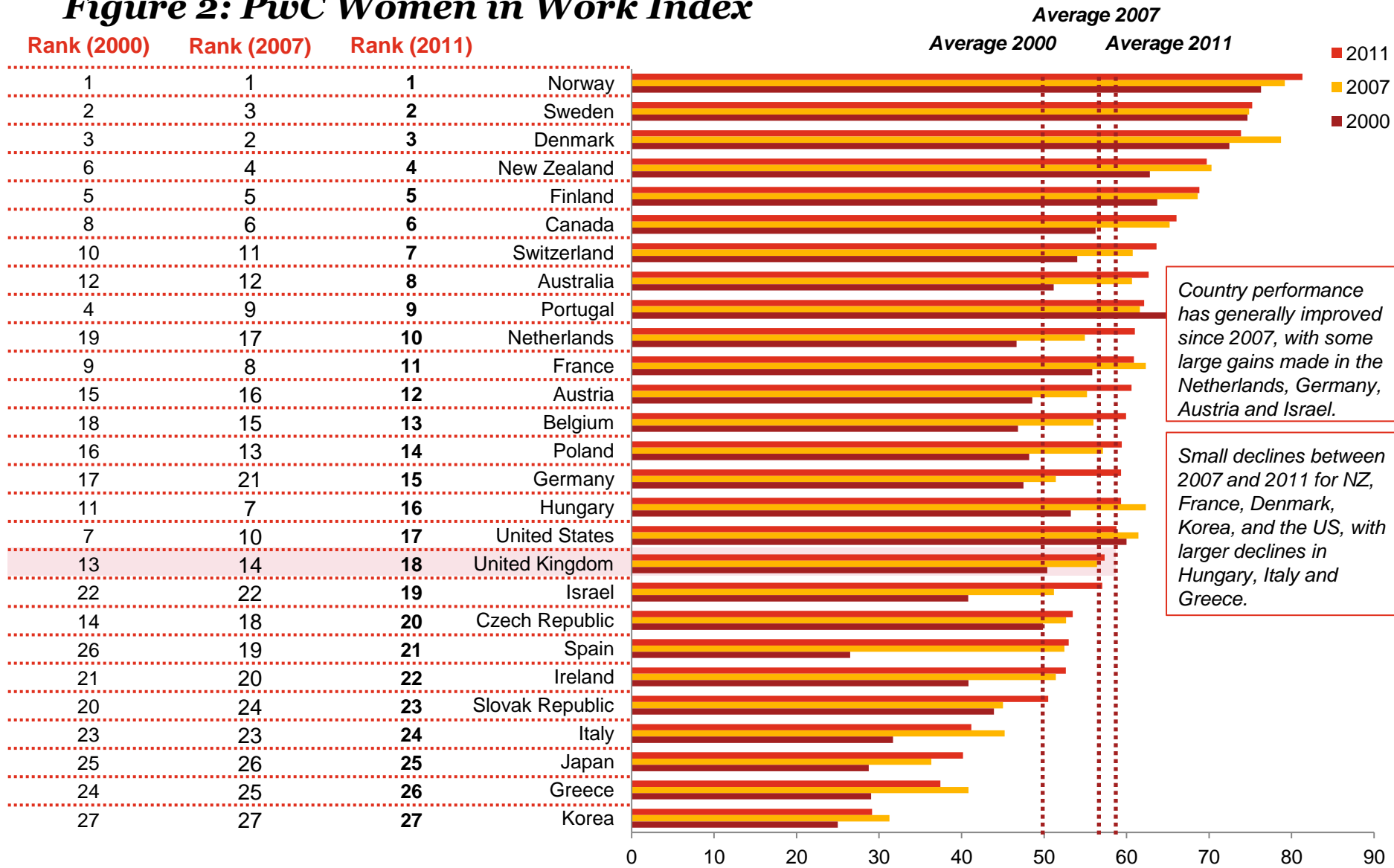
The UK's performance has improved in absolute terms since 2000, but other countries (notably the Netherlands) have made more significant gains

Spain has made the most gains in the PwC Index over this time period, with a 15 percentage point increase in female labour force participation rates and a 9 percentage point reduction in the gender wage gap.

The UK's absolute performance on the index stopped improving after 2007, while others moved ahead.

- To supplement our analysis, we have also included an intermediate year of comparison for 2007 prior to the worst of the global financial crisis, as shown in Figure 2.
- Top performers in 2007 are largely the same as in 2000 and 2011 (Norway, Sweden and Denmark). Countries achieving significant gains between 2000 and 2007 include Spain, Italy, Greece and Israel. Since 2007, the Netherland, Germany, Austria and Israel have been particularly strong performers.
- The financial crisis has slowed down the rate of improvement in the absolute performance of the average OECD country, but this has nonetheless continued to edge ahead since 2007.
- In contrast, the UK's absolute performance improvement has ground to a halt since 2007, with most of its decline in relative performance (from 14th to 18th place in our index rankings) occurring between 2007 and 2011.
- However, comparing trends over a shorter time period will be subject to cyclical fluctuations that do not necessarily reflect changes in the underlying trend. We have therefore focused on comparing performance in 2000 and 2011 for the rest of the analysis.

Figure 2: PwC Women in Work Index



Country performance has generally improved since 2007, with some large gains made in the Netherlands, Germany, Austria and Israel.

Small declines between 2007 and 2011 for NZ, France, Denmark, Korea, and the US, with larger declines in Hungary, Italy and Greece.

