



## **Gender Equality in Singapore: An Action Plan for Progress**

**Thursday, 3 June 2021**

PANEL I  
Equal Work, Equal Pay

**SPEAKER**

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# The Remaining Gender Disparities in the Labor Market

A/P Jessica Pan

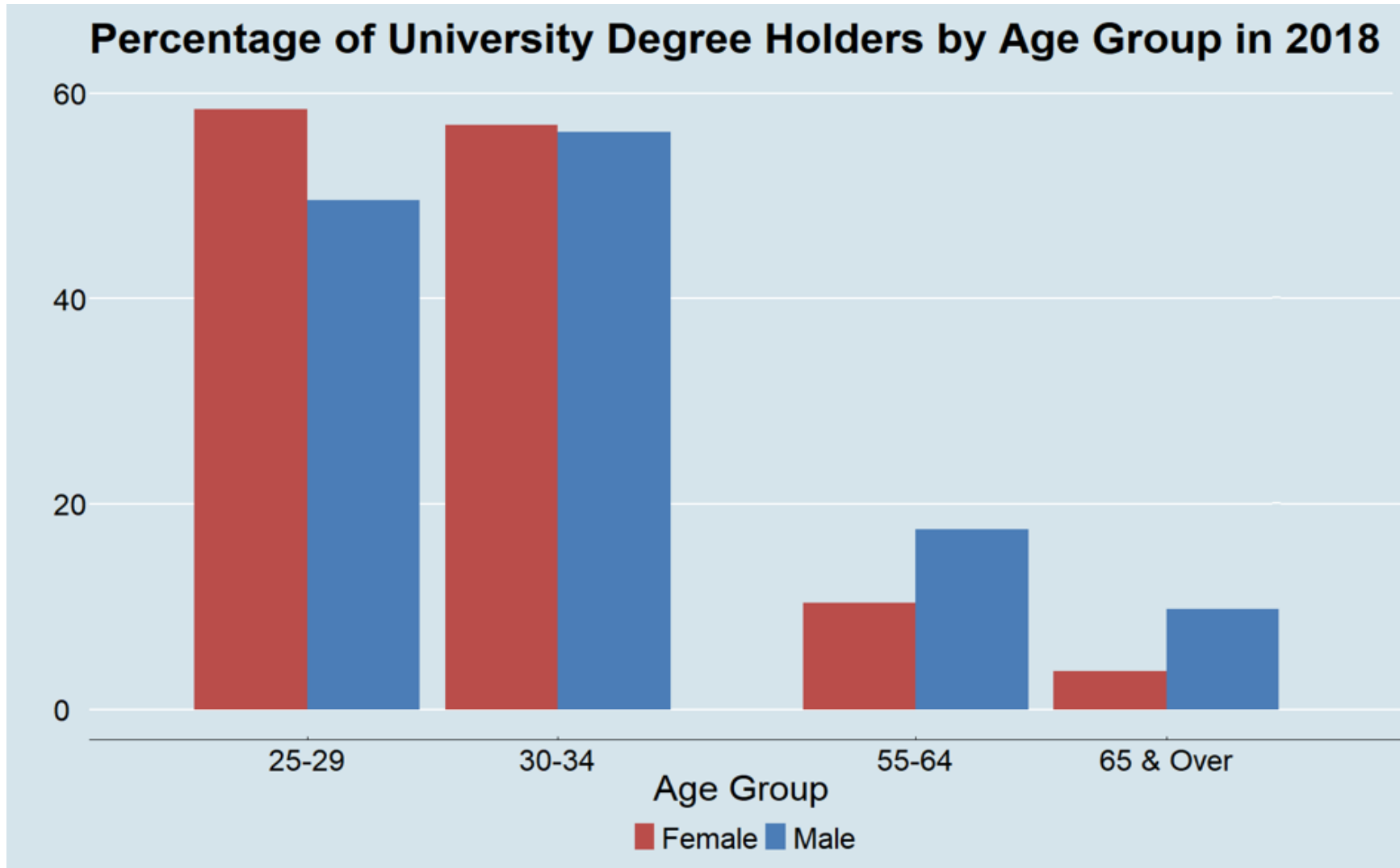
Department of Economics  
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IPS Women's Conference  
3 June 2021

# Where we are now

- Substantial gains for women over the past few decades in many countries around the world.
- Women are more prepared for the labor market than ever before.
  - Reversal of the gender education gap, including in Singapore
- Women are substantially delaying childbirth and acquiring more job experience.
- Young women expect to work in their prime-age years.

