



Economy and Gender Equality in the Nordic Countries

A Selection of Good Nordic Practices

This fact sheet focuses on one of the most challenging areas of gender equality in the Nordic countries: economy and gender. The Nordic countries score high on global indexes measuring gender equality but also face challenges in realising economic gender equality. Simultaneously, the Nordic countries have developed many innovative practices for the promotion of economic gender equality. Nordic ways of promoting gender equality have also produced economic gains. Economy and gender equality are therefore interestingly entangled.

This fact sheet discusses the achievements and challenges of economic gender equality and presents some Nordic solutions.

Gender equality promotes economic growth

Economically, one of the achievements of Nordic gender equality is women's high employment rates, which range between 70% and 83%. This has not been achieved accidentally but is due to a systematic promotion of gender equality through politics, such as

- possibilities to reconcile work and family
- the provision of universal welfare services, such as early childhood education and care
- taxation that encourages both parents to work
- parental benefits for parents with young children
- encouraging fathers to use family leaves

Sharing care responsibilities between the welfare services and families has created prerequisites for economic growth and increased the GDP. Increases in women's employment has accounted for the equivalent of about 10-20% of average annual GDP per capita growth over the past 40-50 years in Denmark, Finland, Iceland, Norway and Sweden.

Gaps in economic gender equality

Although the Nordic countries score high in global indexes measuring gender equality, there are gaps in the area of economic gender equality. Reasons for this include

- wage inequality, differences in men's and women's incomes
- educational and occupational gender segregation, lower pay in many female-dominated sectors and lower amount of women working in higher positions
- social benefits being tied to previous wage income, which leads to pensions and family leave benefits being smaller for those who have lower salaries or who have not been able to work before receiving benefits

Furthermore, it is crucial to note that non-binary and transgender people equally face challenges in economic gender equality. For instance, they might have less work possibilities due to strict gender norms in work organizations.

A selection of Nordic solutions to promote economic gender equality

Sweden: Gender budgeting

In Sweden, the gender analysis of income distribution is conducted as a part of preparing new state budget proposals. The analysis implies examining changes in taxation, benefits and publicly funded welfare services from the gender perspective. Sweden is the only European country implementing gender analysis of income distribution that is included in the government budget proposal itself. In addition, the Swedish government report on economic gender equality includes analysis on

- average market incomes and disposable incomes of men and women
- the amount of taxes men and women pay
- the amount of different benefits men and women receive on average

It is mandatory to carry out gender impact analysis throughout the process of preparing new budget proposals, with instructions included in the annual budget circular. The analysis is based on sex-disaggregated data and on a set of questions. The gender equality analysis relies on the national gender equality goals. Thus, government officials carrying out the analysis on the impact of budgetary proposals have a clear understanding of the notion of gender equality in Sweden. Further, sex-disaggregated data is available in Sweden, which enables adequate analysis of the gender impact of public budgets.

Iceland: Equal Pay Standard

Since the beginning of 2018, the Icelandic Act on Equal Status and Equal Rights of Women and Men has mandated employers with 25 or more employees to prove that they pay equal wages to men and women. In implementing the Act, it is mandatory for employers to adopt the Equal Pay Standard. This set of rules and guidelines advises them to analyse the pay structure within their organisation. The analysis then reveals whether or not men and women are paid equal wages for the same or equal value of work.

An organisation adopting the standard would start with an assessment of its current pay policies, classify jobs according to equal value and conduct wage research on the basis of that classification.

Further, an organisation would then formalise policies and processes related to pay decisions.

According to the Act, employers failing to obtain a certificate through the usage of the Equal Pay Standard on time have to pay daily fines. In addition, employers need to renew their equal pay certification every three years.

Future of Work

Technological progress and social innovations together with changes such as environmental sustainability, migration, aging of the population in developed countries, robotics, artificial intelligence as well as the sharing and gig economies will all affect the future of working life.

It is important to analyse how these changes impact on terms of employment and working conditions in sectors with mainly women or men. How will jobs in the female-dominated social and health sector change? How will jobs in the male-dominated ICT sector change? What type of gendered polarization can occur if the emerging new jobs are either well-paid specialist jobs or low-paid precarious jobs? In addition, policy-makers' reactions to changing ways of working can have various gendered impacts. If the Nordic governments choose to influence future terms of employment through regulation, it would be important to focus equally on securing terms of employment both in the female and male-dominated sectors.

Changes in working life might mean that welfare services and different benefits need to be adjusted to comply with the new type of working conditions. One way of smoothing the effect of precarious working conditions is to develop the benefit system to better support a variety of people in different precarious work situations.

A selection of Nordic work-related gender solutions

Denmark: Active labour market policies combined with good childcare policies

In Denmark, unemployed parents have favourable chances to return to work due to available childcare and opportunities for training. The activating childcare policies include availability of parental leaves, high usage of childcare services by all young children, good primary school schedules and out-of-school services after school days. The idea is that the childcare policies allow parents to work full-time.

Simultaneous examination of the activation actions and childcare policies is crucial for designing a holistic system that encourages parents to work. Childcare policies should meet the needs of parents working full-time. In addition, childcare services have to be available to parents not working full-time, making it possible for them to accept work quickly. The best way of encouraging the usage of childcare services is to provide high-quality early childhood education and care for all children.

Norway: Recognizing newcomers' credentials, including women's credentials

In Norway, the introductory program for recently arrived refugees does not offer specific actions for women but is flexible and based on individuals' needs. The program consists of language teaching, education about Norwegian society and actions for preparing newcomers to the labour market. During the program, participants can apply to get their skills tested and their credentials recognised in Norway. The participants' previous work experience and education are also mapped.

After the introductory program, there are local projects targeting, for instance, newcomer women staying at home. A local project called Jobbsjansen (chance for a job) offers possibilities to participate in activities such as further language teaching, vocational courses and health promotion activities. Participants can also study for primary school diplomas or for vocational secondary education diplomas. The program lasts two years, with the opportunity for one or two years' extension.

Finland: Structures for discussion and dialogue on gender equality

Nordic societies place a special emphasis on discussion and dialogue. Finland has a long tradition of providing arenas for cross-party cooperation on gender equality. There are stable structures for dialogue between different actors, including all political parties and different non-governmental organizations as well as social partners.

The width and continuity of the dialogue on gender equality is especially promoted via the Council for Gender Equality (TANE). The members of the council are nominated by all parliamentary parties, including those parties that are not currently in the government. In addition, advisory members represent non-governmental organizations working for gender equality, including both women's and men's organizations and the national LGBT organization. Together, members of the council draft proposals and provide statements to develop legislation and other measures that affect gender equality. Research on gender equality also has an important role in the Council for Gender Equality. The council provides a forum to discuss findings regarding gender equality, and promotes the utilisation of relevant research findings in policymaking. In Finland, this continuous dialogue between different parties is a great strength for development of gender equality policies.

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