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THE POWER OF PARITY

CAPTURING THE POTENTIAL: ADVANCING GENDER EQUALITY IN THE DUTCH LABOR MARKET

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In the Netherlands, McKinsey & Company co-founded and signed the Charter of Talent to the Top, a foundation that supports organizations to work on inclusion and diversity by means of its network as well as training and advice.

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IN BRIEF

CAPTURING THE POTENTIAL: ADVANCING GENDER EQUALITY IN THE DUTCH LABOR MARKET

- The Netherlands scores well on several indicators of gender equality in society, such as legal protection and digital and financial inclusion of women. Women are also well represented in education, particularly those under 45 who tend to have higher vocational or academic qualifications than men. Nevertheless, there is also significant inequality on nine of the 15 gender parity indicators we examined, six of which relate to the labor market. On four, the Netherlands scores the lowest in Western Europe: number of paid working hours, average monthly income, representation in management positions, and students in STEM education. Women's potential on the labor market remains significantly untapped; yet despite numerous initiatives from multiple agencies, recent progress has been limited.
- Although the female share of participation in the Dutch labor force (46 percent) is in line with Western Europe (47 percent), women's contribution to GDP is considerably lower (33 percent in the Netherlands versus 38 percent for Western Europe). This is mainly due to the lower number of hours worked by Dutch women—on average 27 hours per week, compared to 37 for men, and 31 for Western European women on average.
- A self-perpetuating system underpins the specific Dutch context on gender equality. This has three dimensions that not only individually affect gender equality, but also seem to reinforce each other: 1) an uneven gender spread across sectors, with women in the majority in sectors with a large share of part-time jobs and a relatively low contribution to GDP per FTE; 2) an unequal division of paid work and unpaid care between men and women, with a suboptimal support structure for combining work and care that disproportionately affects women; and 3) deeply embedded social norms that influence women and men's choices in education, in the labor market, and in relation to care.
- Yet, a stronger position for women in the Dutch labor market could bring significant opportunities for individuals, specific business sectors, and the wider economy. It could strengthen the economic independence of women. Our analysis shows that 230,000 women could become economically independent if they were to work five more hours a week on average. Equally, expanding women's contribution could be the key to solving growing labor shortages in the healthcare, education, and technology sectors—for instance, if women currently working part-time in healthcare and education would work just one extra hour a week, this could theoretically eliminate current shortages in those sectors. The same holds for shortages in technical sectors if the share of women rose by 2 percentage points. More generally, if women participated in the Dutch labor force at the rate of the country's best-performing peers in Western Europe, this would add more than €100 billion to GDP. Realizing this potential requires substantial adjustment (and investments) in the labor market, education, and with regard to unpaid care.

- There is no silver bullet for this complex, systemic problem—a breakthrough requires an integrated approach to tackle multiple dimensions simultaneously, with cooperation between government, employers and unions, businesses, social organizations, and academics. Six solution areas are identified that could help to achieve real progress. First, prioritize specific areas for attention and formulate ambitious, concrete objectives. Second, bring the supporting infrastructure for combining work and care up to the level of other Western European countries. Third, make it (financially) more appealing for women to work more hours. Fourth, from primary school age onwards, provide high-quality information to boys and girls regarding study and career choices and their implications. Fifth, create a more positive image around themes such as working mothers, caregiving fathers, and childcare, using inspirational role models. Sixth, alongside flexible working for both men and women, apply a lifecycle approach to allow both up- and downscaling hours over the course of a career, according to a person's specific needs.



INTRODUCTION

From a social and economic perspective the Netherlands tends to be seen as a progressive country, recognized for its innovative economy, digital performance, and for having the happiest children in the world.¹ However, one area where the Netherlands does not perform quite so well is in relation to women's position in the labor market. While Dutch women perform well in education and female participation levels are relatively high, on average women work considerably fewer hours than men and their contribution to gross domestic product (GDP) is much lower than men's. Women's equality in society does not translate to the labor market. This lack of parity becomes even clearer when we compare the Dutch situation with the rest of Western Europe.

Despite a variety of initiatives and extensive Dutch media attention on this issue, limited progress has been made. Our analysis points to a system that explains the inequality in the Dutch labor market. This system consists of three dimensions: First, men and women tend to participate in different sectors of the economy with women in the majority in sectors with a large share of part-time jobs and relatively low contribution per FTE to GDP. Second, there is an unequal distribution of paid work and unpaid care tasks between men and women, with women still taking on the lion's share of unpaid care tasks and with a suboptimal infrastructure around unpaid care tasks that disproportionately affects women. Third, there are deeply embedded social norms and views in the Netherlands that influence women's and men's choices in education, in the labor market, and also in relation to care.

Moving towards gender parity is not only a moral and social issue, greater parity is also vital for the Dutch economy: for individuals, for companies and within sectors, and for the country as a whole. Greater participation in the economy will help women to become and remain economically independent. Moreover, expanding women's contribution to the labor market can be the key to solving the current, growing labor shortages in sectors such as healthcare, education, and technology. As the population ages we are seeing the size of the available work force shrink, while technological advances such as digitization and automation increase demand for specific technical skills, especially in digital skills.² Better employment of qualified female talent will help to deal with these changes in the labor market. Finally, if women participated in the Dutch labor force at the rate of the country's best-performing peers, this would add more than €100 billion to GDP. In short, increasing parity offers huge opportunities and benefits for the Netherlands, but will require major changes in the way education, labor, and care are being organized.

This study builds on existing research, including the global Power of Parity report published by McKinsey Global Institute (MGI) in 2015.³ It aims to provide a fact-based perspective on the value of greater gender parity in the Dutch labor market. This study is not a call for women to work full-time. The choice of whether to work longer or even not at all is a personal one to be taken by individual women. Moreover, that choice may be dependent on each individual's circumstances and aspirations. Our analysis shows the value of greater gender parity—the emphasis is on creating an environment in which women are able to make the choices they want to make.

In the first chapter, we describe the current Dutch situation of gender equality and contrast it to other Western European countries. In Chapter 2 we delve deeper into the explanations for the lack of parity for women in the labor market. The economic value of increased parity is discussed in Chapter 3. In the fourth chapter, we close with six solution areas that can help to actually capture the underutilized potential of women in the economy.

¹ Digital Economy and Society Index (DESI), European Commission, 2017, ec.europa.eu; *Child well-being in rich countries*, Unicef, 2013, Unicef-irc.org; Global Innovation Index, 2017, globalinnovationindex.org; The Good Country Index, goodcountryindex.org.

² *Skill shift: Automation and the future of the workforce*, McKinsey Global Institute, May 2018, McKinsey.com.

³ *The power of parity: How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015, McKinsey.com.



1. UNTAPPED POTENTIAL OF WOMEN IN THE DUTCH LABOR MARKET

In this chapter we analyze the current state of gender equality in the Netherlands, both in society and in the labor market, and compare this to nine other Western European countries.⁴

Our analysis finds that the Netherlands scores relatively well on indicators of gender equality in society, but lags in terms of indicators of gender equality in work. On four indicators, the Netherlands has the lowest scores of all Western European countries: number of paid working hours, average monthly income, representation in management positions, and students in STEM education. Whereas the share of women in the labor force is close to the Western-European average, the contribution to GDP of women in the Dutch economy is the lowest of this group of countries. This is strongly driven by the number of hours worked in paid jobs by women and the sectors in which women primarily work. Despite many initiatives to advance parity in recent years, the Netherlands has made limited progress on these indicators.

GENDER EQUALITY IN SOCIETY DOES NOT TRANSLATE TO LABOR MARKET

This study uses, as in MGI's global Power of Parity research, 15 indicators to assess gender equality on a holistic basis across society and work.⁵ At the same time, we also take the Western European context into account.⁶

The Netherlands shows high or extremely high inequality on nine of 15 gender equality indicators, of which six relate to the labor market

The Netherlands scores well on several indicators of gender equality in society, such as legal protection and digital and financial inclusion of women. However, the Netherlands scores point to a high or even extremely high degree of gender inequality on nine out of 15 indicators (Exhibit 1): of these, three relate to society in general (political representation, violence against women, and students in STEM education) while the majority apply to the labor market (entrepreneurship, unpaid care work, perceived wage gap for similar work, paid working hours, average monthly income, representation in management positions). Thus, while the Netherlands seems to have a solid foundation of gender equality in society, this is not reflected in the labor market, where women's potential remains significantly untapped.