# Reversal also observed in Singapore...



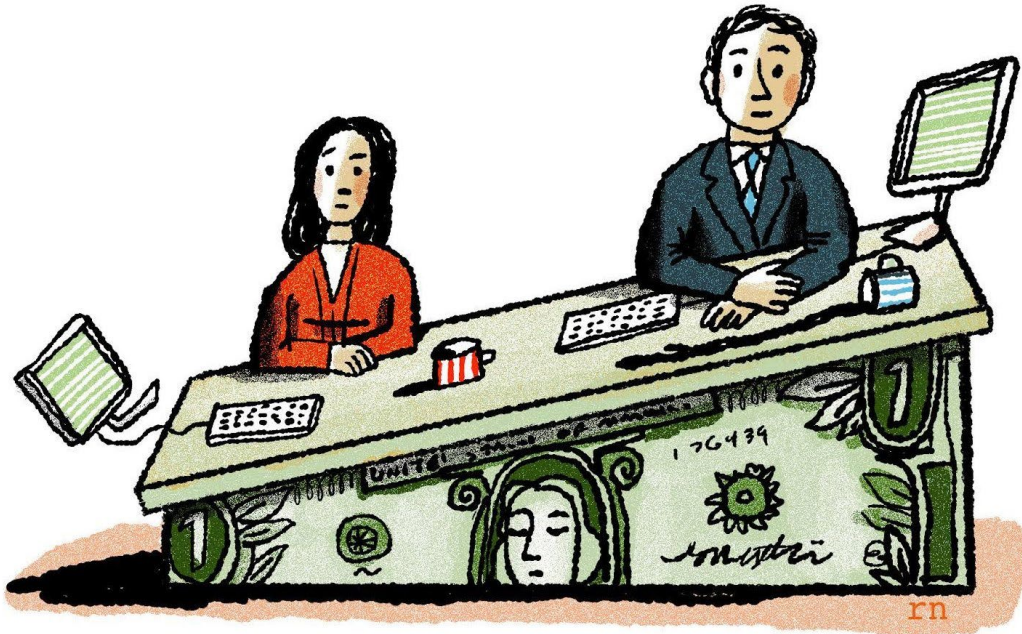
# Yet, substantial gaps remain

- **Slowing convergence** in labor market outcomes since early-mid 1990s in some countries (e.g. U.S. and UK).
  - Even in countries with high LFP, large share in part-time work
- Significant **gender pay gaps remain**, even among FTFY workers.
  - In SG, median gender earnings gap of about 16% in 2018
- Women remain **underrepresented** in high status/high income occupations and certain fields (e.g. corporate sector, STEM).

# Why should we care?

- Beyond fairness and rights...
- An economy tapping into a limited pool (e.g. men) to find its leaders **must be operating inside the efficiency frontier.**
  - Macroeconomic gains from increase in female LFP rates and wage convergence (e.g. Cuberes and Teignier, 2012).
  - Higher FLFP can boost growth by mitigating the impact of a shrinking workforce.
- Diversity in leadership roles might be **productivity-enhancing.**