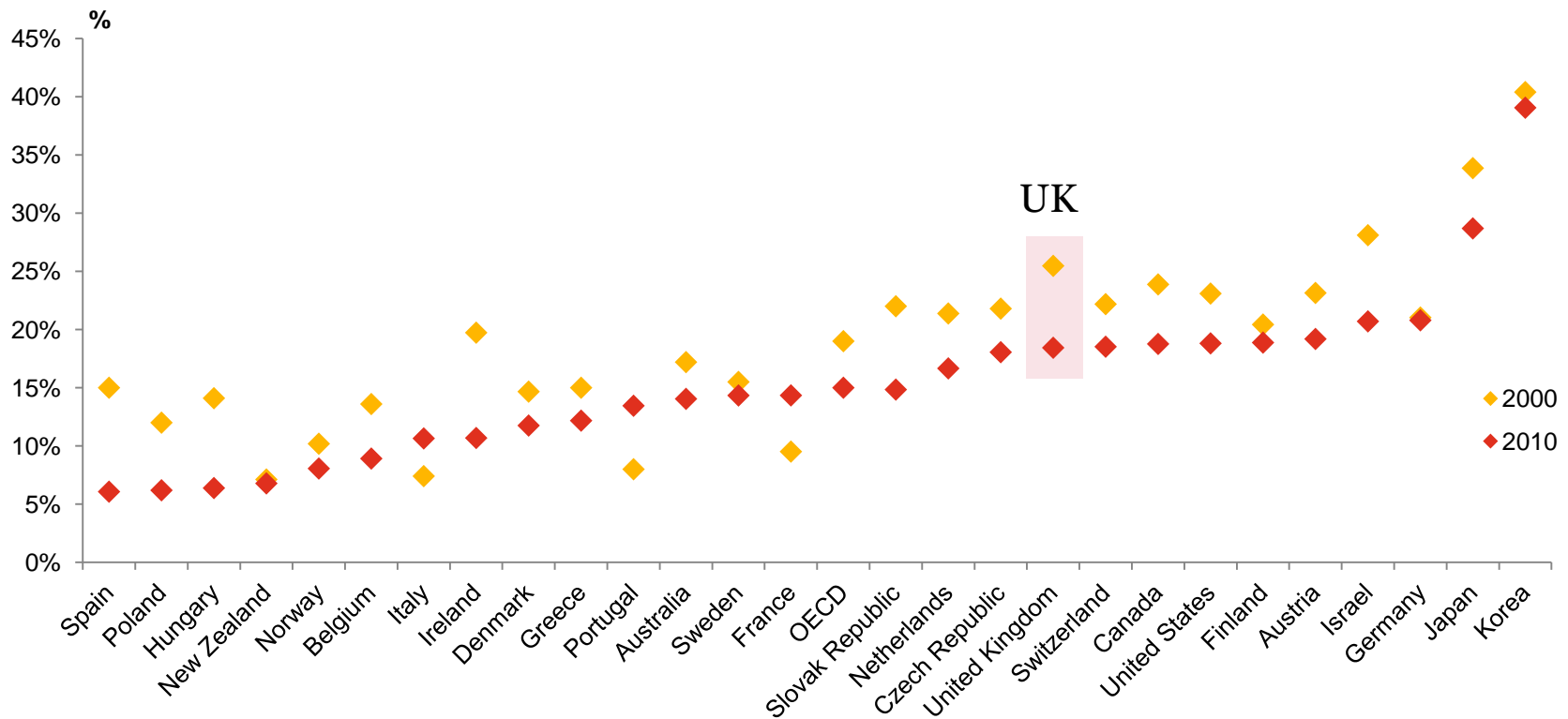
About the PwC Women in Work (WIW) Index

- The new PwC WIW is a weighted average of various measures that reflect female economic empowerment, including the equality of earnings, the ability of women to access employment opportunities and job security.
- The PwC Index combines performance on the following labour market indicators (with relative weights as shown in brackets):
 - The gender wage gap (25% weight);
 - The female labour force participation rate (25%);
 - The gap between female and male labour force participation rates (20%);
 - The female unemployment rate (20%); and
 - The proportion of female employees who are in full-time employment (10%)
- These indicators are standardised, weighted and aggregated to generate index scores for each country. The index scores are on a scale from 0 to 100, with the average value in the base year of 2000 set to 50. The average index value for 2011 can, however, be higher or lower than this 2000 baseline. For data reasons, we have only been able to calculate index values for these two years.
- All data are taken from the OECD or other official sources (see Technical Appendix for further details of data and methodology). Results for each indicator are discussed on the following pages.

Closing the gender wage gap

The UK has made some gains in closing the gender wage gap since 2000, but this still remains higher than the OECD average. The gender wage gap has closed in almost all countries since 2000, except for Italy, Portugal and France.

