

International Women's Day

PwC Women in Work Index

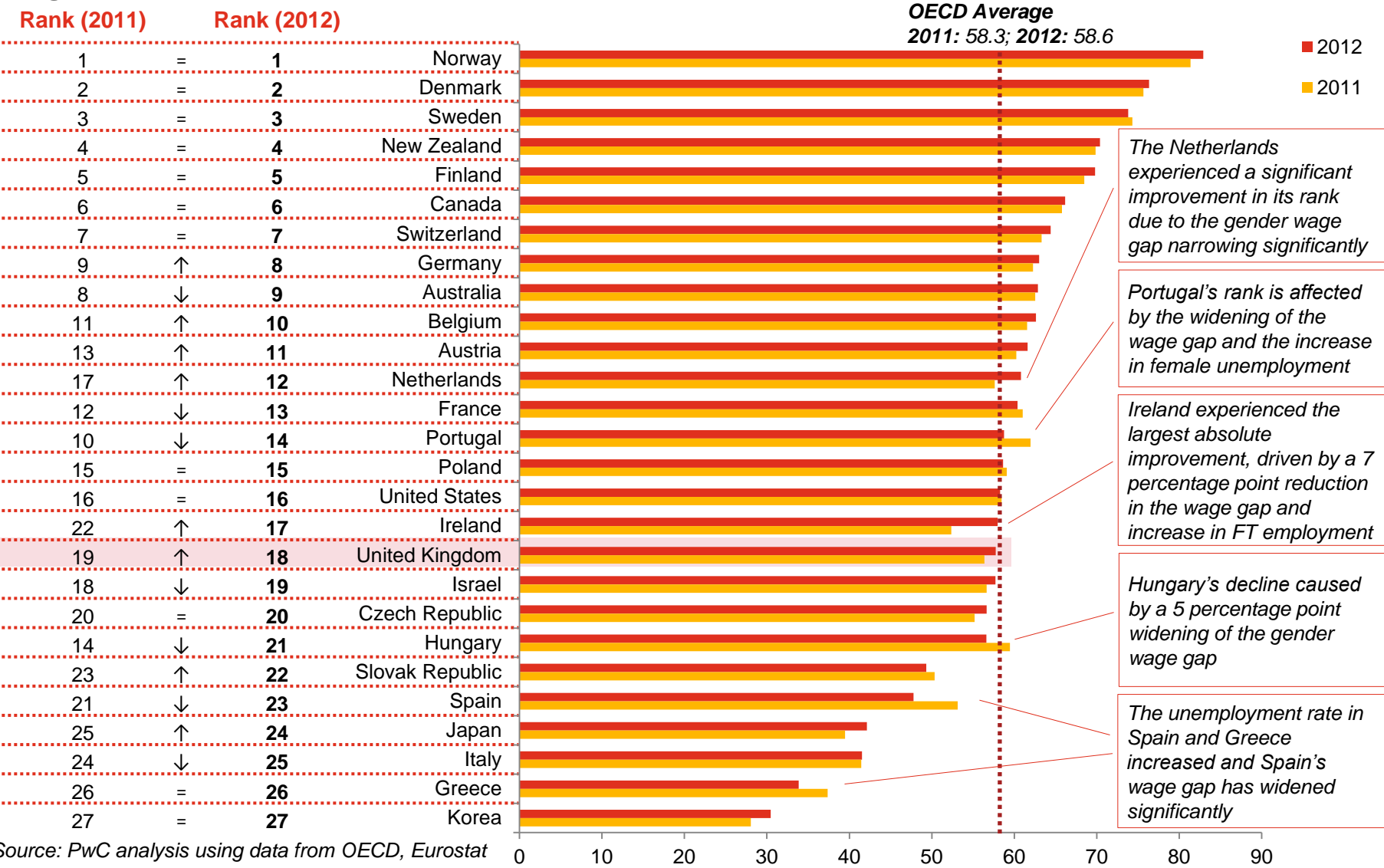
March 2014

Women in Work Index –UK performance improving slightly but ranking remains low

- The PwC Women in Work (WIW) Index shows that the UK was in 18th position out of our sample of 27 OECD countries in 2012 – moving up one place from 2011*, but well down on 14th in 2000.
- The UK absolute performance in 2012 improved slightly from 2011 (by narrowing the gender wage gap and increasing female labour force participation), but so have other countries, which explains why the UK's relative position has not changed from 2011.
- In this second annual edition of our WIW Index, the Nordic countries remain in the lead. Norway is still at the top (a position it has retained for all of the four years we analysed: 2000, 2007, 2011 and 2012), followed by Denmark, Sweden, New Zealand and Finland.
- The Netherlands and Ireland have been the most notable risers in our index since last year, both moving up 5 positions due in particular to narrower gender wage gaps.
- The economic crisis continues to take its toll on absolute performance in the southern European countries. Portugal, Spain and Greece saw their gender wage gaps widen and female unemployment increase, which was partly due to their weak economies in recent years
- Our historical analysis shows that the UK has made some progress in gender equality in the labour market since 2000, but gradually lost ground to other countries. This means its relative performance slowly deteriorated from 14th to 18th position between 2000 and 2012.

**Methodology updated to reflect revisions to the gender wage gap data by the OECD. Due to these retrospective data revisions, some country ranks are different from previously reported last year. Further details are provided in the Appendix, which also describes the index methodology more generally and includes detailed tables of results for 2000, 2007, 2011 and 2012.*

