

Women and Growth Potential (Discussion)

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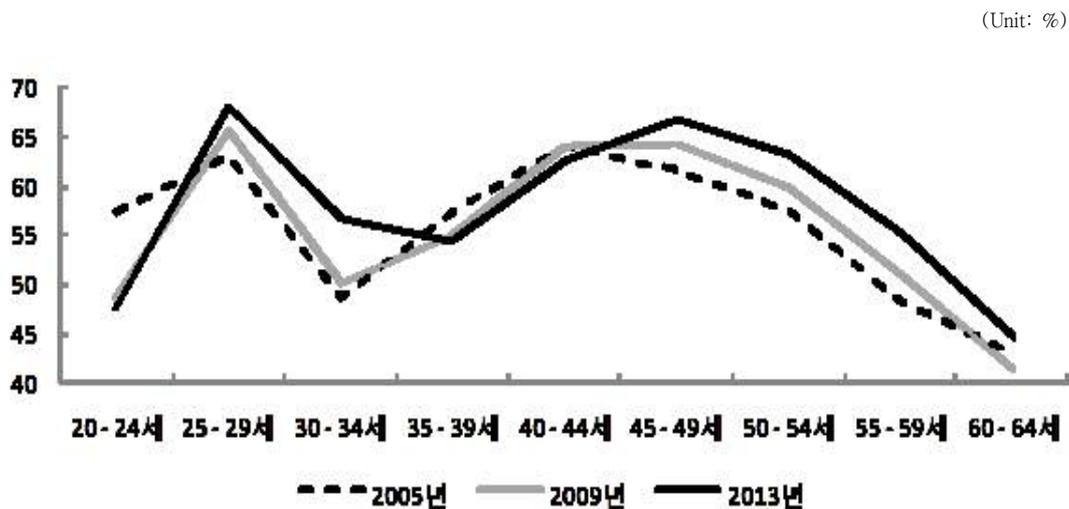
□ Current Trends of Women in Korean Labor Market:

- ▶ No gender difference in labor force participation rates between young groups (in their 20s)
- ▶ M-shape curve with delay in leaving labor market and in returning to it.

※ Leaving at 30-34 years old (2005) → 35-39 years old (2013)

※ Return at 40-44 years old (2005) → 45-50 years old (2013)

[Figure 1] Labor Force Participation of Women, by age group



Source: Korea National Statistical Office, Survey for Economically Active Population, various year

□ Still hinting that many need to be done for activating women labor market participation

- ▶ Korea is one of the lowest women labor market employment rates countries
- ▶ Worse, Korea shows little improvement in women employment rate

<Table 1> Employment rate and changes over time

(unit: %, %p)

Counties	1991~96(A)	2006~11(B)	change (B-A)
Turkey	30.38	24.54	-5.84
Sweden	73.18	71.81	-1.37
USA	64.69	64.22	-0.47
Japan	56.63	59.69	3.06
Korea	49.61	52.91	3.30
UK	62.30	66.03	3.73
Denmark	68.46	72.47	4.02
Norway	67.84	73.81	5.98
Finland	61.51	67.84	6.34
Mexico	35.71	43.45	7.74
France	51.65	59.60	7.94
Canada	61.26	69.27	8.01
germany	55.41	64.66	9.24
Australia	56.98	66.26	9.28
Italy	35.94	46.53	10.59
Netherlands	52.31	68.50	16.19
Spain	32.38	54.09	21.71

Note: Employment rates is based on 15–64 years old.

Source: OECD, *Employment and Labour Market Statistics*, various years.