# Why are women struggling to close the gap?



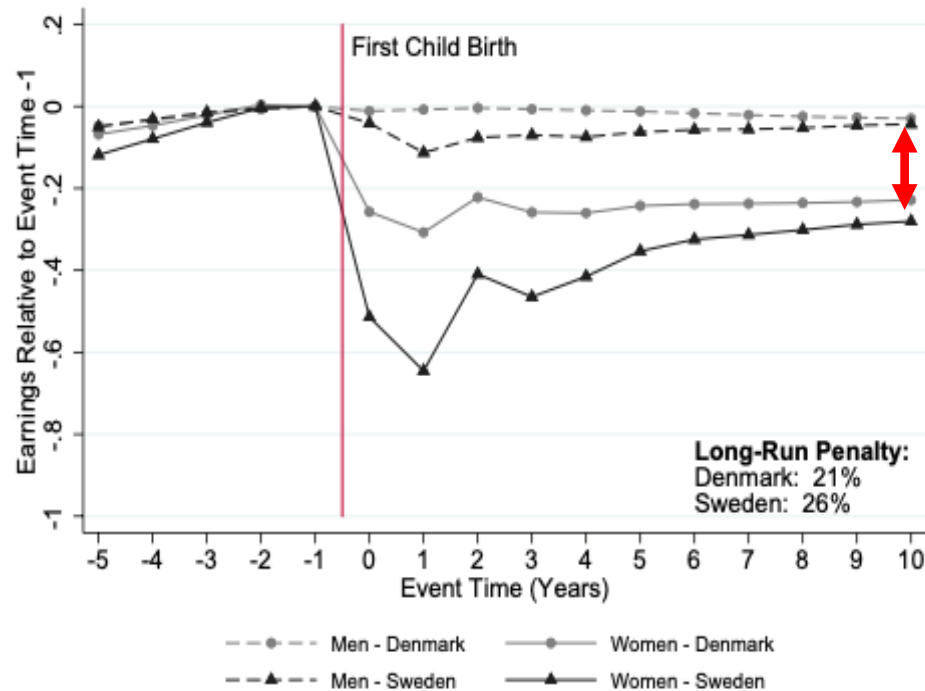


# The Role of Children

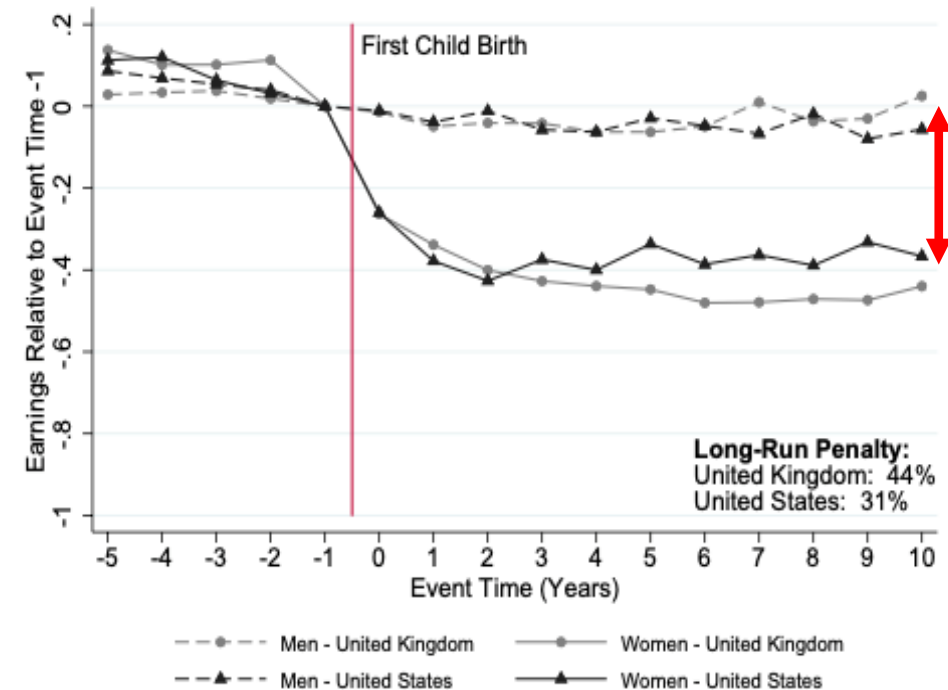
- Children are key to understanding gaps, at least in developed countries.
  - Gender gaps widen sharply with the arrival of children.
- Women make career adjustments around childbirth (and in anticipation of children). Men do not.
- Women remain the dominant providers of household work and childcare, even when they have careers.

