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BACKGROUND PAPER WORKING GROUP I

Investing in girls' economic empowerment: closing the gender gap to foster growth

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EY

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Starting from girls

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Investing in girls' economic empowerment: closing the gender gap to foster growth

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W7 is committed to accelerating the pace of change so that gender parity may be reached sooner than the forecasted 170 years. True parity is about more than equal pay and wages, but is the full participation and engagement in all aspects of our society - education, health, politically and economically. Great strides are being made around the world in education and health/safety and we are nearly to a parity level in most countries. However, economically and politically women continue to lose ground to men.

The commitments and guiding principles for the development of women and girls laid out in the G7 2016 meetings leading up to the Ise-Shima Japanese Summit are a solid foundation for each nation to take forward and use as a framework for their own policy development activities. Work is needed to move beyond the outlined principles and to the execution and implementation stages.

The power of the rapidly evolving and advancing technologies known as "digital" are truly transformative in nature. As we enter what the World Economic Forum has called the Fourth Industrial Revolution, it is imperative we learn from the past and seek to find ways to be inclusive in our policies and investments so that no group or part of our society and economy are omitted.

New technologies and the future of jobs

Technology remains a key enabler for women, both as a key technical skill, a valuable knowledge set and a career path. Throughout our forum discussions and other research, examples arise where women are doing extraordinary things with and through technology. In fact, technology, beyond the coding and cabling activities, is about innovation, creating greater access to resources and assets, and ultimately about levelling the playing field.

How do we do this? We increase access and awareness. We improve education and more importantly we focus on both the needs of today and the future.

STEM and technology sectors in particular remain biased against women from early exposure in elementary schools, through secondary and higher education programs, and then throughout their careers.

Women need to not only be tech savvy, but engage in the development of technological innovations that will impact their daily lives and of those around us. This is by women both becoming digital entrepreneurs and filling roles as digitally savvy leaders in business and government.

Why does this matter? It matters because it is not just women who will suffer if they are excluded from the digital world. Everyone will lose out. In January 2016, the World Economic Forum (WEF) released its [The Future of Jobs](#) report - a survey based on 15 economies comprising 1.9 billion workers, or 65% of the world's workforce. It predicts that sweeping changes to the global workforce will lead to more than 5.1 million jobs being lost by 2020 - with 7.1 million positions lost among routine white-collar office functions and 2 million new jobs created in computer science, mathematics, architecture, engineering and related fields.

By 2020, men will gain approximately one new job created for every three gone. But women will face more than five positions lost for every one created. In the STEM professions slated for significant growth, men will gain more one new STEM job per four jobs lost compared to women losing 20 jobs for just one STEM position.

A large share of the labor market disruption is likely to be concentrated in occupations with the largest percentage of female employees, such as office and administrative roles. Meanwhile, the professions that are expected to grow jobs already have the highest gender imbalance, such as architecture, engineering, mathematics and computer science.

Women today are drawn to computer science and other technical fields because of an interest in pure technology and the application of computer science and technology to both non-technical fields and broader problems. They use technology to solve problems they face or see others facing in our daily lives.

Interestingly, over 50% of women in technical roles come into those roles without a technical undergraduate or graduate degree. One-third come into these roles without any technical degree - instead they had degrees in arts, humanities, or social sciences - and entered the roles after gaining experience in the organization itself. In a 2013 survey of mid-level career women, nearly all the respondents agreed there is a variety of jobs in computers and IT (92%) and that these jobs can be creative (88%), and these positions are not better suited for men (90%).

But what about entrepreneurs and the significant ways women are using technology to build businesses and economic stability? These too must be considered. Without strong investments and access to digital infrastructure both inside and outside industrial centers women can't build their own digital footprints, access the digital world, begin their journey to financial and digital fluency. The commitments and principles outlined in the 2016 G7 Charter for the

Digitally Connected World align with the key fundamental elements women need to achieve digital literacy and fluency. It is imperative that the G7 countries continue to invest in the ICT infrastructure needed to achieve these goals.

We need to continue to support women business owners and entrepreneurs trying to scale their businesses. We know women businesses are often small, and many women don't wish to expand their business - but for those who do, access to capital continues to be a challenge.

In many economies, entrepreneurship has emerged as a desired course for Millennials, as a function of job losses during the recession/economic downturn, the decaying social contract between employers and employees, as well as changing work and lifestyle preferences. In a Universum survey of 16,000 Millennials from 42 countries, 70% of respondents viewed themselves as entrepreneurs. Nearly 50% of the world's entrepreneurs are between the ages of 25 and 44. In particular, 25 to 34 year olds show the highest rates of entrepreneurial activity.ⁱ

It is true that more women working is good for our economy. It is also true that more women working can provide a greater level of financial security for women. Enabled by new technologies, the flexibility and control over work completed can encourage and allow women to be economically active in ways not before possible. Sharing platforms and new business models are helping more and more women to work and gain financial security. We also are seeing more women developing new businesses as a result of their experience and daily lives, which in turn often helps more women.

While estimates suggest that nearly 50% of households globally will have internet access at home (mobile phone or computer) by 2017,ⁱⁱ by 2020, 50% of the global workforce will be under the age of 35 and have grown up connected, collaborative and mobile.ⁱⁱⁱ These changes in access to the internet and information technology are allowing workers to complete tasks and activities outside the traditional work space. Mobile, social and cloud technologies, along with the ubiquity of Wi-Fi and broadband connections not only allow employees to work at different locations, but also at times that may be outside the traditional "office hours".