Figure 3: Gender wage gap, 2010 vs 2000

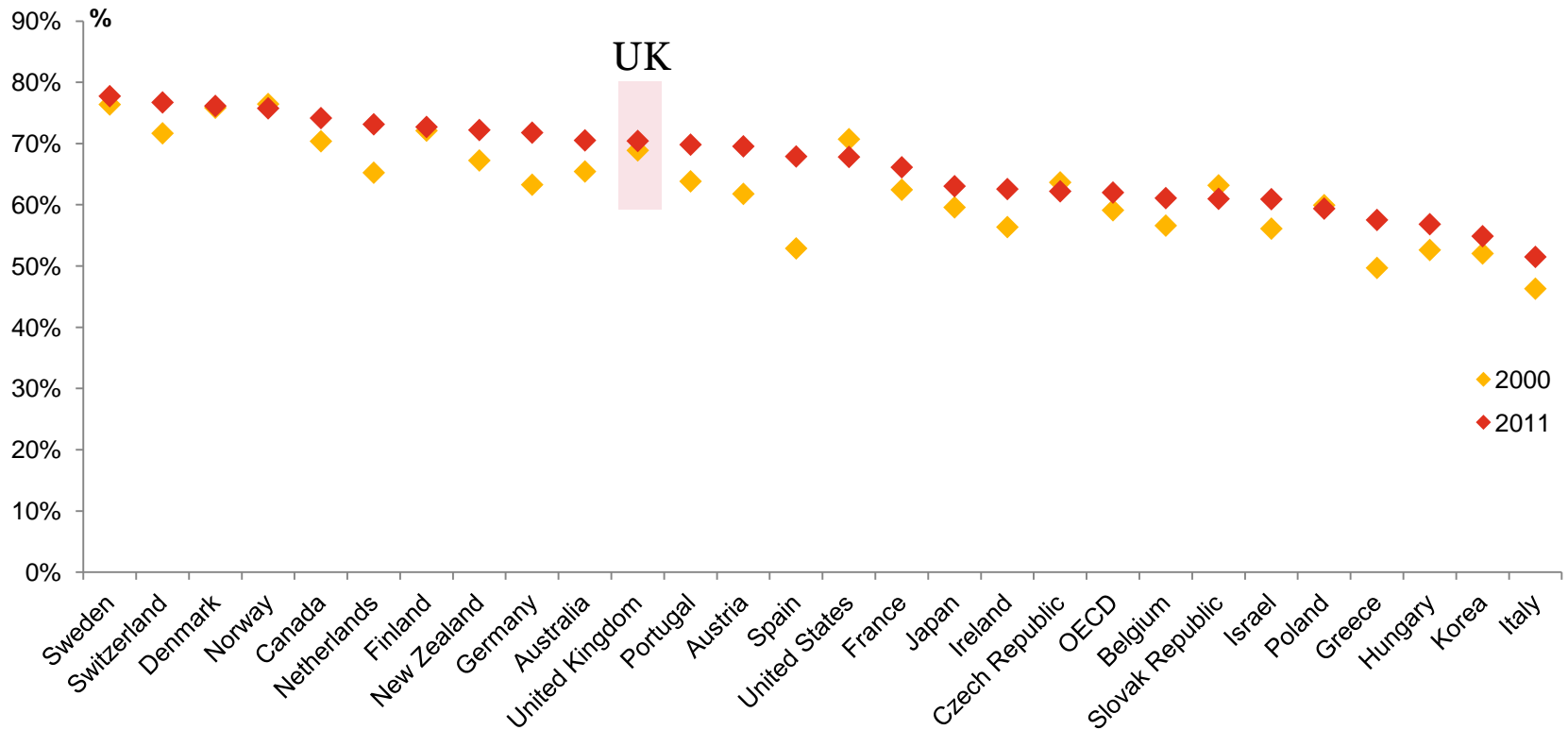


Source: OECD, Eurostat

Female labour force participation rate

The OECD as a whole has seen an increase in female labour force participation of 3 percentage points between 2000 and 2011. The UK was an above average performer on this measure in 2000, but has improved by less than the OECD average since then.

Figure 4: Female labour force participation rate, 2011 vs 2000



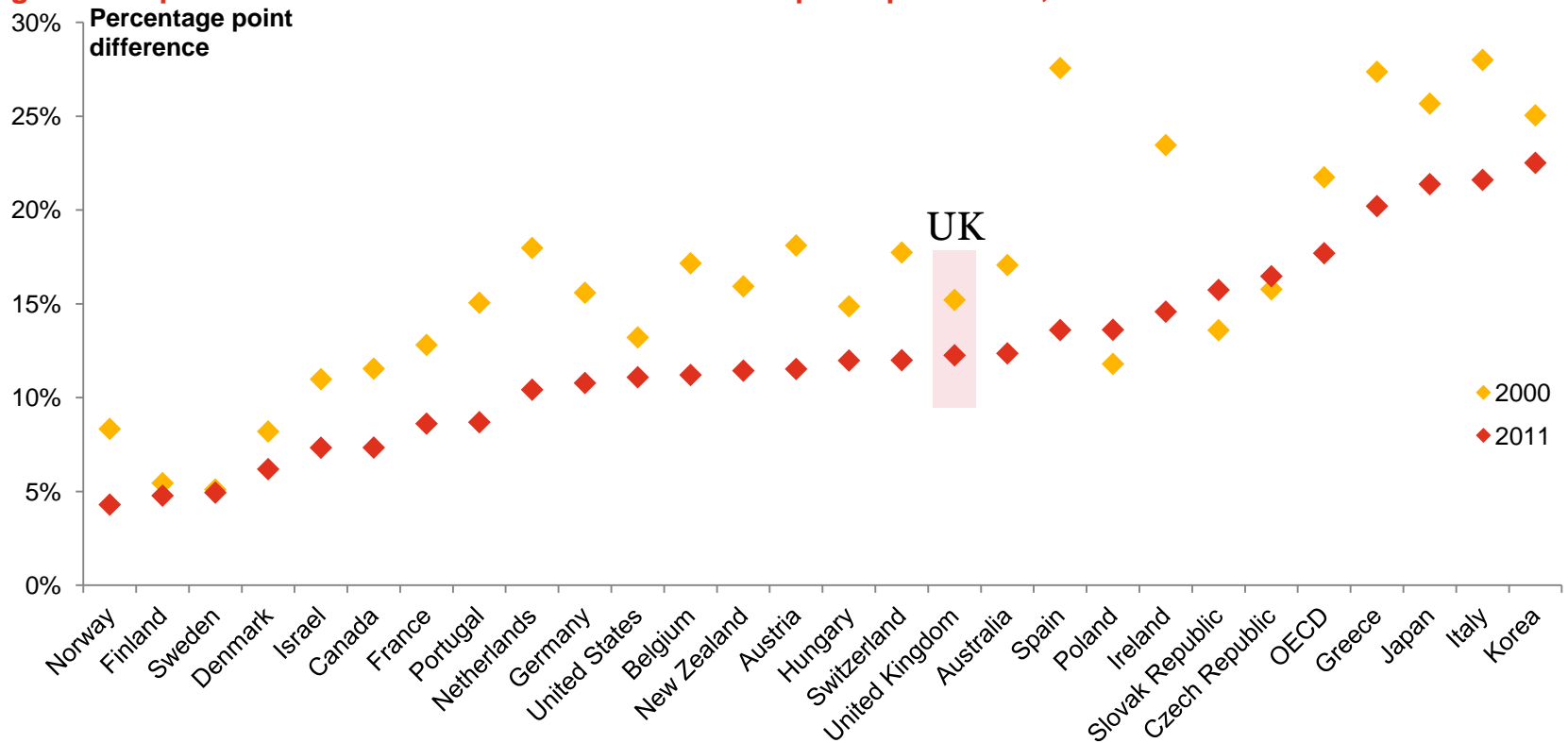
Source: OECD

Note: OECD figure is weighted average across member countries

Gap between female and male labour force participation rates

The gender participation gap has narrowed over time across the OECD including the UK (with the exception of Poland, Slovakia and the Czech Republic). Spain has seen the greatest gains here but from a poor starting point.