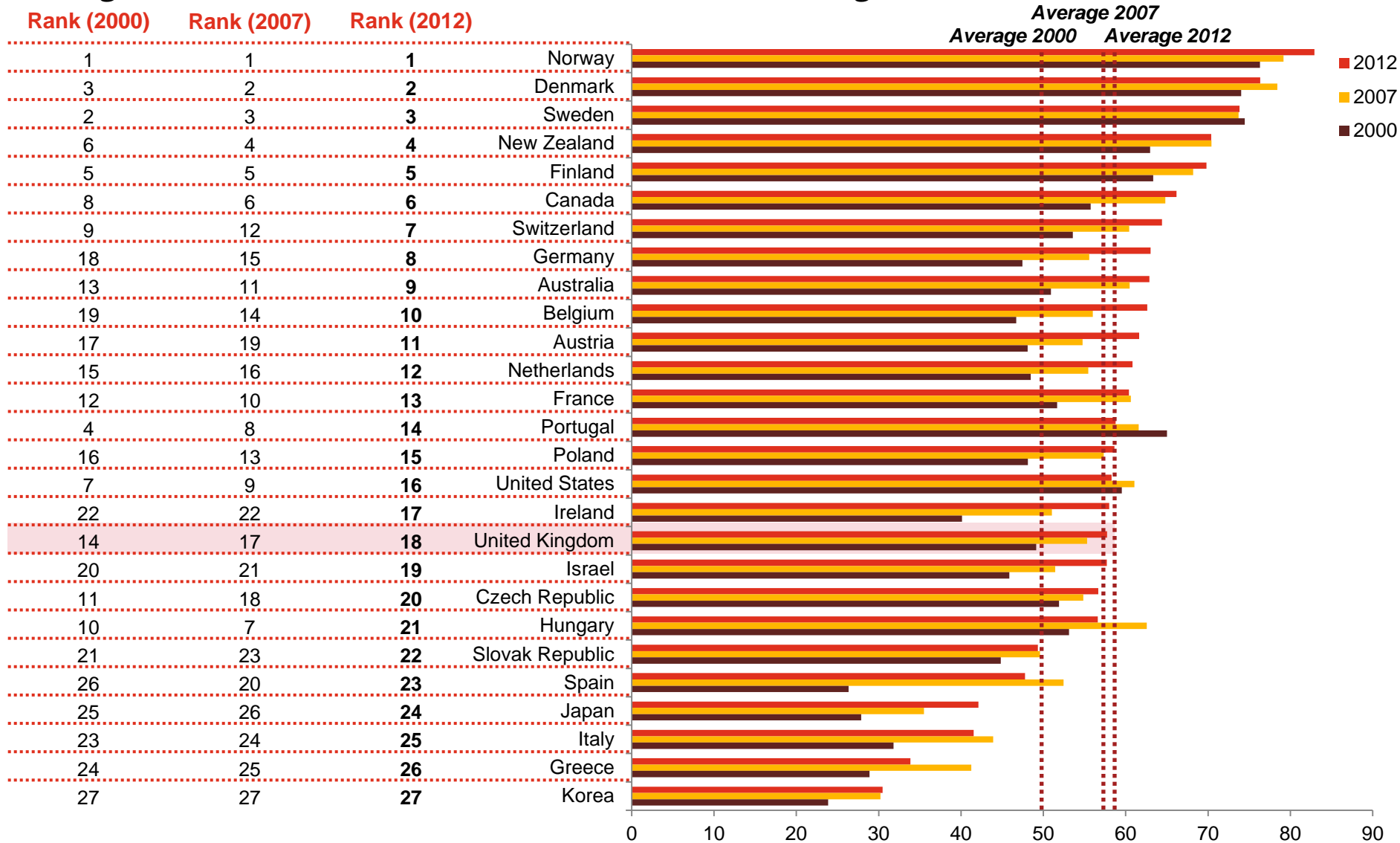
Figure 1: PwC Women in Work Index, 2012 vs 2011



Source: PwC analysis using data from OECD, Eurostat
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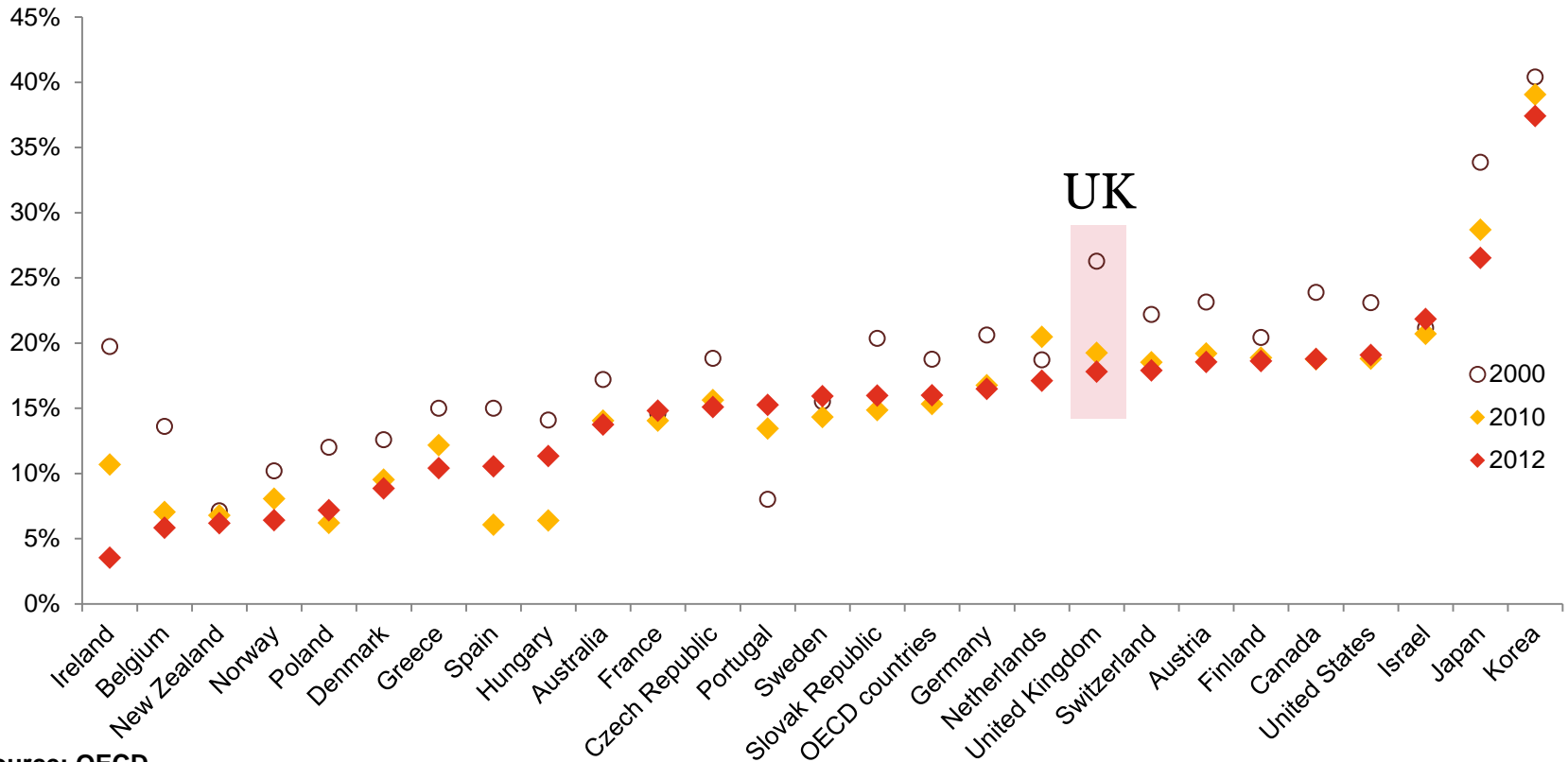
Figure 2: PwC Women in Work Index – longer term trends