⁴ For the purposes of international comparison, this study uses a group of ten Western European countries: Austria, Belgium, Denmark, France, Germany, Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. Wherever this study mentions Western Europe, we refer to this group of countries.

⁵ Each indicator is assigned to an inequality range—low, medium, high, or extremely high—with the methodology behind this assignment dependent on the indicator type. Typically, these indicators take the form of a ratio of females affected to males affected, or vice versa. In these cases, scores range from 0 to 1, with 0 indicating the worst case and 1 indicating full parity. For issues that by their nature disproportionately or exclusively affect women—such as violence against women—a true “parity” ratio does not accurately illustrate the problem; therefore, incidence rates are used in lieu of scores. Details of the methodology can be found in MGI's global Power of Parity report (*The power of parity: How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015, McKinsey.com).

⁶ This study encompasses a selection of 15 indicators relevant within the Western European context. As a result, some indicators from the worldwide Power of Parity report, such as the ratio of boys to girls at birth, and the extent of child marriage, have not been included, whereas other indicators have been added in, such as entrepreneurship or average monthly income.

Exhibit 1

Dutch gender equality scores point to high or extremely high levels of inequality on nine out of 15 indicators

		Level of gender inequality														
		■ Extremely high ■ High ■ Medium ■ Low														
		■ Indicator on which the Netherlands shows a high or extremely high level of inequality between men and women x Rank of the Netherlands within the group of ten Western European countries														
		Gender equality in society							Gender equality in work							
	Female population Million	Legal protection index	Financial inclusion F/M ratio	Unmet need for family planning % of women	Digital inclusion F/M ratio	Political representation F/M ratio	Violence against women % of women	Students in STEM education F/M ratio	Professional jobs F/M ratio	Labor force participation rate F/M ratio	Entrepreneurship F/M ratio	Unpaid care work M/F ratio	Perceived wage gap for similar work F/M ratio	Paid working hours F/M ratio	Average monthly income F/M ratio	Management positions F/M ratio
Western Europe ¹	143	0.81	0.84	7%	0.98	0.52	25%	0.44	1.02	0.84	0.50	0.56	0.54	0.79	0.68	0.48
Netherlands	9	1.00 ₁	0.91 ₄	8% ₆	0.96 ₈	0.60 ₄	25% ₅	0.30 ₁₀	0.96 ₈	0.82 ₈	0.61 ₂	0.58 ₅	0.63 ₆	0.71 ₁₀	0.61 ₁₀	0.34 ₁₀
Austria	4	0.81	0.62	10%	0.94	0.37	13%	0.41	0.93	0.83	0.64	0.51	0.52	0.79	0.62	0.47
Belgium	6	0.86	1.00	7%	0.98	0.45	24%	0.30	1.07	0.82	0.53	0.59	0.67	0.82	0.78	0.48
Denmark	3	0.81	0.77	10%	1.00	0.67	32%	0.49	1.04	0.88	0.42	0.77	0.69	0.88	0.79	0.39
France	34	0.81	0.95	4%	0.99	0.54	26%	0.44	1.02	0.85	0.47	0.53	0.39	0.86	0.77	0.49
Germany	42	0.62	0.81	10%	0.97	0.54	22%	0.38	1.06	0.82	0.57	0.56	0.52	0.78	0.63	0.41
Norway	3	1.00	0.90	6%	1.00	0.65	27%	0.43	1.10	0.89	0.44	0.62	0.77	0.87	0.72	0.61
Sweden	5	0.81	0.87	10%	0.99	0.84	28%	0.51	1.10	0.89	0.43	0.67	0.67	0.90	0.78	0.65
Switzerland	4	1.00	0.98	7%	0.94	0.43	10%	0.31	0.90	0.84	no data	0.57	0.65	0.74	0.63	0.56
United Kingdom	33	1.00	0.74	6%	1.00	0.43	29%	0.58	0.97	0.83	0.47	0.54	0.62	0.75	0.65	0.56

¹ This refers to a weighted average for these ten countries based on the size of the female population.

SOURCE: McKinsey Global Institute analysis; McKinsey & Company analysis

The Netherlands scores lowest on four indicators compared to other Western European countries

For the nine indicators that point to a high or extremely high degree of inequality, the Dutch scores for five of those indicators are in line with those of many other Western European countries, which almost all have low scores. However, on four indicators the Netherlands scores the lowest amongst this group of countries:

- **Number of paid working hours**—the average number of paid hours worked by women is 71 percent of the number for men, while the average in Western Europe is 79 percent.⁷
- **Average monthly income**—women's average monthly income is 61 percent of that of men, while the average in Western Europe is 68 percent.⁸
- **Representation in management positions**—on average, for every 100 men in management positions, there are 34 women (that is, the share of women is 25 percent

⁷ Average number of usual weekly hours of work in main job, Eurostat, 2016, ec.europa.eu/eurostat.

⁸ Mean and median income by age and sex, European Union statistics on income and living conditions (EU-SILC) survey, Eurostat, 2014, ec.europa.eu/eurostat.

of all management positions); in Western Europe, the average is 48 women for every 100 men (32 percent).⁹

- **Students in STEM education**—for every 100 men in STEM education, there are 30 women (that is, the share of women is 23 percent); in Western Europe, the average is 44 women for every 100 men (31 percent).¹⁰

Among these four indicators, we have focused our research especially on the difference in paid working hours between men and women. Growing the number of hours worked by women is an important driver of economic potential, which we discuss further in Chapter 3. The second indicator, the gap in monthly income between men and women, is strongly driven by the number of hours worked and to a lesser extent by differences in pay for equal work.¹¹ The last two indicators, representation of women in management positions and students in STEM education, are discussed in Box 1, “Women at the top” and Box 2, “Women in STEM education and careers,” respectively.

BOX 1: Women at the top

Within Western Europe, the Netherlands does not do well in terms of the share of women in leadership positions. On average, the share of women in listed companies on supervisory boards is 25 percent and on executive teams 6 percent.¹²

Since 1 January 2013, there has been a statutory target figure for 5,000 of the largest businesses in the Netherlands to have at least 30 percent women and 30 percent men in supervisory boards and executive teams.¹³ A “comply or explain” principle applies—if a company fails to achieve the target, then it will be required to justify this in its annual report. Yet, four years later, this measure had not reached its goal: 70 percent of executive teams and 50 percent of supervisory boards did not have a single woman in 2017, and 50 percent of companies provided no further clarification in their annual reports.¹⁴

Meanwhile, there are numerous business initiatives aimed at increasing the number of women at the top: for example, Topvrouwen.nl, Talent to the Top, Business women of the Year, and Top woman of the Year. Equally, McKinsey has paid significant attention to the topic via its Women Matter and Women in the Workplace research.¹⁵ This research points to several general explanations for why the share of women in leadership positions is low across Western Europe, such as the “double burden” syndrome, whereby working women also have to take primary responsibility for domestic duties, combined with an “anytime, anywhere” performance model, unconscious bias that hinders women’s advancement, and a lack of sponsorship and role-models.

⁹ The definition of management position used follows the International Standard Classification of Occupations (ISCO) 08 group 1 classification, *Employment in Managerial Positions (ISCO-08 classification)*, International Labor Organization (ILO), 2016, ilo.org.

¹⁰ Students enrolled in tertiary education, Eurostat, 2016, ec.europa.eu/eurostat.

¹¹ The difference in pay, corrected for 20 relevant characteristics such as education or part-time or full-time work, between men and women in business is around 7 percent in the Netherlands, *Gelijk loon voor gelijk werk? Banen en lonen bij de overheid en bedrijfsleven*, Centraal Bureau voor de Statistiek (CBS), 2016, cbs.nl.

¹² *Female Board Index 2018*, TIAS, 2018, www.tias.edu.