Figure 5: Gap between the male and female labour force participation rate, 2011 vs 2000



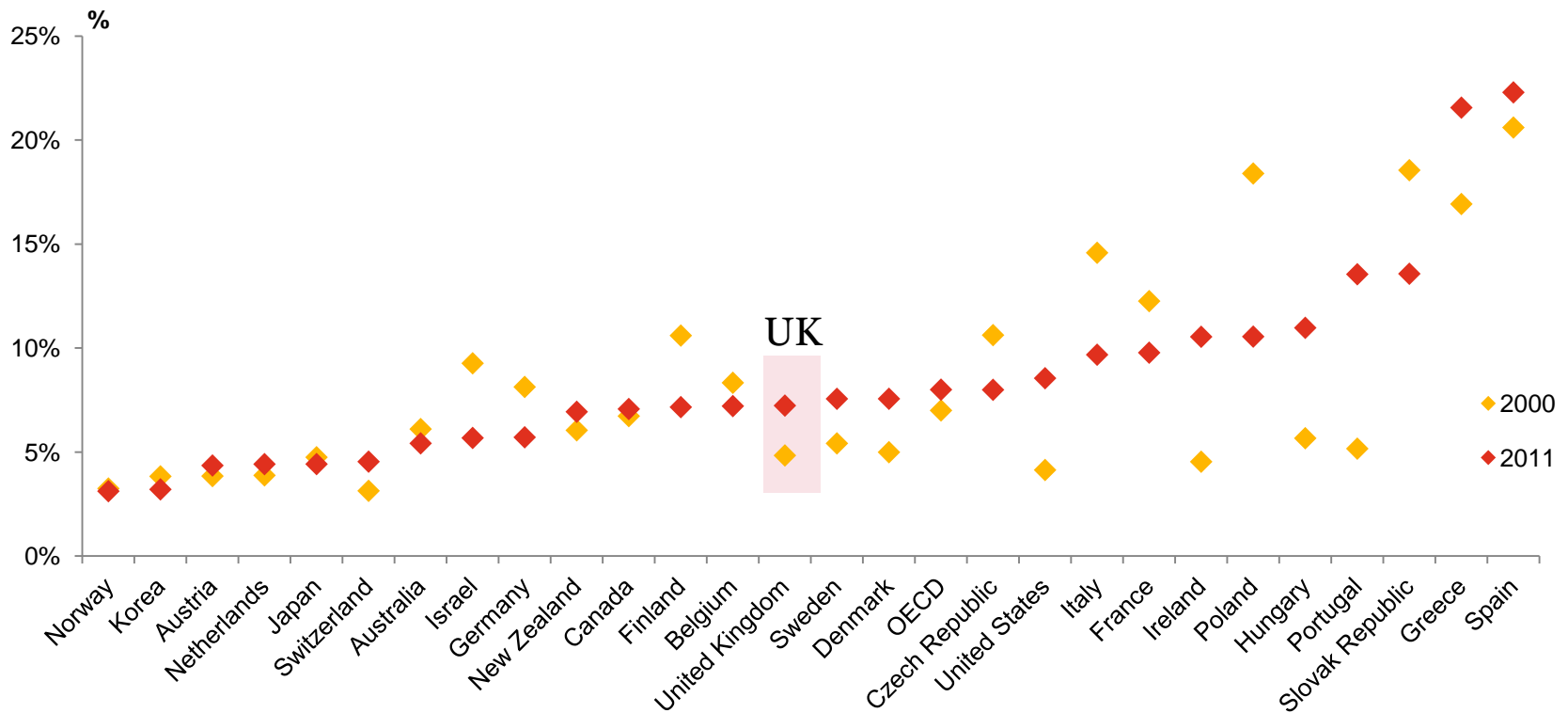
Source: OECD

Note: OECD figure is weighted average across member countries

Female unemployment rate

The UK's performance here is now middling. Female unemployment has increased in the UK due to the difficult economic climate since 2008 (the OECD average has also risen but by less than for the UK)

