

## **2012 Swedish Budget, Bilaga 3: Economic equality between women and men**

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### 1.3 Equality is good for growth

(from pages 9-10)

The government's goal of greater equality and high growth goes hand in hand. Equality contributes to economic growth through people's skills and creativity are safeguarded and promoted. If women worked as much as men and the same pay, the increase in GDP would be significant. During the Swedish EU Chairmanship, in the fall of 2009 a conference to increase knowledge of the relationship between equality and growth was organized. [Fn 2: See Equality Policy aims 2011-2014 (Comm. 2010/11: 3).]

To get a high and sustainable growth it is important that the available labor is used in the best manner. Much of the growth in the OECD area of increased female employment. The OECD has estimated that half of the growth of labor supply and one quarter of economic growth since 1995 is explained by the reduced margin between women and men förvärvsdeltagande.<sup>3</sup> During the Swedish Presidency in autumn 2009 set out the gender equality policy-sized potential to contribute to sustainable growth, employment and Social Inclusion in the EU 2020 strategy. On behalf of the government was a report on the relationship between gender equality, economic growth and jobs. Given that women employment rates are lower than men, that proportion of women working part time is higher than proportion of men and women have on average paid less than men, there is an untapped resource in economy and the potential to increase both employment and production.

The growth potential has estimated at 21 percent in Sweden and 27 percent within the EU as well.<sup>4</sup> Although the calculation is strongly stylized and are considered to be a roof indicates that a more equal labor market would have positive effects on growth. If the pay gap decreased, the working range to increase The unequal wages helps to maintain division of labor in households, but also labor By the marknaden.<sup>5</sup> women get poorer exchange of paid work than men affected negatively their labor. This can be one of the reasons why women have both lower labor force participation as a higher proportion part-time workers than men. Various factors determine the division of labor in homes. Norms and traditions affect, but also economic drivers. For households results in women's inferior replacement of paid work to a traditional division of labor, where men operate in the market and the women perform more of unpaid work at home, are financially profitable. For society as a whole, this means that labor is not used in an economically effectively. A study from Australia shows that the negative effect of the pay gap of GDP mainly due to the negative incitamenten.<sup>6</sup> The fact that households respond to economic incentives is clear. The introduction of särbeskattningen in Sweden at the beginning of the 1970s meant that women's labor supply grew rapidly. One can also see this when comparing different countries, where the employment generally lower in countries where spouses sambeskattas.<sup>7</sup>

If the gender pay gap would be reduced, women's labor supply would increase as the distribution of unpaid work would likely become more equal. In order to calculate the potential gains from a reduction in the wage gap between women and men have a model simulation conducted.<sup>8</sup> This was an increase in all women's wages by 1 percent lead to employment increases by 4100 full-time staff for women and decreases by about 800 full-time staff for men. Net, this means an

increase in employment with about 3 300 people. In terms of working hours, it means an increase of 0.4 percent for women and a decrease for men with 0.1 procent.<sup>9</sup> The reason for employment of men decrease is that women's higher labor results in a different division of labor within households. The majority of changes are expected in same household where more women will to work more hours, but also single women would work more. Increase expected to be greatest for those working part time, usually women. The entire decline in men's labor supply is expected to occur in the same accommodation households. On average, however, the economy be enhanced. ...

#### **1.4 The incentives to work improved the most for women**

**(from page 10)**

##### ***Marginal Effects***

Government policy is primarily focused on strengthen the work and make it more incentives to work. If you get to keep more of an increase in income increases the desire to work. The so-called the marginal effect shows the proportion of gross increase falls away as a result of increased taxes, increased fees and reduced subsidies. The average marginal effect is declined by 6.2 percentage points for women and by 4.5 percentage points for men since Government tillträdde.<sup>10</sup>

Marginal effects are higher for men than for women, see table 1.1. This is because women on average have lower incomes than men and thus, on average, lower marginal effects. For those with the lowest income is the marginal effect higher due to means-tested contribution. [page 10]

#### **2 Gender equality in the Swedish labor market**

**(from page 14)**

The Swedish labor market is characterized by a sexual segregation. Women work more often in occupations with low wages and in the public sector where wages are lower on average than in the private. Women are underrepresented in leadership positions, particularly in the private sector. Women are employed in less extent and have lower salaries than men. Females working more part time than men, but account for a greater share of unpaid household work. Salaries, wages and entrepreneurial income is the largest source of income for both women and men. it is also the basis for reimbursement from health insurance and unemployment and for future pensions. Wage differentials in the labor market consequently reflected in these systems. Upon analysis of economic equality is therefore the development labor central.<sup>26</sup>