¹³ *Bedrijvenmonitor Topvrouwen, een beetje beter maar nog lang niet voldoende*, Commissie Monitoring Streefcijfer Wet bestuur en toezicht, 2017, rijksoverheid.nl.

¹⁴ *Ibid.*

¹⁵ *Women Matter: Time to accelerate—Ten years of insights on gender diversity*, McKinsey & Company, 2017, McKinsey.com; *Women in the Workplace 2017*, McKinsey & Company, 2017, McKinsey.com.

Our research shows that relative to other countries the Netherlands could face a further challenge: the large number of (“small”) part-time jobs held by women across all age categories. Research is not conclusive about the causality between working part-time and reaching the top.¹⁶ However, enhancing the position of women in the labor market could also indirectly have a positive effect on the number of women in senior positions.

BOX 2: Women in STEM education and careers

The share of women in STEM education (science, technology, engineering, and mathematics), in the Netherlands is the lowest within Western Europe. On a positive note, the share of female incoming students in STEM studies has increased over the past ten years, especially in higher vocational education (from 16 percent to 26 percent) and in academic education (from 33 percent to 41 percent).¹⁷ There have been multiple initiatives to interest more women in technical occupations. An example is the *Techniepact*, which aims to reduce labor shortages in technical sectors through 12 shared objectives (such as training teachers in technical subjects) between business, education, and government to improve the transition from technical education to technical careers.¹⁸ Also, there are several initiatives to help young women get acquainted with STEM and stimulate them to choose a STEM education and career: one example is Girlsday, a nationwide event for young women, where organizations in STEM-related areas present career opportunities.¹⁹

Alongside the low share of women in STEM studies, the proportion of women who progress from technical education into technical occupations is also limited. Research shows that 29 percent of women with a technical degree have a technical occupation, versus 47 percent of men.²⁰ In the transport, information and communication sectors, the share of women in leadership positions was still below 10 percent in 2017.²¹

Given the importance of female talent for solving labor shortage in technical sectors (of which more in Chapter 3), it is of interest to keep this topic at the top of the agenda of all concerned stakeholders; in Chapter 4 we provide several suggestions for how to do so.

Female share of workforce is in line with Western Europe, but women’s contribution to GDP is considerably lower, mainly driven by number of paid working hours

Our research focus on the number of hours worked by women and its impact on economic potential raises some significant issues. In 2016, Dutch women represented 46 percent of the overall workforce, in line with the Western European average of 47 percent, but they contributed only 33 percent to Dutch GDP, which is considerably lower than the

¹⁶ For example: Noback, I., Broersma, L., & van Dijk, J., “Climbing the Ladder: Gender-Specific Career Advancement in Financial Services and the Influence of Flexible Work-Time Arrangements,” *British Journal of Industrial Relations*, volume 54, number 1, November 2013; Vinkenburg, C.J., van Engen, M.L., Coffeng, J., & Dijkers, J.S.E., “Bias in Employment Decisions about Mothers and Fathers: The (Dis)Advantages of Sharing Care Responsibilities,” *Journal of Social Issues*, volume 68, number 4, December 2012.

¹⁷ *Monitor Techniepact*, Techniepact, 2017, techniepactmonitor.nl.

¹⁸ Techniepact, techniepact.nl.

¹⁹ VHTO, vhto.nl/projecten/girlsday.

²⁰ *Bijna 30% technisch opgeleide vrouwen werkt in techniek*, CBS, 2016, cbs.nl.

²¹ *Bedrijvenmonitor Topvrouwen, een beetje beter maar nog lang niet voldoende*, Commissie Monitoring Streefcijfer Wet bestuur en toezicht, 2017, rijksoverheid.nl.

Western European average of 38 percent.²² The difference between the female labor force participation and GDP contribution is largely explained by the relatively low number of paid hours worked by women and their disproportionate concentration in sectors with a relatively low contribution to GDP per full-time equivalent (FTE).²³

The Dutch part-time model is a double-edged sword

In the Netherlands, both men and women work much more frequently in part-time jobs than other Western Europeans.²⁴ Almost half of the Dutch workforce works fewer than 35 hours per week—among working women, this percentage reaches 74 percent.²⁵ This applies to both “small” and “bigger” part-time jobs: 26 percent of working women are in a job that involves fewer than 20 hours per week, 25 percent work 20–28 hours per week, and 23 percent work 28–35 hours per week.²⁶ On average in the Netherlands, women work 27 hours per week, ten hours fewer than men, and four hours fewer than the Western European average for women, who work 31 hours.²⁷

The Dutch government has sought to stimulate part-time work to increase the labor force participation of women.²⁸ Working part-time is nowadays more or less the norm for women in the Netherlands where only 26 percent of the female workforce works full-time.²⁹ On the one hand, working part-time undoubtedly offers many advantages—for example, because it enables people to combine work with care. On the other hand, the downside of this large share of (“small”) part-time jobs is that there is substantial untapped potential in relation to women in the labor market. This becomes all the more significant when we consider that women in the Netherlands tend to have such a high degree of parity in education.

WOMEN'S SUCCESS IN EDUCATION CONTRASTS WITH THEIR POSITION IN THE LABOR MARKET

Education provides an important basis for success in the labor market. Women make up around 56 percent of recent graduates in academic and higher vocational education (Exhibit 2).³⁰ Yet, women's success in education is not reflected in the labor market: there are differences across all age ranges and at all levels. This is further exacerbated in the case of STEM careers; as discussed above, this is an area with lack of parity even in education, which then translates into lack of parity in the labor market.

The incongruence already shows at the beginning of careers: 65 percent of women younger than 30 with a vocational degree work part-time, versus of 31 percent of men.³¹ The same pattern is visible across all age ranges. In the 35–45 age group, the share of highly educated men and women is relatively close: 39 percent for men and 42 percent for women.³² But in terms of number of paid working hours, the situation is very different. In the same age range,

²² *The power of parity: How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015, McKinsey.com.

²³ *Ibid.*; “FTE” refers to full-time equivalent, a measure for the size of a full-time job.

²⁴ Part-time employment rate, Eurostat, 2017, ec.europa.eu/eurostat.

²⁵ Werkzame beroepsbevolking; arbeidsduur, CBS, 2017, statline.cbs.nl.

²⁶ *Ibid.*

²⁷ *Mean weekly hours actually worked per employed person by sex and economic activity*, ILO, 2017, ilo.org.

²⁸ *Nederland deeltijdland; Vrouwen en deeltijdwerk*, Sociaal en Cultureel Planbureau (SCP), 2008, scp.nl.

²⁹ Werkzame beroepsbevolking; arbeidsduur, CBS, 2017, statline.cbs.nl.

³⁰ HO; gediplomeerden, soort diploma, opleidingsvorm, migratieachtergrond, CBS, 2016, statline.cbs.nl; HBO en WO; gediplomeerden, studierichting, leeftijd 1995/'96-2015/'16, CBS, 2015, statline.cbs.nl.

³¹ *Werken aan de start*, SCP, 2018, scp.nl.