The gender wage gap

The UK's wage gap has narrowed significantly from 2000, but is still higher than the OECD average. Ireland's gap is around a fifth of what it was in 2000. However, the gap has widened in Portugal since 2000, more recently in Spain and Hungary.

Figure 3: Gender wage gap, 2000-2012



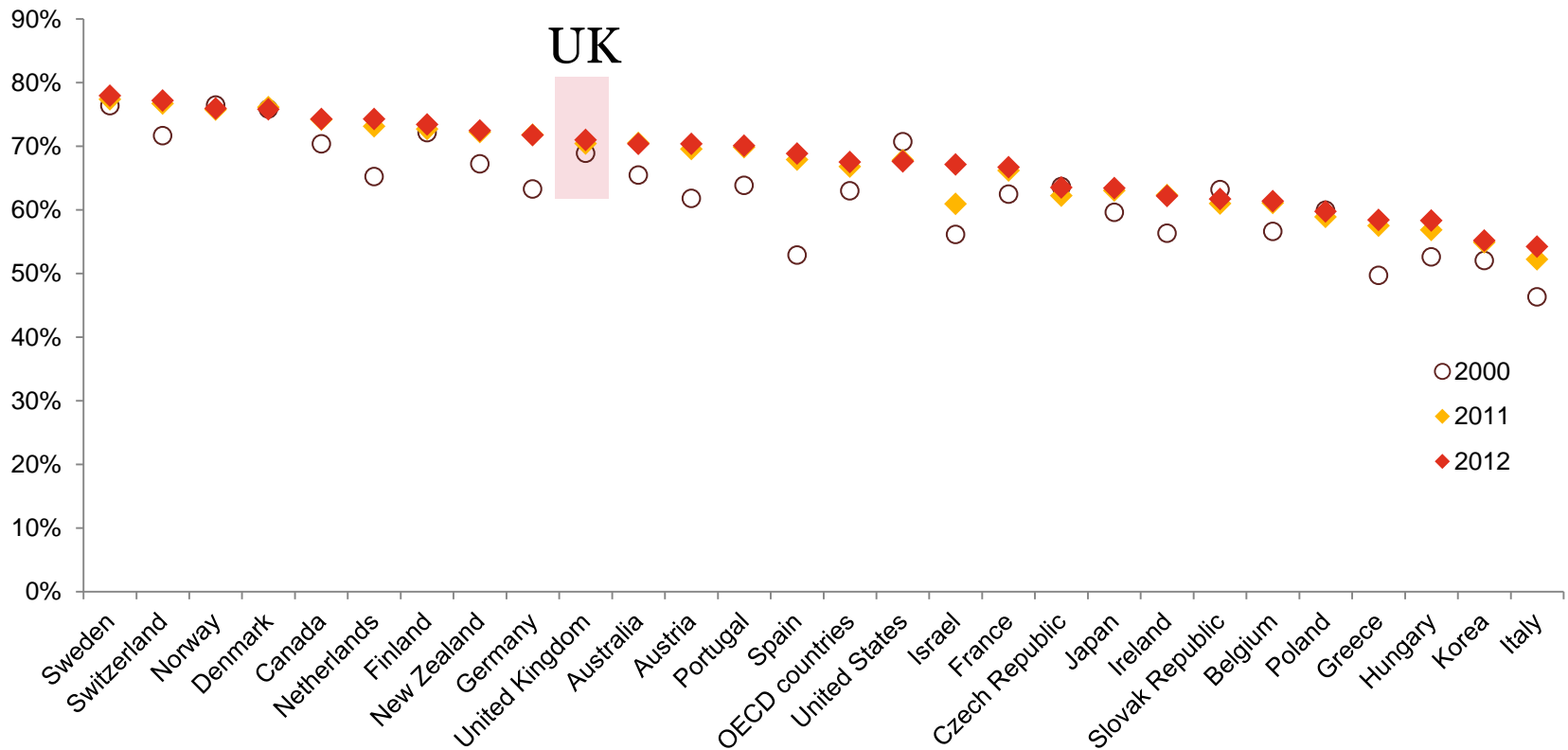
Source: OECD

2012 data proxied by 2011 data for the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Israel, Poland, Portugal, Spain, Sweden, and Switzerland. Actual 2012 data were used for all other countries. See Appendix for a discussion of data revisions by the OECD since last year.

Female labour force participation

Participation in the labour force has increased across the OECD since 2000, with Spain making notable improvements between 2000 and 2012. The UK's participation rate has remained relatively unchanged.