□ What should be done: 1. Reducing gender wage gap

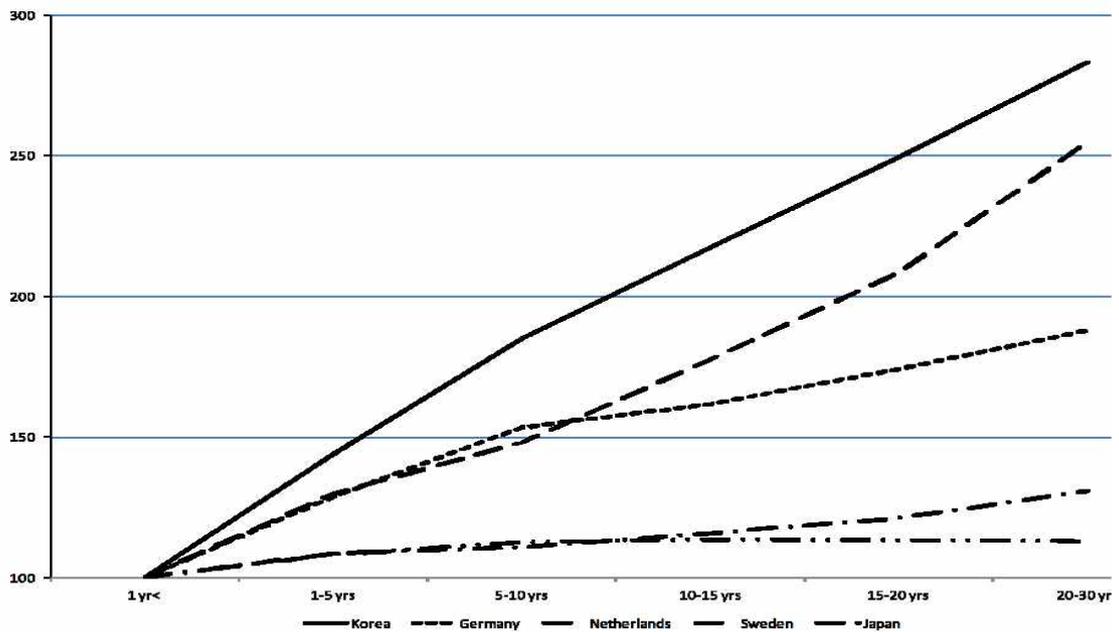
- ▶ Gender wage gap becomes apparent in the middle of wage distribution

[Figure 2] Distribution of relative wage of women to men



- ▶ Career interruption in a seniority-based wage system causes extra hardship to women.

[Figure 3] Degree of Wage Seniority by Countries



Source: Korea Labor Institute(2011)

□ What should be done: 2. Flexibility in working hours

- ▶ Excessive long hours of work makes women balancing work and family life

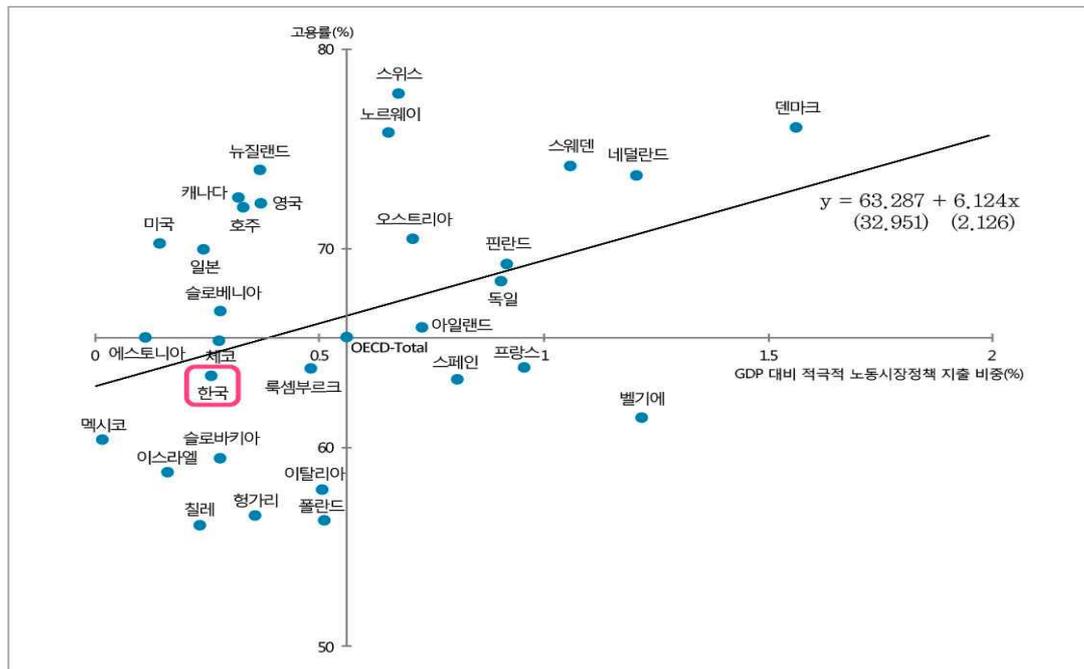
<Table 2> Comparison of Annual Hours of Work

	Germany	France	UK	USA	Japan	Korea	OECD(Avg)
1995	1,534	1,651	1,731	1,844	1,884	2,648	1,843
2005	1,434	1,557	1,673	1,799	1,799	2,351	1,782
2010	1,419	1,554	1,647	1,778	1,778	2,193	1,749

Source: Ha(2012).

- ▶ Experiences of OECD countries shows that women's employment rate is positively related to flexible work hours (part-time)

[Figure 4] Women's Employment Rate and % of Part-timers



Source: OECD(2008), Employment and Labour Force Statistics

► Childcare service system that favors economically active women.

- ※ Empirical analysis tells us that effective childcare system can improve women's employment rate
- ※ There are some evidences supporting that benefits-in-kind is more desirable than benefits-in-cash