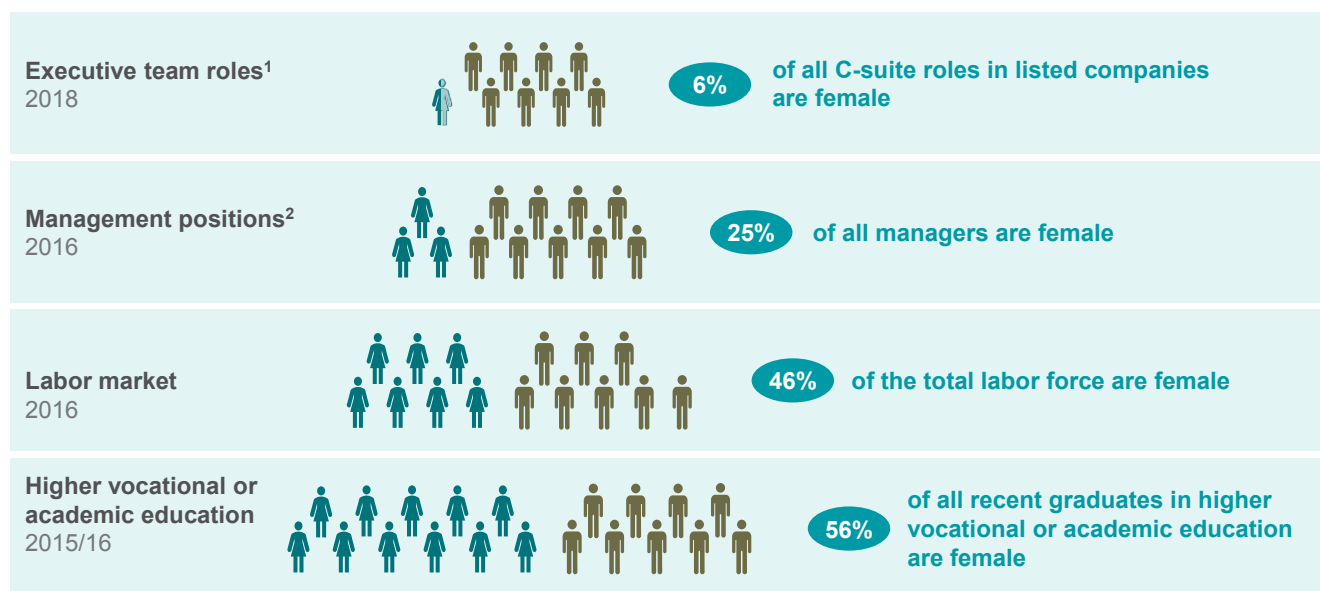
³² Bevolking; onderwijsniveau; geslacht, leeftijd en migratieachtergrond, CBS, 2016, statline.cbs.nl.

46 percent of women work less than 28 hour per week, versus only 5 percent of men.³³ Younger generations of women do seem to work slightly more: in the age range of 25–35 years, 33 percent of women work fewer than 28 hours, in 2007 this was still 38 percent.³⁴

Differences are visible across all levels in the labor market: women make up 46 percent of the labor force, while only 25 percent of management positions are filled by women, and representation of women in executive team positions of listed companies is only 6 percent. In short, the potential of women’s achievements in education is only partly tapped into in the labor market.

Exhibit 2

Women’s representation in academic or higher vocational education contrasts with their representation in the labor market, and in leadership positions



1 Positions on an executive team within listed company.

2 Management positions are defined in accordance with ILO’s “ISCO-08 major groep 1” classification.

SOURCE: CBS; Dutch Ministry of Education, Culture and Science; Eurostat; Female Board Index 2018; ILO

DESPITE NUMEROUS INITIATIVES, THERE HAS BEEN LIMITED PROGRESS TOWARDS PARITY

In recent years, government, employers and employees, and other stakeholders, have launched numerous initiatives to improve the position of women in the Dutch labor market.

The government has, for example, implemented tax measures to increase net salaries for (female) employees with low incomes. Since 2015, the government has simplified and improved arrangements related to formal childcare, to offer more income support for mothers (for instance, via the Algemene Kinderbijslagwet). Also, there have been measures to increase female labor force participation (for instance, allowances for formal childcare). Additionally, more flexible measures have been introduced for both maternity and partner leave, and the government is currently exploring options to extend partner leave from 2020 onwards.

³³ Werkzame beroepsbevolking; arbeidsduur, CBS, 2017, statline.cbs.nl.

³⁴ Werkzame beroepsbevolking; arbeidsduur, CBS, 2007 and 2017, statline.cbs.nl.

Initiatives directed towards women in management and women in technical education and careers are described in Box 1, “Women at the top” and Box 2, “Women in STEM education and careers,” respectively.

Despite all these efforts and substantial media attention on this topic, limited progress has been made against the four indicators for which the Netherlands has the lowest score in Western Europe. Progress over time has been slow. The female-to-male ratio of number of paid working hours increased from 69 percent in 2009 to 72 percent in 2016.³⁵ The same holds true for average monthly income, where the female-to-male ratio increased from 58 percent in 2006 to 61 percent in 2014.³⁶ The share of women in STEM education increased by one percentage point from 22 percent in 2013 to 23 percent in 2015.³⁷ The percentage of women in management positions remained unchanged over this period, at 25 percent in both 2013 and 2016.³⁸

This chapter shows that the Netherlands has achieved parity on several dimensions of gender equality in society, including women’s success in education. However, this sturdy foundation is not being made the most of in the labor market, manifested for example by the large difference in the number of paid working hours between men and women. To achieve more parity, we need to understand the factors which are maintaining the status quo.

³⁵ Average number of usual weekly hours of work in main job, by sex, professional status, full-time/part-time and economic activity, Eurostat, 2017, ec.europa.eu/eurostat.

³⁶ Structure of earnings survey: monthly earnings, Eurostat, 2006 and 2014, ec.europa.eu/eurostat.

³⁷ Students enrolled in tertiary education by education level, programme orientation, sex and field of education, Eurostat, 2016, ec.europa.eu/eurostat.

³⁸ *Employment in Managerial positions (ISCO-08 classification)*, ILO, 2016, ilo.org.



2. A SELF-PERPETUATING SYSTEM UNIQUE TO THE NETHERLANDS

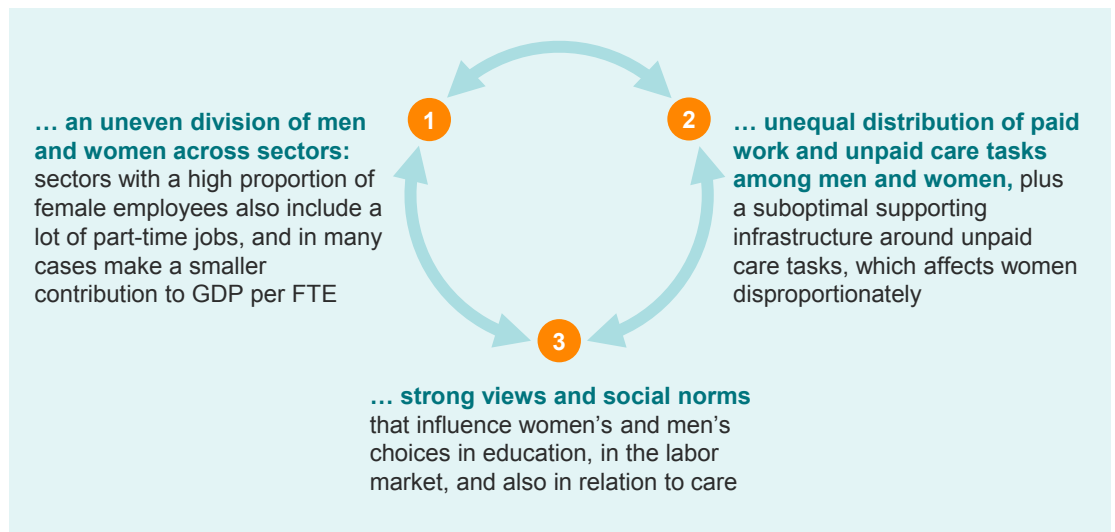
Our research reveals a self-perpetuating system that explains the inequality in the Dutch labor market, resulting in untapped female potential. This system involves three dimensions. First, there is an uneven division of men and women across sectors: sectors with a high proportion of female employees also include a lot of part-time jobs, and in many cases make a smaller contribution to GDP per FTE. Second, there is an unequal distribution of paid work and unpaid care tasks among men and women due to the suboptimal nature of the supporting infrastructure around unpaid care tasks, which affects women disproportionately. Third, this is reinforced by strong views in Dutch society—social norms—that influence women’s and men’s choices in education, in the labor market, and also in relation to care, and that largely normalize part-time work for women.

These three dimensions each influence women’s position in the labor market but also reinforce one another. This generates a self-perpetuating situation (Exhibit 3). In several ways, this system is substantially different from the situation in other Western European countries.

Exhibit 3

The unequal position of women in the Dutch labor market can be explained by a self-perpetuating system with three dimensions

The unequal position between men and women in the Dutch labor market can be explained by...