Figure 6: Female unemployment rate, 2011 vs 2000



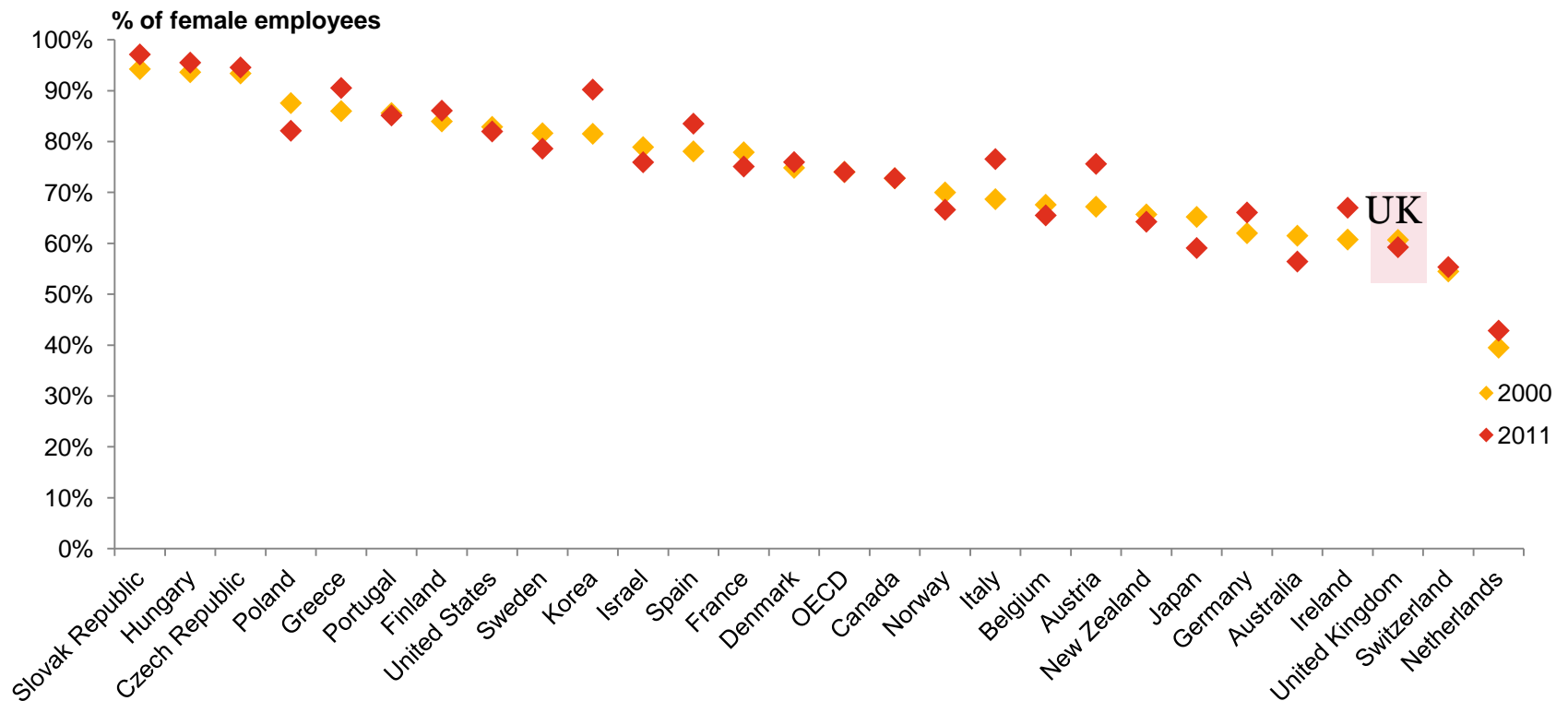
Source: OECD

Note: OECD figure is weighted average across member countries

Full-time employment

The UK has one of the lowest shares of female employees in full-time jobs. The tendency for part-time employment may adversely affect earnings, pensions and job security (although it could also suit some women with caring roles).

Figure 7: Female full-time employment rate, 2011 vs 2000



Source: OECD, Australian Bureau of Statistics, Statistics Bureau of Japan

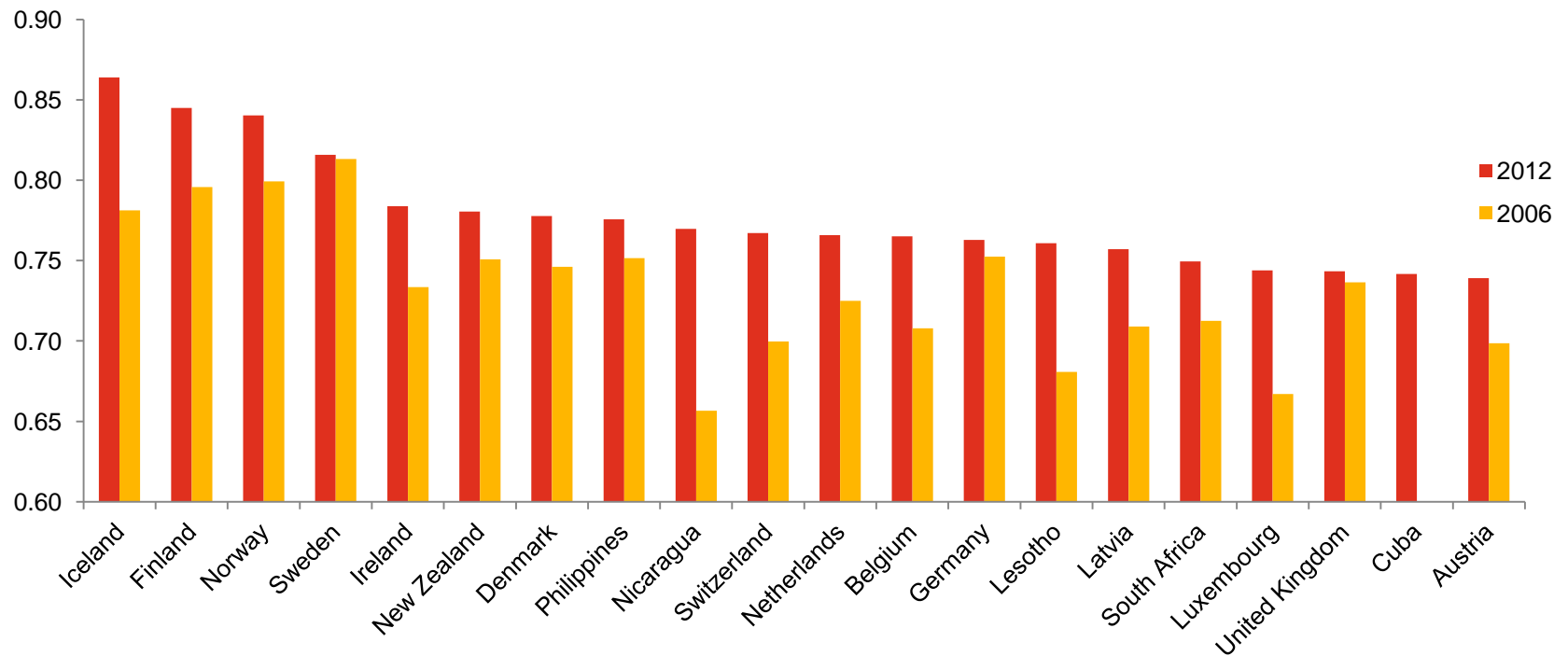
Note: OECD figure is weighted average across member countries

Comparisons with other indices

WEF Global Gender Gap Index 2012

The WEF Index measures country performance across female economic participation and opportunity, educational attainment, health and survival, and political empowerment. The UK's position has deteriorated over time, falling from 9th (out of 115 countries) to 18th (out of 135 countries) from 2006 to 2011.