Figure 4: Female labour force participation rate, 2000-2012

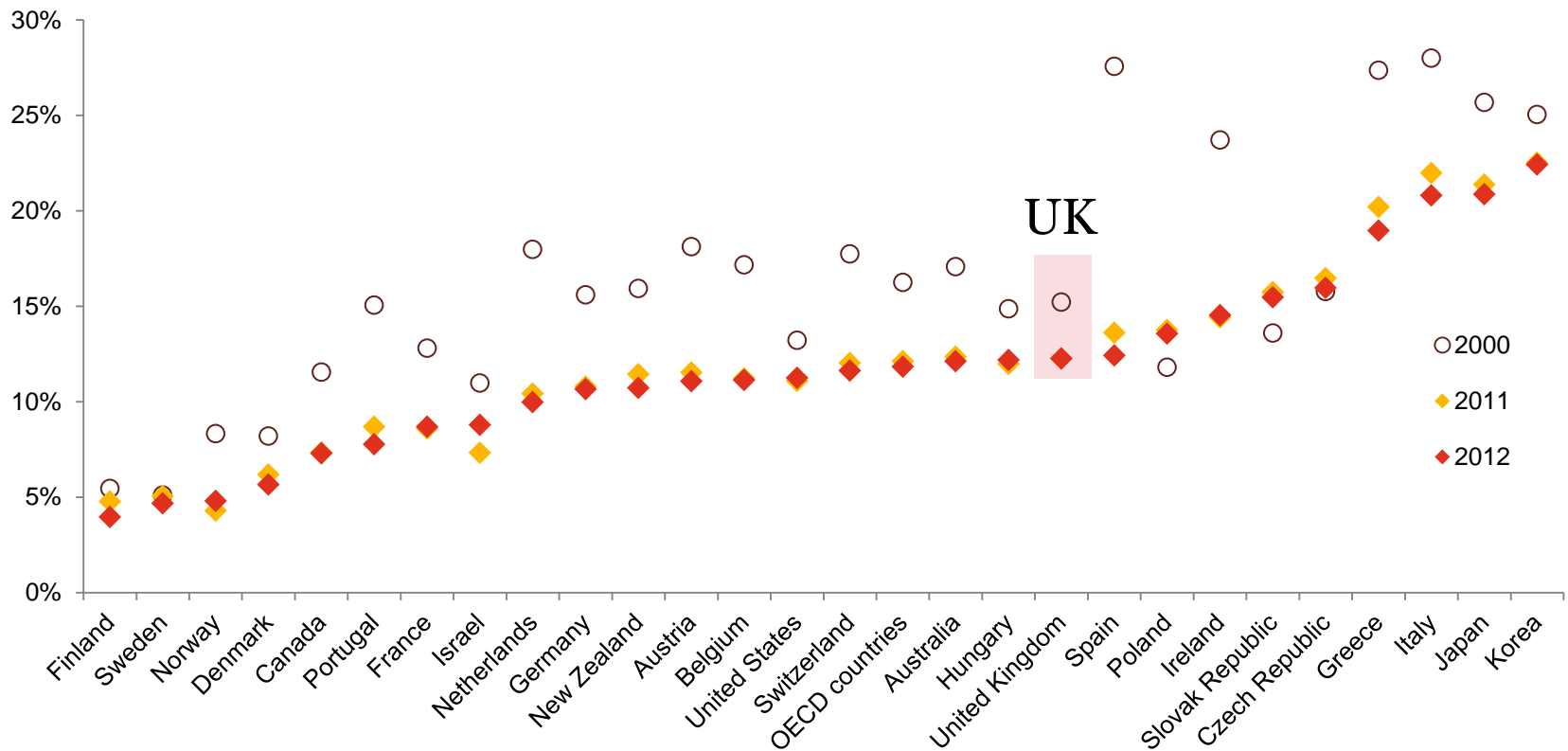


Source: OECD

Narrowing the female and male labour force participation gap

The gap narrowed in most countries since 2000, with the most gains made in southern Europe, notably Spain. The UK has closed this gap by 3 percentage points since 2000 (but with very little change between 2011 and 2012)

Figure 5: Gap between the male and female labour force participation rate, 2000-2012

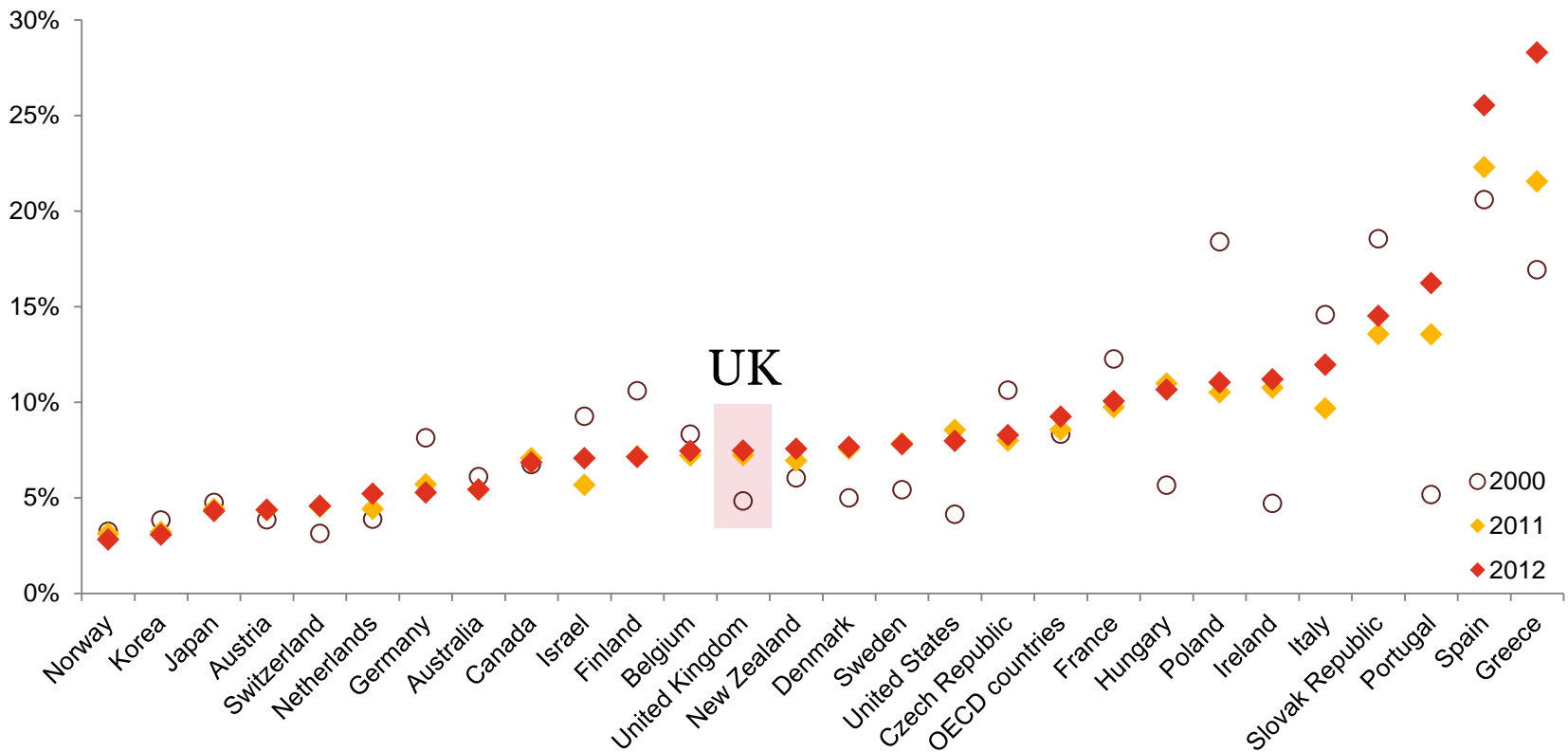


Source: OECD

Female unemployment

Female unemployment in the UK in 2012 is similar to a year ago. Portugal, Spain and Greece experienced significant increases in unemployment since 2000, and Italy reversed some of the gains it made from 2000 to 2011.