SOURCE: McKinsey & Company analysis

THE DUTCH LABOR MARKET SHOWS AN UNEQUAL DISTRIBUTION OF MEN AND WOMEN IN “PART-TIME SECTORS” AND “FULL-TIME SECTORS”

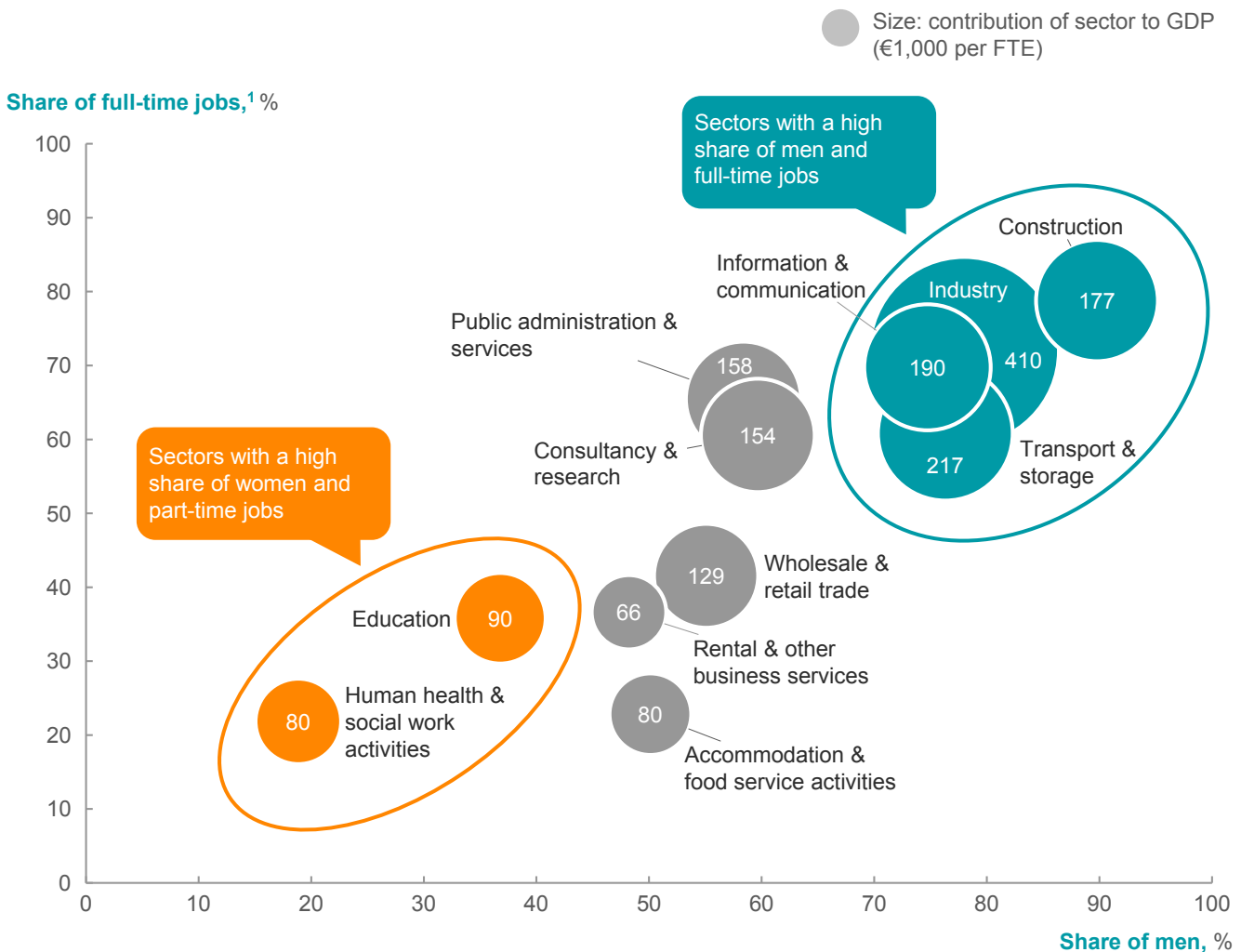
A first explanation for the different positions of men and women in the labor market and women’s lower contribution to GDP is the gender spread across sectors.

Women are in the majority in sectors with a large share of part-time jobs and a relatively low contribution to GDP per FTE

The Dutch economy has a number of large “female-dominated sectors” that are also “part-time sectors” (Exhibit 4). These sectors—such as healthcare and education—also generally make a lower contribution to GDP per FTE and salaries in these sectors tend to be lower. By contrast, sectors with a sizeable proportion of male employees have far fewer part-time roles—for example, information and communication, transport and storage, manufacturing, and construction—and also have a higher contribution to GDP per FTE and tend to have higher salaries.

Exhibit 4

Sectors with a large share of women also have a large share of part-time jobs 2016



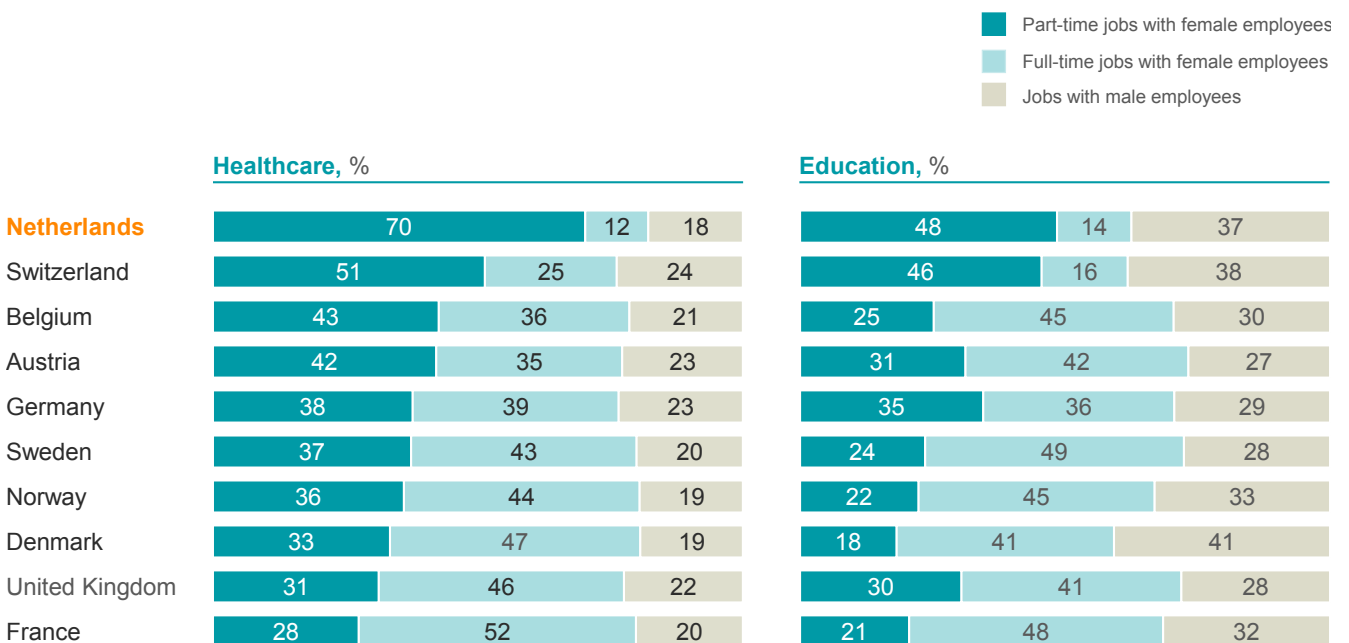
¹ A full-time job is defined as a job of 35 hours per week or more.
SOURCE: CBS; WIOD; McKinsey & Company analysis

“Female-dominated sectors” with a large share of part-time jobs are a typically Dutch phenomenon

A division between “female-dominated sectors” and “male-dominated sectors” is not unique to the Netherlands. The percentage of women in the healthcare sector, for instance, is around 80 percent throughout Western Europe. The fact that such a large proportion of these women work part-time is, however, a typically Dutch phenomenon. In the Netherlands, 70 percent and 48 percent of roles in healthcare and education respectively are filled by women working on a part-time basis (Exhibit 5). The percentages are a lot lower in other countries: commonly under 40 percent in healthcare and less than 30 percent in education.³⁹

Exhibit 5

In the Dutch healthcare and education sectors, women work more often in part-time jobs than in other Western European countries



NOTE: A full-time job is defined as a job of 35 hours per week or more.

