

Economist's latest glass ceiling index released ^[1]

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EXCERPTS

The Economist's latest glass ceiling index has ranked Australia 17th on a list of the best and worst OECD countries in which to be a working woman (just ahead of the OECD average)

Key takeouts

Overall progress towards gender equality has stalled: The index is based on performance across ten indicators including educational attainment, labour-market attachment, pay and representation in senior jobs. Progress on many of these measures including pay, seniority and the decision to enter the workforce at all, remain 'relatively stable'.

Nordic countries continue to rank most strongly on the index. This is attributed by the Economist to mandatory quotas for women on boards, 'better' parental leave systems and more flexible working conditions.

Australian is ranked 17th in the index above New Zealand (ranked 18), the United States (ranked 20) and Britain (ranked 24). Australia also ranked slightly above the OECD average on most measures. However, costs of child care, and paid maternity/paternity leave rank less strongly.

According to the Economist's latest glass ceiling index, which measures where women have the best chance of equal treatment at work, progress for women in the workplace has stalled in recent years. An overview of some of the key findings overall, as well as a summary of the findings with respect to Australia is below.

Results overall: some key points

Progress on many measures has stalled: The index is based on performance across ten indicators including educational attainment, labour-market attachment, pay and representation in senior jobs. Progress on many of these measures including pay, seniority and the decision to enter the workforce at all, remain 'relatively stable'.

The gender pay gap (which measures the difference between what a typical woman and man earn), is largely unchanged from last year at around 14%

The proportion of women on company boards (23%), has slightly increased, but the proportion of women in management has 'barely budged'

The female participation rate in the labour force has increased slightly (to 64%) but this is still 16 percentage points below the male average

Nordic countries rank most strongly: The countries ranked best in the latest index are those that tended to rank strongly in previous years. The Nordic countries (Sweden (ranked 1), Norway (ranked 2), Iceland (ranked 3) Finland (ranked 4)) are 'particularly good' at getting women to complete a degree (approximately 50% have a degree, in Sweden women's tertiary education attainment rate is 13.1% higher than men's) and secure a job (some 75% are in the labour force). They also have a large share of women in senior positions, for example in Sweden and Norway the figure is around 40%. This is attributed by the Economist to mandatory quotas for women on boards, 'better' parental leave systems and more flexible working conditions.

South Korea and Japan ranked less strongly: The OECD countries with the greatest challenges for working women were identified as South Korea (ranked 29 – the last in the index), and Japan (28 – second to last). According to the Economist, in South Korea the gender pay gap is 35% (in Japan it is 25%); the labour force participate rate is 59% (as compared with 79% for men); and boards of directors at publicly traded South Korean firms are 98% male. While paternity leave is generous, uptake is still low. The lack of progress is attributed by the Economist to 'cultural and societal norms' – there is an expectation that women choose between family and work and women carry responsibility for the majority of the domestic work – which the researchers identify as a 'decisive influence on gender equality at work'.

Where does Australia rank? Australian was ranked 17th in the index above New Zealand (ranked 18), the United States (ranked 20) and Britain (ranked 24). Australia also ranked slightly above the OECD average on most measures.

Comparison: Australia vs OECD average

Overall Australia ranks slightly ahead of the OECD average on most measures. However, costs of child care, and paid maternity/paternity leave rank less strongly.

Gender Pay Gap: In Australia, women earn 14.3% less than men. By comparison, in the OECD women earn 13.8% less than men on average

Female board representation: According to the Economist, in Australia, women hold 31.5% of board seats as compared with the OECD average of 22.9%

Female representation in managerial roles: In Australia, women hold 36.6% of managerial positions which is above the OECD average of 31.9%

Female political representation: In Australia, women hold 28.7% of seats in parliament. By comparison, the OECD average is 26.6%

Female labour force participation: In Australia, women's labour force participation rate is 10.3% lower than men's. By comparison, the OECD average female labour force participate rate is 16.1% lower than men's

Tertiary education: In Australia, women's tertiary education attainment rate is 9.7% higher than men's. By comparison, the OECD average for women's tertiary education attainment is 6.2% higher than men's

[Note: These statistics appear to be less detailed than those released by the The Workplace Gender Equality Agency. With respect to female representation in leadership roles WGEA data results from the Agency's 2017-18 dataset shows: women hold 13.7% of chair positions and 25.8% of directorships, and represent 17.1% of CEOs and 30.5% of key management personnel (WGEA 2019, Data Explorer). According to the WGEA 'real-time' statistics from the Australian Institute of Company Directors reveals: 29.7% of directors in the ASX 200 are women (December 2018) (AICD, 2019). Women comprised 45.4% of new appointments to ASX 200 boards in 2018 (AICD, 2019).

Room for improvement? Paid maternity/paternity leave and cost of child care

In Australia, women receive the equivalent of 7.6 weeks of paid maternity leave (as compared to the OECD average of 32.5 weeks)

Australian men receive the equivalent of 0.8 weeks of paid paternity leave (the OECD average is 4.6 weeks paid paternity leave)

Net child-care costs are 37.6% of the average wage in Australia. By comparison, the OECD average is 16.4% of the average wage

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