Figure 6: Female unemployment rate, 2000-2012

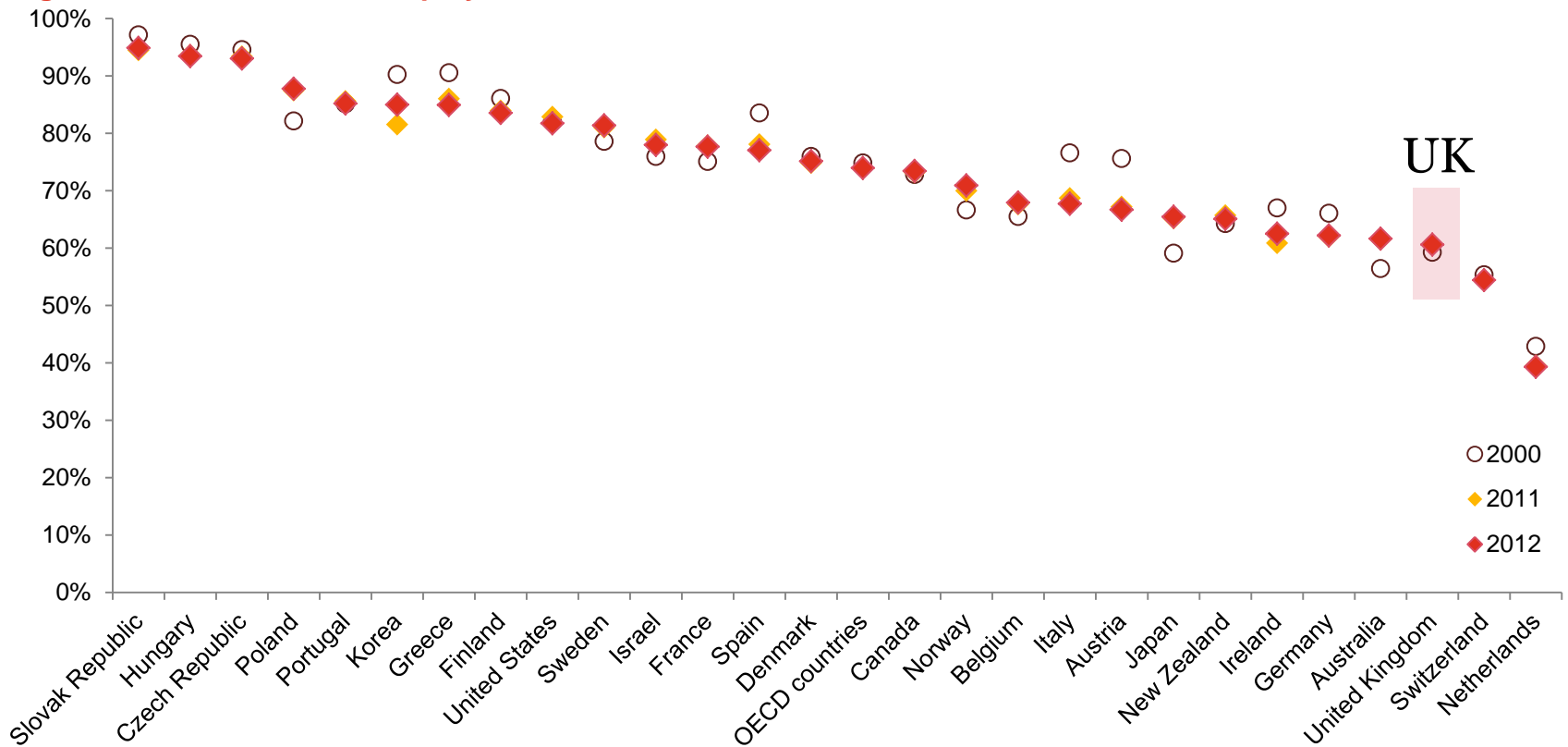


Source: OECD

Female full-time employment

The full-time employment rate has stayed relatively stable from 2000 on average across the OECD, with some cross-country variation in performance. The UK ranks relatively low here due to high rates of part-time working.