SOURCE: Eurostat

THE DIVISION OF PAID WORK AND UNPAID CARE TASKS IS NOT EQUAL BETWEEN MEN AND WOMEN

A second explanation is the unequal distribution of paid work and unpaid care tasks (such as care for children and elderly or ill relatives) between men and women. Existing arrangements and regulation in the Netherlands that aim to facilitate combining paid work and unpaid care tasks are not always optimal. These provisions have limitations in terms of costs, quality, and flexibility. Although in theory this should have an equal effect on both working men and women, it affects women disproportionately.

³⁹ Full-time and part-time employment by sex and economic activity (from 2008 onwards, NACE Rev. 2), Eurostat, 2016, ec.europa.eu/eurostat.

The lion's share of unpaid care duties is done by women

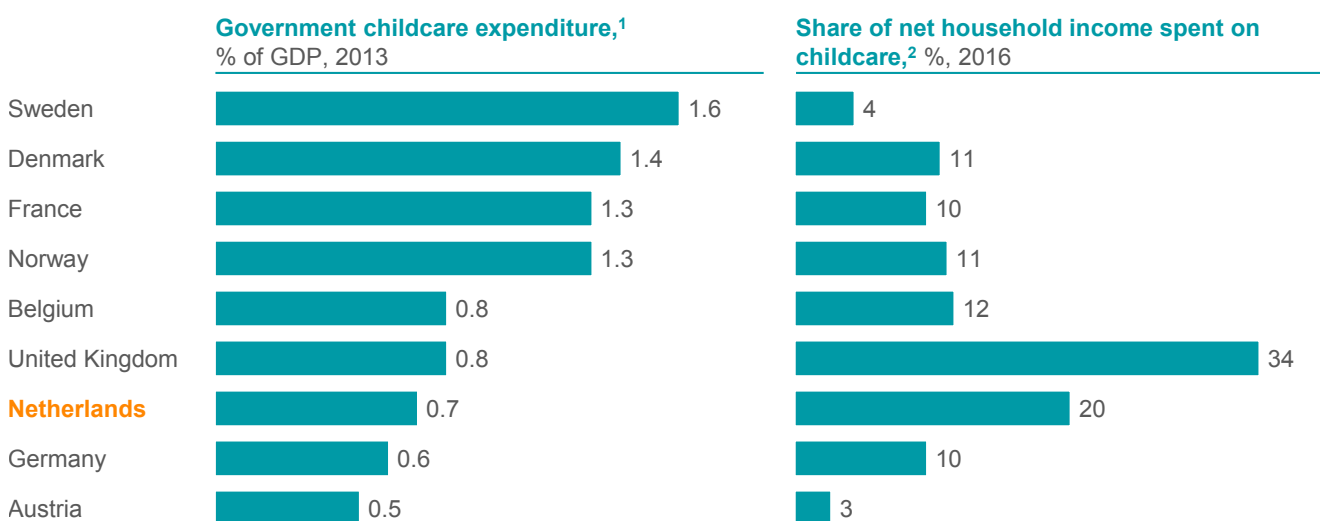
Dutch women spend almost four hours per day on unpaid household and care duties, which is around one-and-a-half times as much as men.⁴⁰ This is largely in line with other Western European countries—the average time spent by women on unpaid tasks is four hours and 13 minutes, on average 1.6 times as much as men.⁴¹ Indeed, 57 percent of women in the Netherlands cite unpaid care duties, domestic chores, and informal care as the main reasons for working part-time, compared to just 27 percent of men.⁴²

Childcare is relatively expensive, could be improved in terms of educational quality, and is not always aligned to parents' working hours

While the distribution of unpaid care work between men and women looks roughly the same in the Netherlands as in other Western European countries, the infrastructure to support care work looks vastly different. The Dutch government spends relatively little money on childcare (0.7 percent of GDP) compared to the rest of Western Europe.⁴³ At the same time, the net costs of childcare in the Netherlands are relatively high: parents spend an average of around 20 percent of their joint income on full-time childcare—more than in several other Western European countries (Exhibit 6).⁴⁴

Exhibit 6

In the Netherlands, government childcare spending is relatively low and the cost of formal childcare is relatively high



1 This concerns government expenditure on childcare, pre-primary education, and early childhood education and care.

2 Based on full-time use of formal childcare and a household with two parents.

SOURCE: OECD

The relatively low government expenditures on childcare may possibly also be influencing perceptions about the quality of formal childcare. Although the “emotional quality” of childcare (sensitivity of group leads, atmosphere within the daycare center, and so on) is rated satisfactory to good (with an average score of 5.5 out of 7), the educational quality

⁴⁰ Harmonized European Time Use Survey, Eurostat, 2010, ec.europa.eu/eurostat.

⁴¹ *Ibid.* The average is for Austria, Belgium, Germany, France, Netherlands, Norway, and the United Kingdom.

⁴² *Emancipatiemonitor*, SCP & CBS, 2016, scp.nl.

⁴³ *Society at a Glance*, Organisation for Economic Co-operation and Development (OECD), 2013, oecd.org.

⁴⁴ *Society at a Glance*, OECD, 2016, oecd.org.

(such as stimulating language development) is rated mediocre to satisfactory (with an average score of 3.0 out of 7).⁴⁵

Another challenge is that care provision for school-age children generally needs to be independently organized by parents outside of school hours, rather than on an integrated basis with schools—on many occasions this does not optimally align with parents' working hours. It is still often the case that extracurricular activities are the responsibility of parents, which means among other things that they have to take care of the logistics for these activities themselves. This stands in contrast to the situation in many other countries, where such activities have largely been integrated into schools and after-school childcare.

The duration of (paid) leave to care for children in the Netherlands is relatively short, primarily aimed at mothers and most commonly used by mothers

The duration of (paid) leave for parents around the birth of a child is shorter than it is in other Western European countries (Exhibit 7).⁴⁶ Moreover, partners receive much less paid leave than the mother (three versus 80 working days), which often reinforces the role of the mother in caring for a baby right from the outset.⁴⁷ A recent legislative proposal aims to expand Dutch leave allowances, but the length of leave would still remain (far) below the European average.⁴⁸ Moreover, Dutch parents generally take fewer days of (unpaid) parental leave than they are entitled to, with 57 percent of women eligible for unpaid leave actually taking it in any given year, compared to 23 percent of men.⁴⁹

There seems to be a link between the first factor described (the unequal spread of men and women across sectors) and the second (the unequal division of work and care duties between men and women). When couples discuss how to divide work and care duties, economic considerations could suggest that women should work less, because they often have lower salaries and/or because part-time work is more common in the sectors in which they work.

The other interplay between the sectors mix and the division of work and care duties is sometimes referred to as the “part-time trap”.⁵⁰ Many women in (“small”) part-time jobs care for their children for a substantial part of their time and make relatively little use of formal childcare, which offers little stimulus to improve the quality of childcare. As the (educational) quality of childcare leaves room for improvement, parents therefore often opt to take on a larger part of caring for their children themselves, resulting in (even) more women electing to work part-time.

⁴⁵ *Kwaliteit van de Nederlandse kinderdagopvang, peuteropvang, buitenschoolse opvang en gastouderopvang*, Landelijke Kwaliteitsmonitor Kinderopvang, 2017, monitorkk.nl.

⁴⁶ *Women, Business and the Law*, World Bank, 2018, worldbank.org; OECD Family Database, oecd.org; Ministry of Social Affairs and Employment, rijksoverheid.nl.

⁴⁷ Another issue to keep in mind is the duration of parental leave. There is some indication that a lengthy maternity leave may impact the ability of mothers to return to work with implications for their pay, career progression, and skill development. By comparison, too short maternity leave programs may result in mothers either returning to work before they are physically ready to or exiting the workforce entirely. For further details see: *Leave no one behind: A call to action for gender equality and women's economic empowerment*, UN Secretary-General's High-Level Panel on Women's Economic Empowerment, 2016, hlp-wee.unwomen.org.