Figure 8: Global Gender Gap Index, 2012 vs 2006



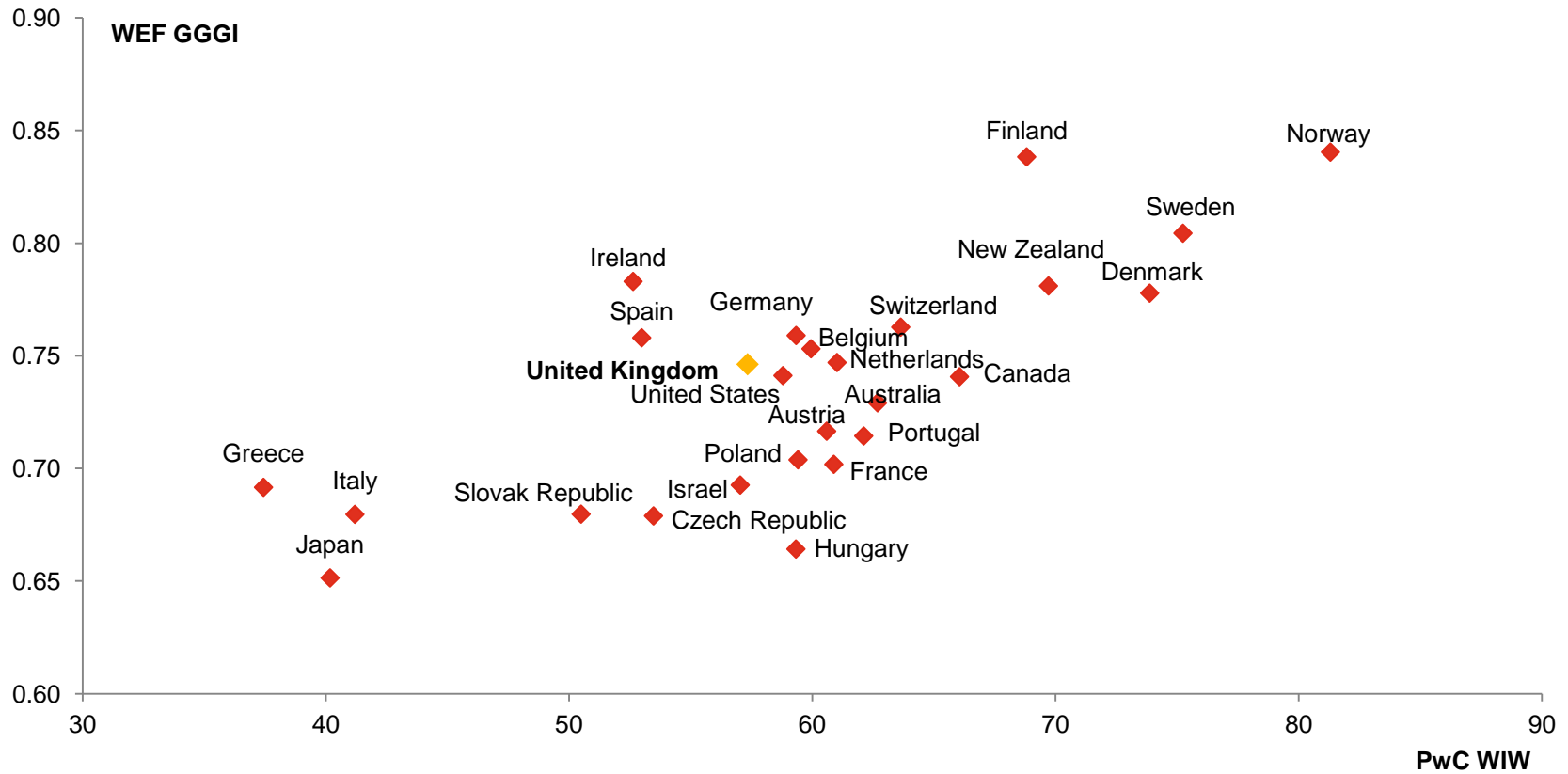
Source: WEF

Note: Cuba not included in 2006 ranking

Comparing PwC WIW Index performance against the WEF Global Gender Gap Index for 2011 (for countries covered by both)