# Child Penalties Around the World

## Scandinavian Countries



## English-Speaking Countries



“Child penalty”: Women’s employment and wages decline *discontinuously* with the birth of the first child, with little recovery 5 to 15 years later.

# Puzzle?

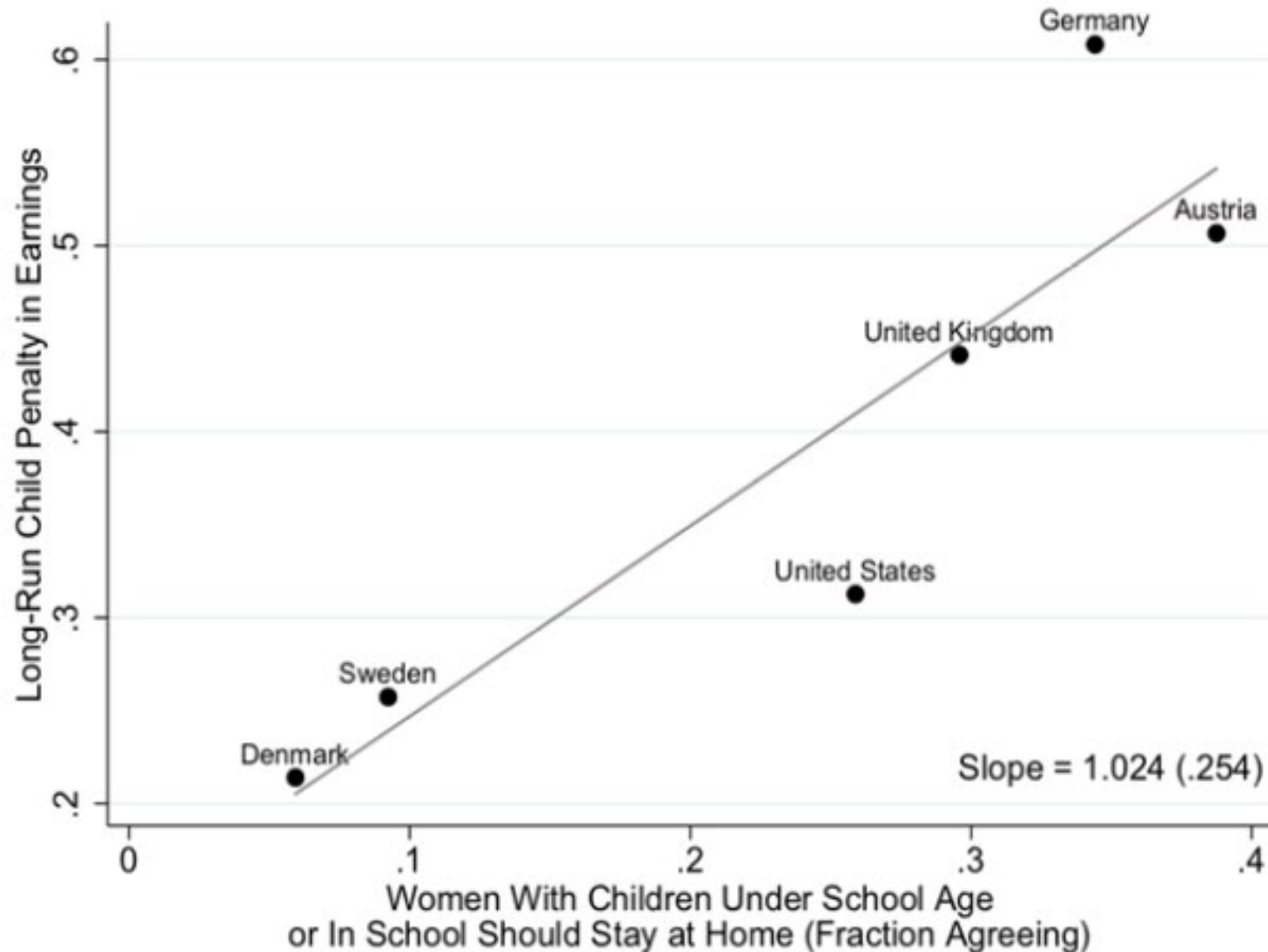
**Q:** Why is it that despite the converging economic roles of women and men, women are still expected to be the main providers of childcare within the household?