⁴⁸ *Wetsvoorstel invoering extra geboorteverlof (incl. memorie van toelichting)*, Ministry of Social Affairs and Employment, 2018, rijksoverheid.nl.

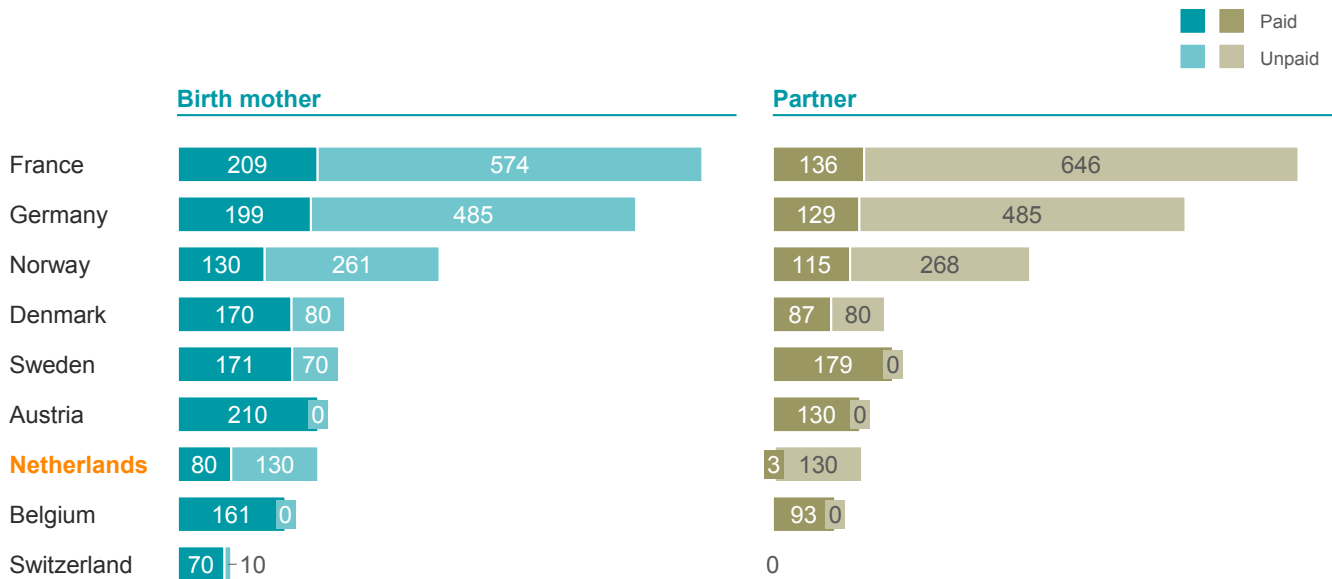
⁴⁹ Ouderschapsverlof; gebruik en duur, CBS, 2013, statline.cbs.nl.

⁵⁰ As coined by Prof. dr. J. Plantenga in (for example) “De dwang van de Nederlandse deeltijdcultuur,” NRC, October 20, 2017, nrc.nl.

Exhibit 7

In the Netherlands, leave arrangements around childbirth are relatively short

Number of days of leave around the birth of a child¹



¹ Paid leave includes leave that is at least 50% paid, except parental leave in France (25%) and Belgium (37%). Parental leave is divided equally if it is a shared entitlement. Days are based on full-time employment of five days per week. In France, leave is based on the first or second child; total leave for both parents is valid until child is three years old. In Germany, maternity leave is based on single child; both parents have to claim at least two months of benefit to extend period with the two extra months included in this analysis. Leave in Norway is based on the shortest option available of 46 weeks with 100 percent of salaries paid. In Sweden, both parents have to use at least 90 days from the shared parental leave allowance. In the Netherlands, paid leave for partners includes one day of “calamity leave” for the day of childbirth. In Belgium, maternity leave is based on single child.

SOURCE: Dutch Ministry of Social Affairs and Employment; OECD; Women World Bank; McKinsey & Company analysis

DUTCH SOCIETY HAS PRONOUNCED VIEWS THAT INFLUENCE WOMEN’S AND MEN’S CHOICES REGARDING EDUCATION, WORK, AND CARE

A third explanation for the unequal position of men and women in the labor market is Dutch culture. Views on work, care, and combining the two by both men and women are widely expressed, also in the media, and tend to determine what is considered socially desirable. To illustrate this point, we have provided a few examples below of social norms and views pertaining to work, care, and education.

It is acceptable for women to work, but preferably only three days a week or less in the case of mothers with young children

The majority of Dutch people (98 percent) find it “acceptable” that women have gainful employment outside of the home, yet 80 percent state that mothers of preschoolers should work three days a week or less.⁵¹ In contrast, just 35 percent think the same for fathers. And although 50 percent of Dutch men and women believe that paid work and unpaid care duties should be fairly distributed between men and women, as many as 30 percent (among both men and women) still consider that women should do less paid work and take on most of the unpaid care duties.⁵²

⁵¹ *Towards a better future for women and work*, Gallup & ILO, 2017, ilo.org; Emancipatiemonitor, SCP & CBS, 2016, scp.nl.

⁵² *Emancipatiemonitor*, SCP & CBS, 2016, scp.nl.

Less than a quarter view formal childcare as being good for babies and young children, even if it's only for two or three days a week

People in the Netherlands see limited added value in formal childcare over caring for their children themselves—although almost 70 percent of Dutch people consider the use of formal childcare facilities for families with working parents to be acceptable, only a minority of Dutch people think that formal childcare is actually good for babies (23 percent) or for children of primary school age (44 percent), even when this is limited to two or three days a week.⁵³

There are strong stereotypes in the Netherlands regarding education and career choice for men and women

Research shows that the Dutch have relatively strong views on gender and science, believing, for example, that women are not as good at mathematics and science subjects as men.⁵⁴ This idea is instilled in girls when young and, compared to parents in other European countries, Dutch parents communicate relatively little about scientific topics with their daughters.⁵⁵ As discussed above, one consequence of this could be the relatively low participation of women in STEM education.

In concluding this chapter, it is worth highlighting that, although each of the factors we have discussed above plays a separate role with regard to women's position on the labor market, they also reinforce one another. Thus, merely addressing one element of the Dutch situation in isolation (such as the cost of formal childcare) will not have the desired (full) result, if other elements are not tackled simultaneously. Understanding the dynamics of this system and its dimensions will help to define an effective approach for how to tackle barriers to improving gender equality in the labor force.

⁵³ *Emancipatiemonitor*, SCP & CBS, 2012, scp.nl.

⁵⁴ Miller, D.I., Eagly, A.H., and Linn, M.C., "Women's Representation in Science Predicts National Gender-Science Stereotypes: Evidence From 66 Nations", *Journal of Educational Psychology*, volume 107, number 3, 2015.

⁵⁵ *Case study: Why Europe's girls aren't studying STEM*, Microsoft, 2017, news.microsoft.com.



3. THE BENEFITS OF IMPROVED PARITY FOR THE NETHERLANDS

A stronger position for women in the labor market offers many opportunities for individuals, for companies and sectors, and for the entire economy. It could enhance the economic independence of women, help to resolve shortages in the labor market, and contribute toward additional GDP.