Figure 7: Female full-time employment rate, 2000-2012



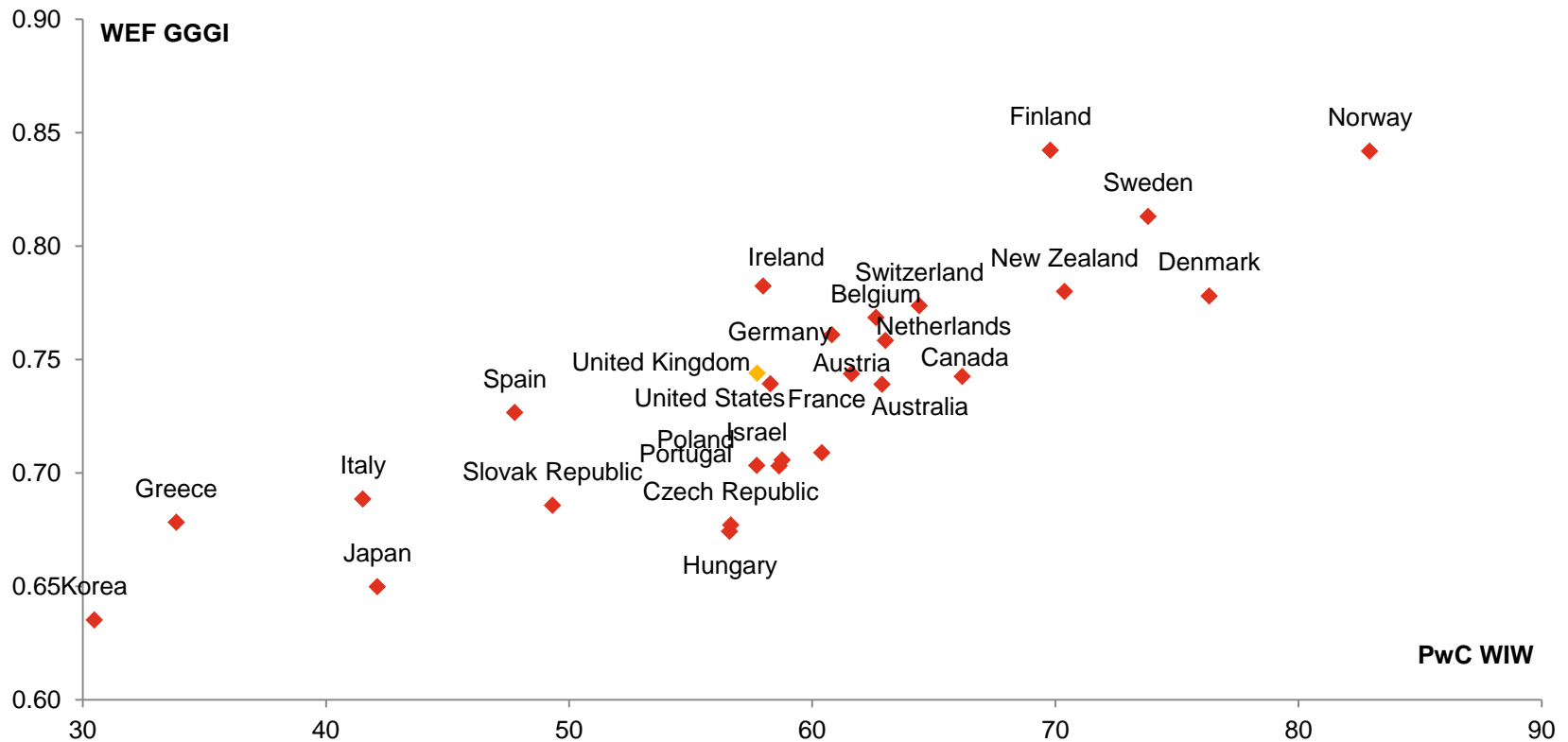
Source: OECD

Comparisons with other measures

Comparing PwC WIW Index performance against the WEF Global Gender Gap Index for 2013

Performance on these indices is clearly correlated

Figure 8: PwC WIW Index performance vs. the WEF Global Gender Gap Index, 2013

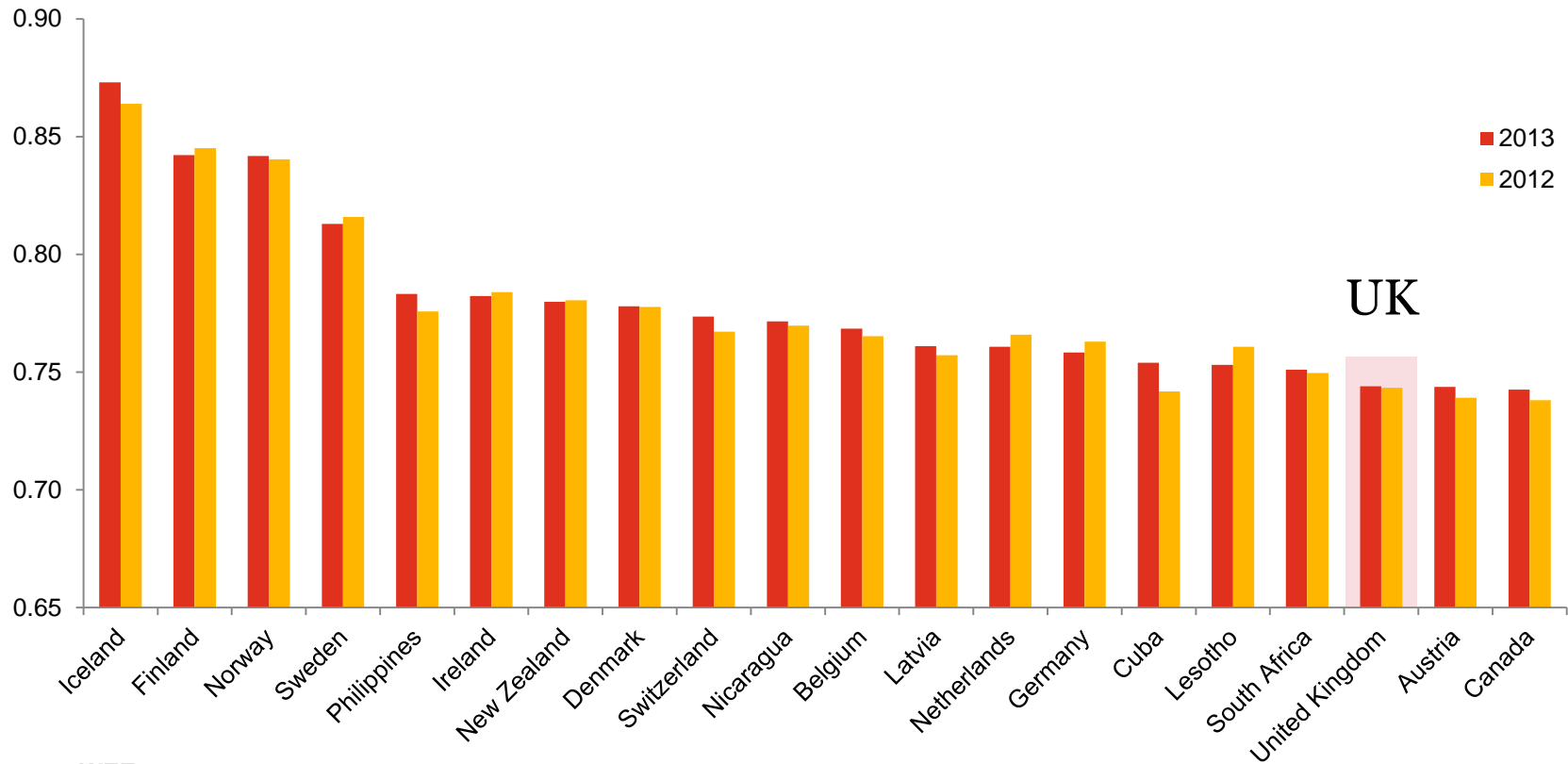


Source: PwC analysis, WEF

WEF Global Gender Gap Index 2013

The UK remains at 18th place on the WEF Index out of 136 countries. Iceland, Finland, Norway and Sweden have retained the top 4 positions in the Index.