Performance on these indices is clearly correlated

Figure 9: PwC WIW Index performance vs. the WEF Global Gender Gap Index, 2011

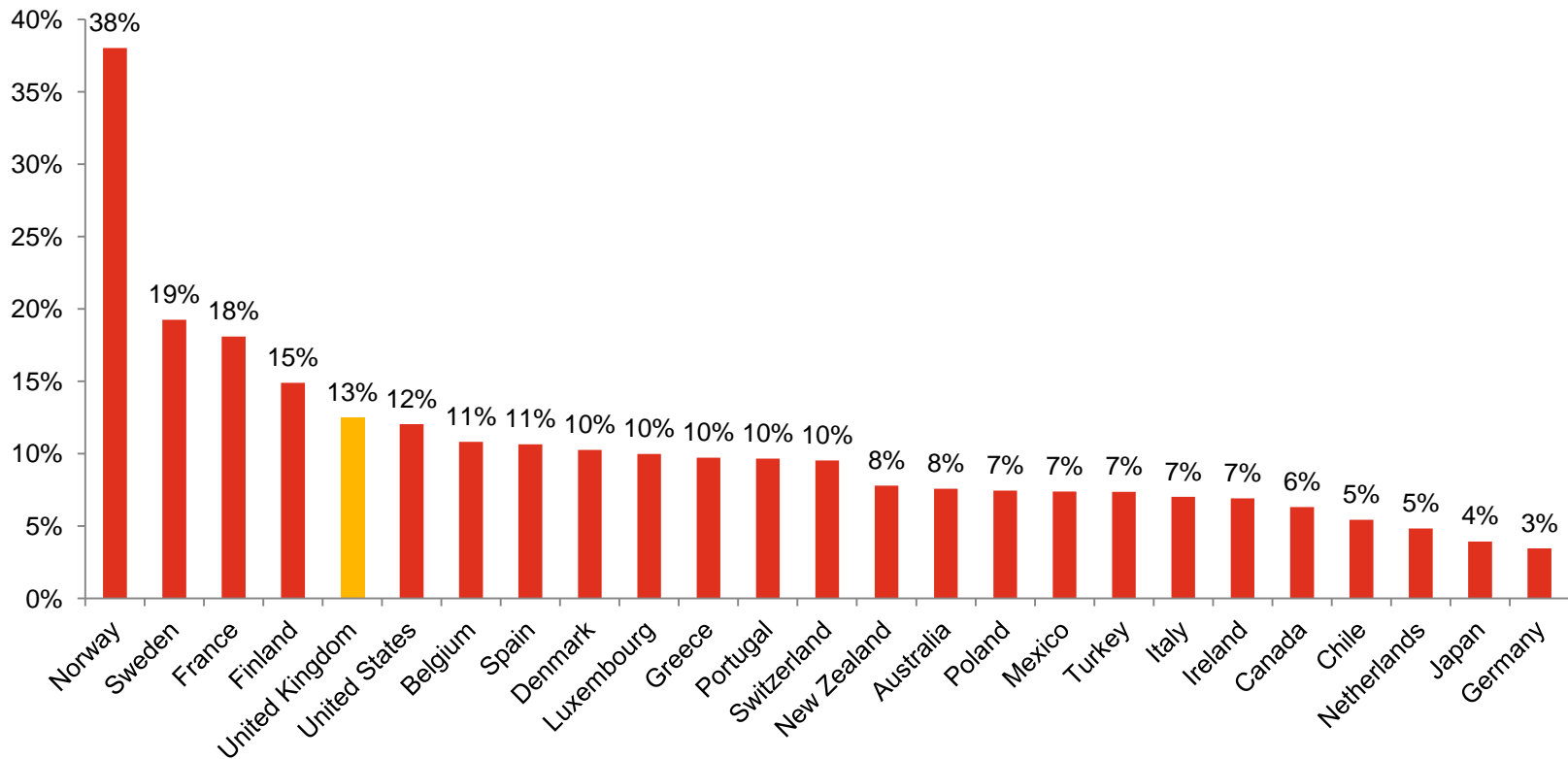


Source: WEF, PwC analysis

Female boardroom membership

The UK is performing somewhat above the OECD average in terms of female boardroom membership, but still well behind Norway in particular

Figure 10: Female boardroom membership, 2009



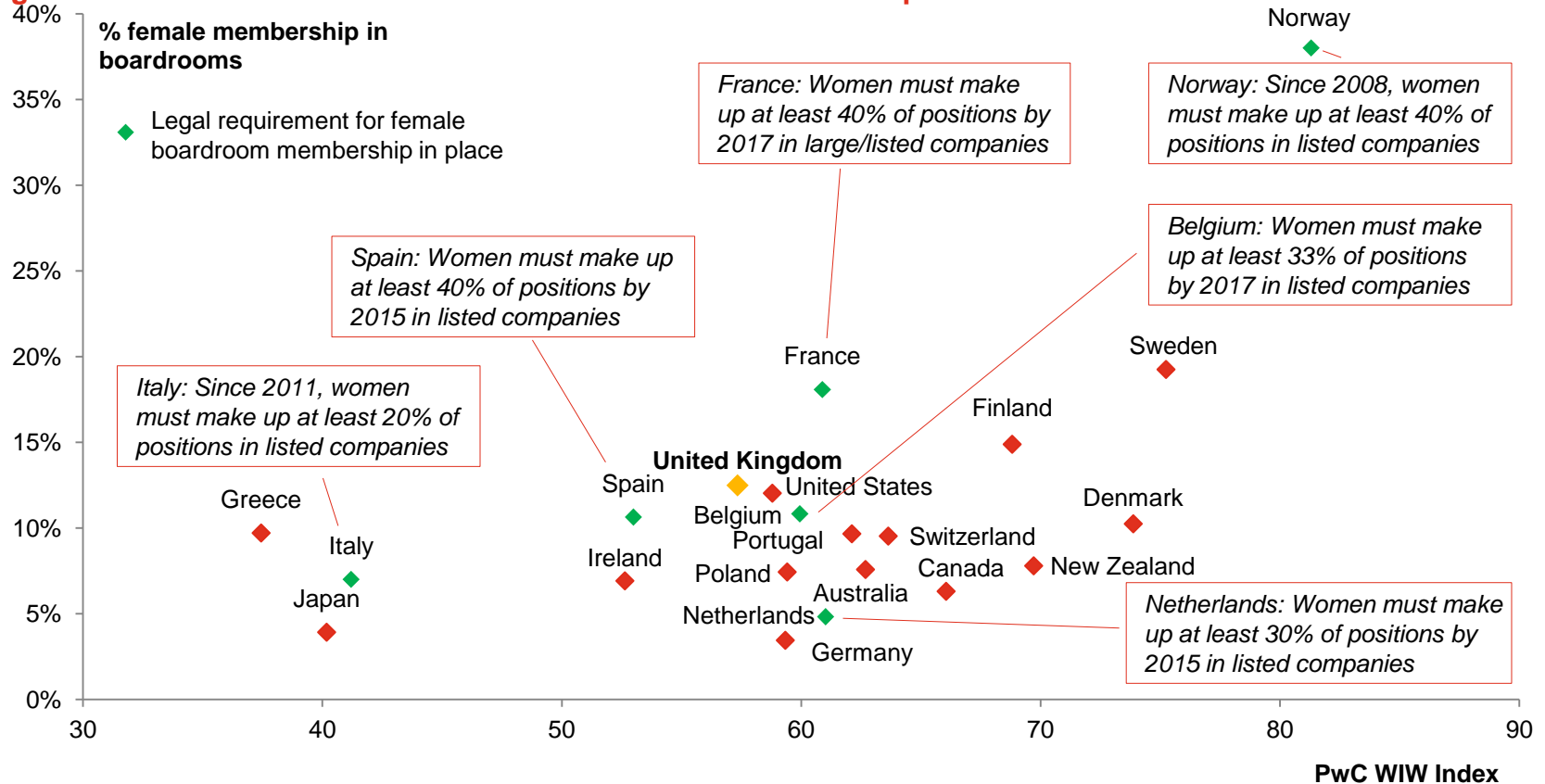
Source: OECD, 30% Club

Note: UK data from the 30% Club, 12.5% as at the end of 2010 based on membership in FTSE100 boards

PwC WIW Index 2011 performance vs female boardroom membership

Performance on these indices are broadly positively correlated, however the impact of female boardroom quotas in large/listed companies has had an impact in some European countries.

