

SOCIAL POLICY TRENDS

February 2018

INTERNATIONAL TRENDS IN FEMALE EMPLOYMENT RATES

Women are playing a larger role in the workforce than ever before, but not in the U.S.

The employment rate measures the percentage of the adult population of working age (15-64 years) that is an active participant in the labour force (full-time or part-time). A high employment rate enables countries to finance government programs with moderate rates of taxation, and in high employment countries there tends to be less pressure on social programs. Countries with low employment rates are less able to fund services and face greater social pressures. The employment rate provides a better measure of economic performance than the unemployment rate because it considers not only individuals who are unemployed but also those who have been discouraged to look for work.

	1996	%	2001	%	2006	%	2011	%	2016	%	
Highest ↑	1	Iceland	76	Iceland	81	Iceland	82	Iceland	77	Iceland	83
	2	Norway	70	Norway	74	Denmark	73	Norway	73	Switzerland	75
	3	Sweden	70	Sweden	73	Norway	72	Switzerland	73	Sweden	75
	4	Denmark	67	Denmark	72	Sweden	72	Sweden	71	Norway	73
	5	Switzerland	67	Switzerland	71	Switzerland	71	Denmark	70	Denmark	72
	6	United States	66	United States	67	Canada	69	Canada	69	Germany	71
	7	United Kingdom	63	United Kingdom	66	Finland	67	Germany	68	Canada	70
	8	Canada	62	Canada	66	United Kingdom	67	Finland	68	United Kingdom	70
	9	Estonia	60	Finland	65	United States	66	Australia	67	Estonia	68
	10	Finland	59	Australia	62	Australia	65	United Kingdom	65	Finland	68
	11	Australia	59	Germany	59	Estonia	65	Estonia	63	Australia	67
	12	Japan	57	Estonia	58	Germany	61	United States	62	Japan	66
	13	Germany	55	Japan	57	Japan	59	Japan	60	United States	64
	14	France	52	France	55	France	59	France	60	France	61
	15	Korea	51	Korea	51	Spain	55	Spain	53	Korea	56
	16	Greece	39	Spain	44	Korea	53	Korea	53	Spain	55
	17	Mexico	37	Greece	42	Greece	47	Italy	47	Italy	48
	18	Italy	36	Italy	41	Italy	46	Greece	45	Mexico	45
	19	Spain	34	Mexico	39	Mexico	43	Mexico	44	Greece	43
Lowest ↓	20	Turkey	30	Turkey	26	Turkey	23	Turkey	28	Turkey	31

Source: OECD https://stats.oecd.org/Index.aspx?DataSetCode=LFS_SEXAGE_I_R# and author's calculations.

Among OECD countries, Canada has a higher than average female employment rate but lags countries that have more generous parental leave and child care policies.

The table ranks select OECD countries according to their female employment to population ratio every 5 years from 1996 to 2016. We focus on the employment rate of female adults. This is in part because international differences in female workforce participation have drawn the attention of Canadian trade negotiators and in part because women's labour force size reflects government policy with respect to child care. We focus on the 20-year trend, as changes from year-to-year may be the result of temporary recessions or expansions. The fall in the relative position of the United States is remarkable. It is

the only country in the table, and in the entire OECD, whose female employment rate has fallen compared to its rate in 1996. Interestingly, over the past 20 years Mexico, Canada's other partner in NAFTA, has seen its female employment rate increase from 37% to 45%. Other notable increases over the past 20 years include Spain (from 34% to 55%, a remarkable increase of 21 percentage points), Germany (from 55% to 71%), Italy (from 36% to 48%), France (from 52% to 61%), and Japan (from 57% to 66%). To appreciate the significance of these changes, it is helpful to understand that if the US employment rate was the same as Canada's in 2016, an additional 6.5 million women in the US would have been employed. Small differences in the employment rate have significant economic impacts and implications.

The table also highlights the high female employment rates in Nordic countries with generous child care and parental leave policies. If in 2016 Canada had the same female employment rate as Sweden, an additional 590 thousand Canadian women would have been employed.