Figure 9: Global Gender Gap Index, 2013 vs 2012



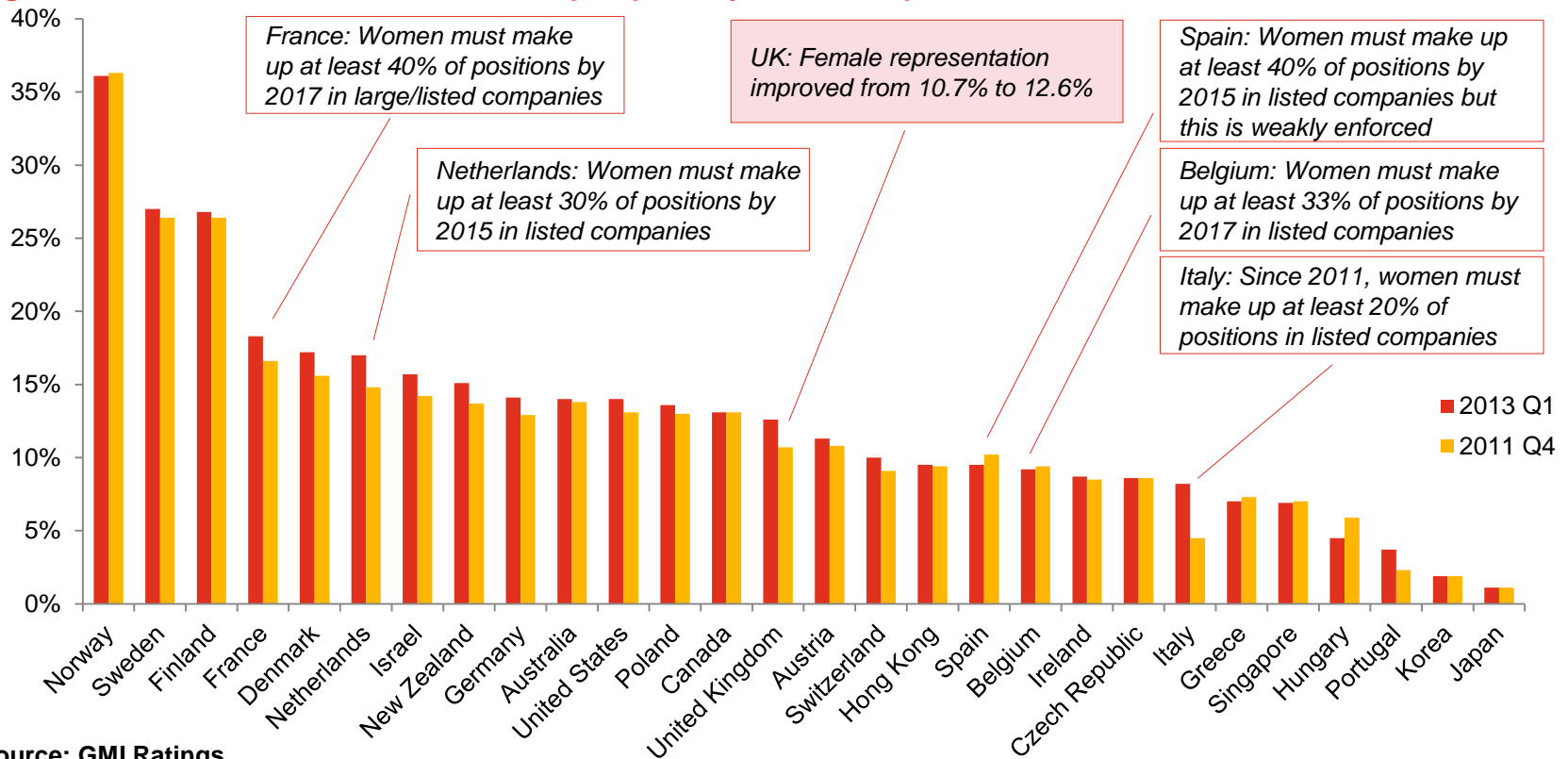
Source: WEF

The WEF Global Gender Gap Index measures country performance across female economic participation and opportunity, educational attainment, health and survival, and political empowerment.

Female boardroom membership

The largest gains have been made in countries where legal requirements for female representation have been introduced, such as France, Netherlands, Italy and Belgium. Boardroom representation has improved slightly across the OECD*, including the UK.

Figure 10: Female boardroom membership in publicly listed companies, 2013 vs 2011



Source: GMI Ratings

*An increase of around 1 percentage point since 2011

Technical appendix: Data and methodology

Comparison of country results, 2000-2012

	2000		2007		2011		2012	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Norway	76.3	1	79.2	1	81.4	1	82.9	1
Denmark	74.0	3	78.4	2	75.7	2	76.3	2
Sweden	74.5	2	73.7	3	74.3	3	73.8	3
New Zealand	63.0	6	70.4	4	69.8	4	70.4	4
Finland	63.3	5	68.2	5	68.5	5	69.8	5
Canada	55.7	8	64.8	6	65.8	6	66.2	6
Switzerland	53.6	9	60.4	12	63.3	7	64.4	7
Germany	47.4	18	55.6	15	62.3	9	63.0	8
Australia	50.9	13	60.5	11	62.5	8	62.9	9
Belgium	46.7	19	56.0	14	61.5	11	62.6	10
Austria	48.1	17	54.7	19	60.3	13	61.6	11
Netherlands	48.5	15	55.4	16	57.6	17	60.8	12
France	51.7	12	60.6	10	61.0	12	60.4	13
Portugal	65.0	4	61.6	8	62.0	10	58.8	14
Poland	48.1	16	57.3	13	59.1	15	58.6	15
United States	59.5	7	61.0	9	58.5	16	58.3	16
Ireland	40.1	22	51.0	22	52.4	22	58.0	17
United Kingdom	49.1	14	55.3	17	56.4	19	57.7	18
Israel	45.9	20	51.4	21	56.6	18	57.7	19
Czech Republic	51.9	11	54.8	18	55.2	20	56.7	20
Hungary	53.1	10	62.5	7	59.5	14	56.6	21
Slovak Republic	44.8	21	49.6	23	50.3	23	49.3	22
Spain	26.3	26	52.5	20	53.1	21	47.8	23
Japan	27.9	25	35.5	26	39.5	25	42.1	24
Italy	31.8	23	43.9	24	41.4	24	41.5	25
Greece	28.9	24	41.2	25	37.4	26	33.9	26
Korea	23.9	27	30.2	27	28.1	27	30.5	27
OECD average	50.0		57.3		58.3		58.6	

