

It's a win-win! Gender equality makes growth stronger and more inclusive

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Despite progress in a number of areas, gender equality remains elusive in many OECD countries. Uneven distributions of outcomes and opportunities spread across the entire life cycle of women and men and culminate in sizeable gender pay gaps. Achieving gender equality would not only serve justice and equity but would also improve well-being in areas such as work-life balances, health, education and job satisfaction. Furthermore, it would make economic growth and social institutions stronger and more sustainable.

Austria provides an interesting case study. In many respects, Austria stands out as a formidable example of how institutions and the prevalence of separated gender roles have contributed to sustaining inequality into the 21st century. Study choices have barely evolved and are tilted towards less career-oriented paths for girls; the tax-system subsidises sole-earner family arrangements and part-time work for spouses; insufficient coverage of early childhood education and care institutions and full-day schools makes fulltime work incompatible with child rearing and contributes to one of the lowest fertility rates in the OECD.

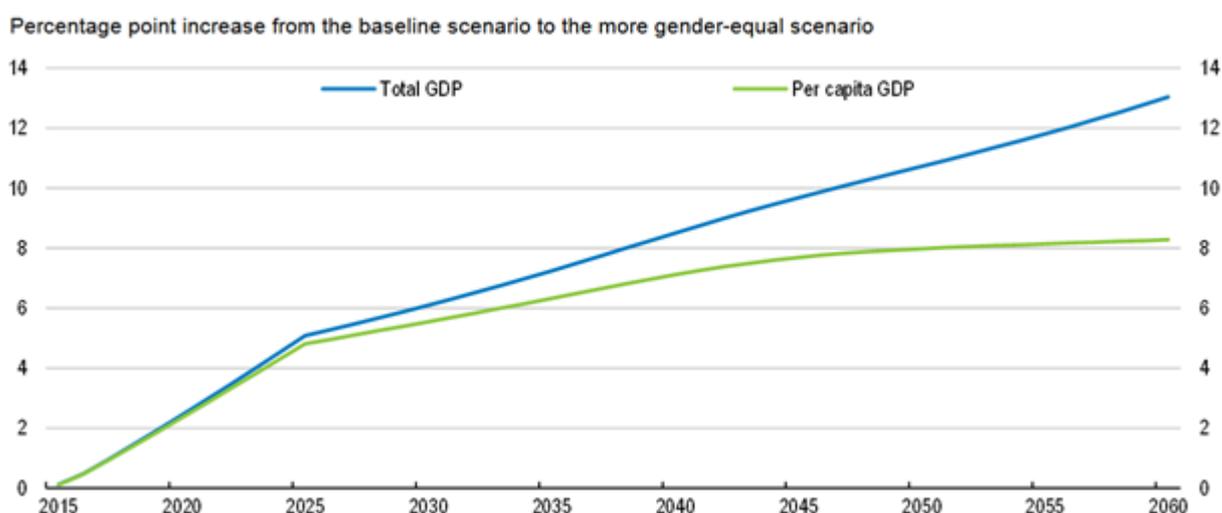
As analysed in the 2015 Economic Survey of Austria, the Austrian government has launched a series of initiatives to raise awareness for gender inequalities such as gender budgeting, compulsory income reports for firms with more than

150 employees to depict potential gender pay gaps or the creation of an anti-sexism advisory board within the Austrian Advertising Council.

Yet, more structural and institutional reforms are needed to unveil the full potential of gender equality for the Austrian labour market, improve work-life balance and lift human capital. The OECD identifies necessary changes in the tax-and-benefit system to stop rewarding unbalanced distribution of paid work, investment in high-quality childcare facilities and changes in workplace practices to reconcile work and family lives. Further public interventions and incentives are needed to trigger the necessary changes in the society and break up stereotypes. Reserving a sizeable part, at least a third, of parental leaves to the exclusive use of fathers would be a good start!

This would have significant benefits for growth. Long-term simulations suggest that progress towards more gender equality could raise potential output by as much as 13 percentage points by 2060 in Austria.

Greater gender equality would raise GDP substantially



Source: Author's calculations

Find out more:

Gönenç, R. et al. (2015), "Austria's separate gender roles model was popular in the past, but is becoming a constraint for comprehensive wellbeing", *OECD Economics Department Working Papers*, No. 1272, OECD Publishing, Paris.

Ziemann, V. (2015), "Towards more gender equality in Austria", *OECD Economics Department Working Papers*, No. 1273, OECD Publishing, Paris.