



Press Release

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UK makes progress on women's labour market participation, but still ranks only 18th out of 27 OECD countries according to PwC's Women in Work Index

London, 3 Mar 2014--PwC research reveals that the UK has made progress in narrowing the gender wage gap and increasing female labour participation, but this progress has not been fast enough as the UK still lags behind many OECD countries when it comes to overall female economic empowerment.

The Nordic countries continue to lead the Index, with Norway still taking pole position, followed by Denmark and Sweden. These three countries have consistently occupied the top three positions in the Index ever since 2000, the first year for which it has been calculated (see table in notes for detailed country rankings over time).

The Netherlands and Ireland have made the biggest progress on the Index since last year, with both countries moving up five positions, due in large part to narrower gender wage gaps.

PwC's second Women in Work Index shows that the UK ranks in 18th position out of 27 OECD countries in the latest analysis based on a measure that combines five key indicators of female economic empowerment: the equality of earnings with men; the proportion of women in work, both in absolute terms and relative to men; the female unemployment rate; and the proportion of women in full-time employment.

The UK's absolute performance has improved since last year's Index published last year due to particular efforts in gradually narrowing the gender wage gap and increasing female labour force participation. But other OECD countries have also made progress, meaning that the UK moved up by only one place to 18th position in the Women in Work Index. The UK is down from 14th in 2000 and 17th in 2007.

Yong Jing Teow, economist at PwC, said:

"It is encouraging that the UK is making gradual headway on closing the gender pay gap, but there is still a long way to go before we catch up with other countries and fully close this wage gap.



“It is disappointing that UK women’s pace of progress in the labour market has been relatively poor since 2000. If we want to see a meaningful change to women’s economic empowerment in the UK, we will have to speed up the rate of change, otherwise we risk falling further behind other high income economies.

“Norway leads the way due to its low levels of female unemployment and low gender pay gap. The Netherlands and Ireland have made the greatest improvement since last year, largely due to a significant narrowing of their gender wage gaps. The economic crisis continues to take its toll on the absolute performance in the southern European countries. Portugal, Spain and Greece all saw their gender wage gaps widen and female unemployment rates increase in 2012, reflecting more general economic weakness in these countries.”

The Index shows that the UK performs above the OECD average on female participation in the labour force and female unemployment levels, but its performance is negatively impacted due to the low proportion of women in full-time employment. The UK ranks well below the OECD average on this measure and is in 25th place out of 27 countries.

The UK has made progress in closing the gender wage gap since 2000, reducing it from 26% to 18% in 2012. However, this is still higher than the OECD average of 16%. Ireland has made the most dramatic improvement over this period, with their wage gap narrowing to only 4%. This is around a fifth of what it was in 2000 (20%).

Gaenor Bagley, head of people and executive board member at PwC, said:

“The low level of females in full-time employment is holding back both the UK’s economic recovery and women’s career progression. Despite the perception that flexible working helps women, our Index and wider research suggests that it could instead be holding them back in many cases. The reality on the ground is that people who work flexibly feel they have to work harder for promotion, are resented by their peers and don’t progress as quickly. The decision to go part-time is often made for short-term reasons, but unfortunately for women it often seems to have a wider, long-term negative impact.

“The UK government has made a number of positive moves in terms of helping women in the workplace, such as plans for women and men to split maternity leave. Despite policy moving in the right direction, the UK’s cultural perception of gender equality needs to catch up. Some of the reasons the Nordic countries top the Index is down to the recognition that all individuals should be able to balance their career and family life, and to support themselves. For example, childcare and household tasks are shared between parents, which has enabled a more equitable distribution of labour at home and improved work-life balance for both men and women.

“For the UK to make real progress we first need to solve the culture challenge. We know women are confident and ambitious; they just need a workplace and society that support these aims. This often means getting the basics, such as how people are assessed and rewarded at work, right.



Next month, PwC and Opportunity Now, the gender diversity campaign of Business in the Community, will release the findings from a landmark research project into women's experience in the workplace. The study of 25,000 women will help better understand the barriers holding women back from progressing in their careers. This is about getting to the root of the problem and coming up with actions that will make a difference, and have a positive impact for women, business and the economy alike.

Notes

1. PwC's Women in Work Index (WWI) is a weighted average of five key measures that reflect female economic empowerment using data from the OECD and national statistical offices:
 - The gender wage gap (25% weight)
 - Female labour force participation rate (25% weight)
 - The gap between female and male labour force participation rates (20% weight)
 - The female unemployment rate (20% weight)
 - The proportion of female employees who are in full-time employment (10% weight).

These indicators are standardised, weighted and aggregated to generate index scores for 27 OECD countries. 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 so the index measures both absolute and relative progress.

2. The Women in Work Index has been updated retrospectively following the OECD's recent revisions of its gender wage gap estimates to improve their comparability and consistency. Due to these revisions, the UK's rank in 2011 has been revised to 19th, rather than 18th as reported last year.
3. Opportunity Now and PwC have surveyed 25,000 women to better understand women's experiences in the workplace and the barriers to career progression, in the hope of educating businesses and levelling the playing field. The results of this extensive study will be released in early April.
4. The table overleaf provides more detail on PwC Women in Work Index rankings and scores for 27 OECD countries in the four years for which it has been calculated: 2000, 2007, 2011 and 2012. Countries are ordered in line with the latest index 2012 rankings. A full report is available that provides further detail of the methodology and results, including trends in individual indicators.



	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	

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