Figure 11: PwC WIW Index 2011 vs female boardroom membership 2009



Source: OECD, PwC analysis, Reuters (<http://www.reuters.com/article/2011/01/13/us-france-equality-idUSTRE70C5ZA20110113>), Sweigart (2012) <http://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1007&context=njilb>, GMI Ratings (2012) http://library.constantcontact.com/download/get/file/1102561686275-86/GMIRatings_WOB_032012.pdf

Technical Appendix: Data and methodology

Summary statistics

Top 15 countries in the PwC WIW Index

Country	Wage gap		Female labour force participation				Female Unemployment		Women in full-time employment	
	Shortfall of female relative to male median wages		%				%		% of total female employment	
	2000	2010	2000		2011		2000	2011	2000	2011
			Female	Male	Female	Male				
Norway	10%	8%	76%	85%	76%	80%	3%	3%	67%	70%
Sweden	15%	14%	76%	81%	78%	83%	5%	8%	79%	82%
Denmark	15%	12%	76%	84%	76%	82%	5%	8%	76%	75%
New Zealand	7%	7%	67%	83%	72%	84%	6%	7%	64%	66%
Finland	20%	19%	72%	78%	73%	77%	11%	7%	86%	84%
Canada	24%	19%	70%	82%	74%	81%	7%	7%	73%	73%
Switzerland	22%	19%	72%	89%	77%	89%	3%	5%	55%	54%
Australia	17%	14%	65%	83%	71%	83%	6%	5%	56%	61%
Portugal	8%	13%	64%	79%	70%	79%	5%	14%	85%	86%
Netherlands	21%	17%	65%	83%	73%	84%	4%	4%	43%	39%
France	10%	14%	62%	75%	66%	75%	12%	10%	75%	78%
Austria	23%	19%	62%	80%	70%	81%	4%	4%	76%	67%
Belgium	14%	9%	57%	74%	61%	72%	8%	7%	65%	68%
Poland	12%	6%	60%	72%	59%	73%	18%	11%	82%	88%
Germany	21%	21%	63%	79%	72%	83%	8%	6%	66%	62%

Source: OECD, Eurostat, Australian Bureau of Statistics, Statistics Bureau of Japan

Summary statistics

Next 12 countries in the PwC WIW Index

Country	Wage gap		Female labour force participation				Female Unemployment		Women in full-time employment	
	Shortfall of female relative to male median wages		%				%		% of total female employment	
	2000	2010	2000		2011		2000	2011	2000	2011
			Female	Male	Female	Male				
Hungary	14%	6%	53%	67%	57%	69%	6%	11%	96%	94%
United States	23%	19%	71%	84%	68%	79%	4%	9%	82%	83%
United Kingdom	25%	18%	69%	84%	70%	83%	5%	7%	59%	61%
Israel	28%	21%	56%	67%	61%	68%	9%	6%	76%	79%
Czech Republic	22%	18%	64%	79%	62%	79%	11%	8%	95%	93%
Spain	15%	6%	53%	80%	68%	81%	21%	22%	84%	78%
Ireland	20%	11%	56%	80%	63%	77%	5%	11%	67%	61%
Slovak Republic	22%	15%	63%	77%	61%	77%	19%	14%	97%	94%
Italy	7%	11%	46%	74%	51%	73%	15%	10%	77%	69%
Japan	34%	29%	60%	85%	63%	84%	5%	4%	59%	65%
Greece	15%	12%	50%	77%	58%	78%	17%	22%	91%	86%
Korea	40%	39%	52%	77%	55%	77%	4%	3%	90%	82%
OECD Total	19%	15%	59%	81%	62%	79%	7%	8%	80%	74%

Source: OECD, Eurostat, Australian Bureau of Statistics, Statistics Bureau of Japan

Note: OECD figure is weighted average across member countries

PwC WIW Index methodology

Variables included in scoring

Variable	Weight	Factor	Justification
Gap between female and male earnings	25%	Wider wage gap penalised	Earnings equality underpins the fundamental principle of equal pay for equal work.
Female labour force participation rate	25%	Higher participation rates given higher score	Female economic participation is the cornerstone of economic empowerment, which is a factor of the level of skills and education of women and conducive workplace conditions, and broader cultural attitudes outside the workplace (e.g. towards shared childcare and distribution of labour at home)
Gap between female and male labour force participation rates	20%	Higher female participation rate relative to male participation rate given higher score	Equality in participation rates reflect equal opportunities to seek and access employment opportunities in the workplace.
Female unemployment rate	20%	Higher unemployment penalised	The female unemployment rate reflects the economic vulnerability of women. Being unemployed can have longer-term impacts in the form of skills erosion, declining pension contributions and increased reliance on benefits.
Share of female employees in full-time employment	10%	Higher share of full-time employment given higher score	The tendency for part-time employment may adversely affect earnings, pensions and job security. But given a lower weight in the index since some women may prefer part-time jobs to fit flexibly with caring roles.

PwC WIW Index methodology

Data sources

Labour market data obtained for 2000 and 2011 with the exception of the gender wage gap which was most recently available for 2010. All data provided by the OECD with the exception of:

- Full-time employment data for:

Australia: Australian Bureau of Statistics

Japan: Statistics Bureau of Japan

- Comparable data on the wage gap were obtained from Eurostat for the following countries: Greece, Poland, Portugal, Spain, Slovak Republic

Scoring methodology

- Indicators are standardised using the z-score method, based on the mean and standard deviation of the sample of 27 countries in 2000, to allow for comparisons across countries and across time for each country. This is a standard method used by PwC and others for many other such indices.
- Positive/negative factors were applied for each variable based on the table on the previous slide
- The scores are constructed as a weighted average of normalised labour market indicator scores.
- Finally, the scores are rescaled to form the PwC Index with values between 0 and 100 and an average value across all 27 countries set by definition to 50 in 2000.

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