- Gender identity norms and gender-role attitudes
- Amount of non-market work
- Changing work environment and couple equity

# Gender Norms

- Work-family issues remain largely a “woman’s problem” because of persistent gender norms.
  - Gender-role attitudes appear **weaker today** than in the past.
  - Yet, attitudes regarding women as homemakers and conflicts between mothers and well-being of children **remain slow to converge**.
  - Some gender identity norms **start biting** only when women’s position in the labor market improves.
    - e.g. “Men should earn more than their wives”

# Child penalties larger in countries with more traditional gender-role attitudes



# Amount of Non-Market Work

- Time-saving technologies in the household and outsourcing options should reduce need to “double-shift” especially among highly educated.
- **Countervailing force:** Growing amount of time spent on parenting → greater demands on mothers’ time
- Why?
  - Culture of intensive parenting
  - Rising inequality and competition for elite education increases stakes of child-rearing?
  - Shift toward *more* traditional gender roles?

# Workplace Demands and Couple Equity

- Harder to achieve balance on the **work side** as well?
- Rewards for working long (and inflexible) hours has increased considerably over time.
- Gender pay gaps larger in occupations with higher returns to working long hours (Goldin, 2014).
- Penalizes equity within couples
  - Maximize financial well-being: One partner slows down so the other can reap benefits from fuller work commitment.

# Policy Responses: Work-Family Amenities

- **Work-family considerations** within the workplace (e.g. parental leave, part-time work, FWA)
  - May attract and help to retain women
  - But, unlikely to reduce gender pay gap if flexibility is negatively priced in the labor market
  - Some policies may backfire
- **Outsourcing childcare**
  - Subsidized childcare increases LFP and earnings among low/middle-skilled women
  - Market substitutes improve outcomes for highly-skilled women
  - But, limited gains to supply-side policies?



# Policy Responses: Equalizing Childcare

- Paternity leave provisions increasingly common.
- Evaluation of these policies:
  - Fathers do take up dedicated quota, but not more than that (so far)
  - Some persistent effects on father's involvement in childcare and division of labor
  - Effects on women's labor market outcomes fairly muted
- Potentially address the core of what is holding women back.

# Policy Responses: Changing the Structure of Work

- Large differences in “flexibility penalties” across occupations – a matter of job design?
- Can work be reorganized (w/ little or no productivity costs)?
  - Find ways to make employees **more substitutable** to clients
  - Ease coordination across competing firms
  - Push more women to top organizational layers to accelerate job redesign
- Will COVID-19 lead to a fundamental shift in the organization of work?

# COVID-19 and Workplace Flexibility

- Women have high willingness-to-pay for remote work and hours flexibility.
- Large-scale shock to adoption of remote/flexible work
  - Persistence likely; possible shifts in worker preferences for flexibility
- Women could benefit from added flexibility in their jobs (and spouses' jobs)
  - Reduce “flexibility stigma” and flexibility pay penalties
- Policy question: How to support firms/businesses to ensure equal access and sustained changes in workplace flexibility?

# Concluding Remarks

- Work-family trade-offs likely to be first-order explanation for continued gender disparities in the labor market
  - Look beyond supply-side policies and asking women to “lean-in”
  - Job redesign and policies that accelerate weakening of traditional norms needed to fully close gaps
- Important to encourage **inclusive policymaking**
  - Women and men benefit from the choice to pursue career and family aspirations
  - Shift policy narrative away from work-family trade-offs as a “woman’s issue” to that of a “family issue”