Research shows that 89% of organizations globally will offer some type of mobile or networked work style by 2020. While not all organizations are yet embracing such flexibility, research indicates more and more organizations will offer such options. However, while organizations may have such policies in effect, the execution and support of such flexibility will vary greatly. In addition, organizations as well as leaders, managers and supervisors will need to evaluate performance differently for employees in agile/networked working models.

However, one of the challenges with gig work for women is the lack of social safety nets - health insurance, retirement/savings, and other benefits available through full time employment. Women in full time roles face gender wage and pay gaps, resulting in significant losses of revenue and income over their lifetime. This wage gap can also be found in gig work, due to inherent bias in hiring and contracting gig workers or a lack of transparency in

remittances for similar work completed. The wage gap ultimately results in lower pension and retirement funding levels for women. Women gig workers will need to fund their retirement savings at a higher rate and greater totals than men.

Women are drawn to gig work, despite having concerns about the risks associated with it. Gig work not only provides flexibility, but an environment where women can feel empowered. In EY's survey of gig workers, more women than men cited flexibility as their top benefit from gig work - and being able to work at home.

Women still have the greater portion of responsibilities in the home and providing care for children and other family members. As this work is still not measured in economic terms, nor "paid" for in traditional terms, women find the ability to manage responsibilities for work and home a key benefit in gig work. Until such work is paid for or valued appropriately, the bulk of household duties will continue to be unpaid and under-valued economically. These activities range from caring for children and other family members to cleaning, laundry, shopping for the household needs, and cooking meals, etc.

The impact of these household chores and duties becoming part of the formal economy is significant. Estimates range from \$10-15 trillion dollars globally. By creating economic value for these activities, societies and governments can actually improve more than just the individuals' economic levels. Women reinvest more of their income back into their households and communities than men. When women are viewed as providing economic value, there is a corresponding decline in domestic violence and other assaults on women.

Is digital education the key tool in empowering girls?

Policies that encourage participation in STEM education - throughout primary and secondary schools, universities and for those out of school - are critical to ensuring women and girls continue to get the skills and knowledge needed to be active in the coming digital economy.

We need policies and programs that provide training in digital fluency and literacy - understanding how technology works and how to use various systems - for men and women to transition into new roles during the next 5 years. These efforts are needed now. We support the plans by the G7's Women's Initiative in Developing STEM Careers (WINDS) but wish to see greater emphasis on these efforts as time is of the essence. The longer it takes to get these efforts in place, the greater risk that women will be left behind.

We need policies and programs that champion and celebrate the need for humanities and other educational backgrounds to be combined with technology. This is where the innovation and user experience aspects are most vital. Combining the human and the technology. The World Economic Forum Annual Meeting in January 2017 underscored the increased need for humanity amidst the technological revolution and women need to see our role as that human.

The prevailing pattern throughout Europe and the world shows women achieving substantially higher education levels than males. In 2014, all of the member states of the European Union

have more females than males enrolled in tertiary education. Indeed, in many countries, the proportion of educated females vastly overshadowed males. Nearly all these countries have more than 90% enrolment in secondary education, regardless of gender.

Despite the higher levels of qualification among women across the board, female workforce participation varies. Pay and career advancement are both lower for female workers, even in the same industry or company. No country is without a pay gap. While outlawed or against policy, there continue to be conditions and biases affecting women's compensation.

Work/life balance

The issues of care giving and roles women take on is not presented in this data, but should be noted. Women still take on the greatest proportion of child rearing and elder care. In the UK, 1 in 5 women aged 45-59 cares for an aging parent^{iv}, and in each country identified, the percentage of professional level women who are working full-time and still caring for dependent children is at least 30%.^v

Flexible working arrangements are often cited as a key benefit for professional women - a way to balance their roles as professional and care giver. Women are more likely than men to use flexible working, with 77% working flexibly in some way, compared with 70% of men, and most of these women are working part time. Only 21% of women use flex-time, and 15% of women work from home on a regular basis. Among men, flex-time (30%), working from home on a regular basis (25%) and mobile working (22%) are the most commonly used practices. The main barrier to improving flexible working appears to be operational pressures, which was mentioned by 52% of employers. Challenges in how managers can effectively evaluate performance and corporate culture are also cited as barriers.^{vi}

When asked what issues continued to be problematic as barriers for women's advancement, many executives and leaders consistently put maternity leave and childcare near the bottom of the list. Indeed, they did not see many problems left at all, with most potentially contributing factors - such as lack of mentors, networks and role models- being rated below the mean as reasons to worry. Importantly, where these managers did see a problem, it was usually with the "masculine/patriarchal corporate culture" in which they worked or with the cultural attitudes in their country.

Effective regulation came dead last as a problem, even though some nations, such as Britain and the US, were then reforming their equality legislation, as the provisions had proven unenforceable, inadequate and, in some instances such as the UK's "positive discrimination" doctrine, counterproductive^{vii}

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- i EY Item Club: Special Report on the Labour Market, February 2015," EY ©2015
 - ii "E-learning market trends and forecast", Docebo
 - iii "Megatrends", EY©2015
 - iv ONS (2011) "Births and Deaths in England and Wales 2010" Office for National Statistics.
 - v WEF Employment Matching Skills Labour Market Report ©2014
 - vi Linda Scott, "Why are our daughters still trapped by sexist stereotypes?" WEF Blog, 25 January 2015.
 - vii Ibid.

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