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	
	2010	2012	2011		2012		2011	2012	2011	2012
			Female	Male	Female	Male				
Norway	8%	6%	76%	80%	76%	81%	3%	3%	70%	71%
Denmark	10%	9%*	76%	82%	76%	81%	8%	8%	75%	75%
Sweden	14%	16%*	77%	82%	78%	83%	8%	8%	81%	81%
New Zealand	7%	6%	72%	84%	72%	83%	7%	8%	66%	65%
Finland	19%	19%*	73%	77%	73%	77%	7%	7%	84%	84%
Canada	19%	19%	74%	81%	74%	82%	7%	7%	73%	73%
Switzerland	19%	18%*	77%	89%	77%	89%	5%	5%	54%	54%
Germany	17%	16%*	72%	83%	72%	82%	6%	5%	62%	62%
Australia	14%	14%*	71%	83%	70%	82%	5%	5%	61%	62%
Belgium	7%	6%*	61%	72%	61%	72%	7%	7%	68%	68%
Austria	19%	19%	70%	81%	70%	81%	4%	4%	67%	67%
Netherlands	20%	17%	73%	84%	74%	84%	4%	5%	39%	39%
France	14%	15%*	66%	75%	67%	75%	10%	10%	78%	78%
Portugal	13%	15%*	70%	79%	70%	78%	14%	16%	86%	85%
Poland	6%	7%*	59%	73%	60%	73%	11%	11%	87%	88%

Source: OECD, Eurostat

*2011 data

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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	
	2010	2012	2011		2012		2011	2012	2011	2012
			Female	Male	Female	Male				
United States	19%	19%	68%	79%	68%	79%	9%	8%	83%	82%
Ireland	11%	4%*	62%	77%	62%	77%	11%	11%	61%	63%
United Kingdom	19%	18%	70%	83%	71%	83%	7%	7%	61%	61%
Israel	21%	22%*	61%	68%	67%	76%	6%	7%	79%	78%
Czech Republic	16%	15%	62%	79%	64%	79%	8%	8%	93%	93%
Hungary	6%	11%	57%	69%	58%	70%	11%	11%	94%	93%
Slovak Republic	15%	16%	61%	77%	62%	77%	14%	15%	94%	95%
Spain	6%	11%*	68%	81%	69%	81%	22%	26%	78%	77%
Japan	29%	27%	63%	84%	63%	84%	4%	4%	65%	65%
Italy	11%	-	52%	74%	54%	75%	10%	12%	69%	68%
Greece	12%	10%*	58%	78%	58%	77%	22%	28%	86%	85%
Korea	39%	37%	55%	77%	55%	78%	3%	3%	82%	85%
OECD average	15%	16%	62%	80%	62%	80%	8%	8%	74%	74%

Source: OECD, Eurostat

*2011 data

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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 2012 can, however, be higher or lower than this 2000 baseline.
- All data are taken from the OECD or other official sources (see Technical Appendix for further details of data and methodology).

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 2012, except where specified. All data provided by the OECD with the exception of:

- Comparable data on the wage gap were obtained from Eurostat for the following countries: France, Netherlands, Slovenia, and Switzerland

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.

We have taken into account the OECD's revisions to gender wage gap data in our methodology and updated results for past years

The OECD's revisions improve the comparability and consistency of the gender wage gap data, which will also allow our WIW index to be updated in the future. The index results for 2000, 2007 and 2011 were revised retrospectively to reflect the new data.

Notable enhancements to the data by the OECD include:

- Czech Republic: Sample data from 2011 now includes employees of enterprises with less than ten employees, employees of non-profit organisations, and also own-account workers that had not been measured before. The series has been spliced together with data from 1996-2010.
- France: replaced previous data on gross annual earnings with net annual earnings for full-time workers used to calculate the wage gap
- Germany: replaced previous data on gross monthly earnings for full-time workers for Western Germany with data for (unified) Germany
- Netherlands: replaced previous data on gross annual earnings of full-time, full-year equivalent workers with gross monthly earnings of full-time employees

There were no changes in historic data for the other four variables in the index.

Impact of OECD data update on country ranks

The previous results have been revised retrospectively, with the rankings using our previous methodology presented for comparison.

	2000		2007		2011	
	old	new	old	new	old	new
Norway	1	1	1	1	1	1
Denmark	3	3	2	2	3	2
Sweden	2	2	3	3	2	3
New Zealand	6	6	4	4	4	4
Finland	5	5	5	5	5	5
Canada	8	8	6	6	6	6
Switzerland	10	9	11	12	7	7
Australia	12	13	12	11	8	8
Germany	17	18	21	15	15	9
Portugal	4	4	9	8	9	10
Belgium	18	19	15	14	13	11
France	9	12	8	10	11	12
Austria	15	17	16	19	12	13
Hungary	11	10	7	7	16	14
Poland	16	16	13	13	14	15
United States	7	7	10	9	17	16
Netherlands	19	15	17	16	10	17
Israel	22	20	22	21	19	18
United Kingdom	13	14	14	17	18	19
Czech Republic	14	11	18	18	20	20
Spain	26	26	19	20	21	21
Ireland	21	22	20	22	22	22
Slovak Republic	20	21	24	23	23	23
Italy	23	23	23	24	24	24
Japan	25	25	26	26	25	25
Greece	24	24	25	25	26	26
Korea	27	27	27	27	27	27

International Women's Day Source: PwC analysis using data from OECD, Eurostat

March 2014

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