A MORE EQUAL POSITION OF WOMEN IN THE LABOR MARKET STRENGTHENS THE ECONOMIC INDEPENDENCE OF WOMEN

A more equal position in the labor market, and specifically a higher average number of paid hours worked, could bolster women's financial position in several ways. For example, it could reduce the existing pension gap between men and women, which was still at 46 percent in the Netherlands in 2014.⁵⁶ Further, a stronger position in the labor market will help reduce deterioration in women's financial situation in the wake of a divorce or the passing of their partner. This deterioration in financial position is often much greater for women than for men: in 2014, women lost around 25 percent of their purchasing power in the first few years after a divorce, versus 0.2 percent for men.⁵⁷

In the Netherlands, there are 1.9 million women who do not have economic independence (compared to 1.0 million men).⁵⁸ Of these, around 660,000 women are in a paid job, but are still economically dependent on a partner.⁵⁹ Typically, they may work in a "small" part-time job—almost 70 percent of this group of women work less than 20 hours per week. Our analysis shows, however, that more than 230,000 of these women (around 35 percent of this group) could become economically independent if they were to work five hours a week more on average.⁶⁰

A HIGHER NUMBER OF PAID HOURS WORKED BY WOMEN CAN BE THE KEY TO SOLVE GROWING LABOR SHORTAGES IN CRUCIAL SECTORS

Greater labor market participation, especially in terms of paid hours worked, can help to solve current and anticipated labor shortages in important sectors of the economy, such as healthcare (28,400 vacancies in the final quarter of 2017), education (5,300 vacancies), and information and communication, transport and storage, manufacturing, and construction (in total 56,600 vacancies).⁶¹ It is anticipated that the number of vacancies in these sectors will only increase. Because of, among other things, an aging population, the anticipated number of new jobs in the healthcare sector will increase by 124,000 over the next six years; in the education sector, the number of new jobs is anticipated to increase by 11,000.⁶² McKinsey

⁵⁶ This pension gap means that, on average, women receive a pension that is 46 percent lower than men's pensions; Eurostat-SILC, 2013, ec.europa.eu/eurostat.

⁵⁷ *Trends in de financiële gevolgen van een echtscheiding voor man en vrouw*, CBS, February 20, 2017, cbs.nl.

⁵⁸ According to the Dutch statistical agency, CBS, a person is economically independent when he or she can provide for their own livelihood by earning at least 70 percent of the net minimum wage from labor or own enterprise (see, for instance, *Veiligheid en economische zelfstandigheid van vrouwen*, CBS, 2018, cbs.nl).

⁵⁹ *Vrouwen van 15 jaar tot AOW-leeftijd naar economische zelfstandigheid, sociaaleconomische categorie en arbeidsduur*, CBS, 2016, statline.cbs.nl.

⁶⁰ This analysis is based on using data on the share of women who are economically independent across different bands of hours worked per week. Economic independence tends to increase as the hours worked per week increases.

⁶¹ *De arbeidsmarkt naar opleiding en beroep tot 2022*, Researchcentrum voor Onderwijs en Arbeidsmarkt, 2017, roa.sbe.maastrichtuniversity.nl.

⁶² *Ibid.*

Global Institute has calculated that the demand for labor in these sectors will only be impacted to a limited extent by automation and digitization.⁶³ The demand for specialist skills (for instance, with regard to technology or cognitive skills such as interpreting complex information) will only increase.⁶⁴ Moreover, technical sectors, spurred by these trends, will in fact require a huge number of additional staff.⁶⁵ Better leveraging the potential of women could help to cope with these changes in the labor market.

As described in Chapter 2, the healthcare and education sectors in the Netherlands are characterized by a high proportion of women working part-time—a typically Dutch situation, which we do not see to the same extent in other Western European countries. Yet working less than one additional hour per week on average by women in part-time jobs could theoretically solve current shortages in both the healthcare and education sectors (Exhibit 8). To realize this, significant changes are required in the way in which work is organized in these sectors, and it would also have to be (more) attractive to work more hours. As we will describe in more detail in Chapter 4, a breakthrough in this area requires an integrated approach, whereby various elements of the problem should be addressed simultaneously and with involvement of all relevant parties.

In sectors such as information and communication, transport and storage, manufacturing, and construction, there is a relatively low share of women, and jobs in those sectors are often full-time. In these sectors, there are also shortages anticipated, which could be addressed by attracting more women: for instance, an increase of 2 percentage points on average in the share of women would theoretically resolve the current shortages in these four sectors (Exhibit 8). In Box 2, “Women in STEM education and careers,” we also indicated that in STEM sectors, despite several good initiatives to attract more women, there is still room for improvement, especially regarding retaining women throughout the transition from technical education into technical occupations.

ADVANCING PARITY IN THE LABOR MARKET COULD LEAD TO ADDITIONAL GDP OF MORE THAN €100 BILLION, BUT REQUIRES SIGNIFICANT CHANGES IN THE WAY IN WHICH WORK, CARE, AND EDUCATION ARE ORGANIZED

A greater degree of parity also has considerable benefits for the Dutch economy. Currently, women contribute to 33 percent of GDP, which is significantly lower than the average for Western Europe (38 percent). The global Power of Parity research by MGI showed that this is in part attributable to three factors: lower female than male participation in the labor market, women working fewer hours on average than men, and the concentration of women in sectors with a relatively low contribution to GDP per FTE, compared to the concentration of men in sectors with a higher contribution to GDP per FTE.⁶⁶

⁶³ *Jobs Lost, Jobs Gained: What the future of work will mean for jobs, skills, and wages*, McKinsey Global Institute, December 2017, McKinsey.com.

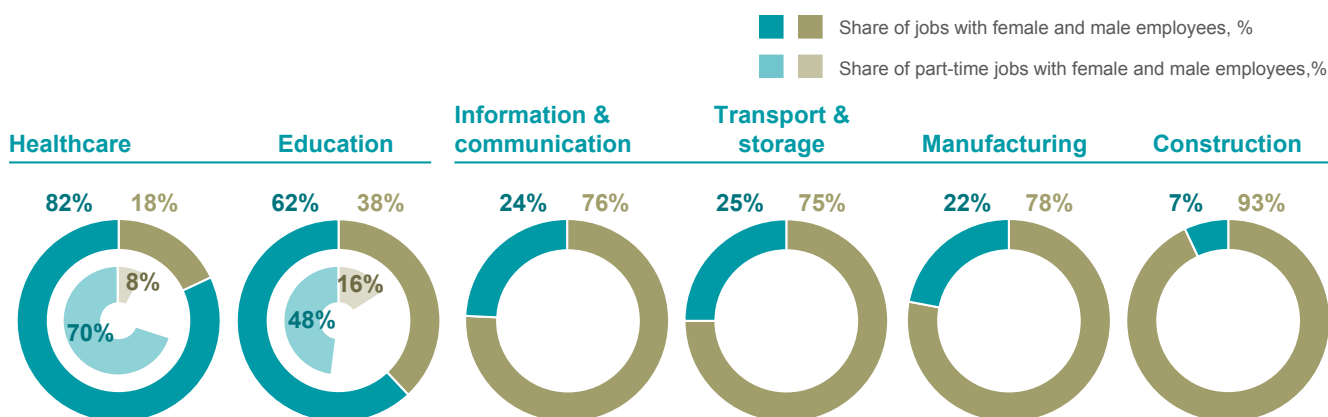
⁶⁴ *Skill shift: Automation and the future of the workforce*, McKinsey Global Institute, May 2018, McKinsey.com.

⁶⁵ *Jobs Lost, Jobs Gained: What the future of work will mean for jobs, skills, and wages*, McKinsey Global Institute, December 2017, McKinsey.com.

⁶⁶ *The Power of Parity. How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015, McKinsey.com.

Exhibit 8

Labor shortages in important sectors of the Dutch economy could be solved by better tapping the potential of women



Current vacancies, '000 vacancies (2017 Q4)

Healthcare	Education	Information & communication	Transport & storage	Manufacturing	Construction
28	5	15	9	19	14

What is needed to fill current vacancies?¹

Healthcare	Education	Information & communication	Transport & storage	Manufacturing	Construction
49 minutes	34 minutes	4 ppt	2 ppt	2 ppt	3 ppt
Additional work time per week per female in a part-time job			Additional share of women		

¹ For the period 2017-2022, it is estimated that the (cumulative) number of new jobs is 124,200 in healthcare and 11,000 in education. The additional work time per week per woman in a part-time job to fill these jobs would be 3 hours and 32 minutes (healthcare) and 1 hour and 11 minutes (education). The anticipated number of new jobs in IT, technical sectors and transport & logistics is 159,100; the additional share of women to fill these jobs would be around 6 ppt.

SOURCE: CBS; Eurostat; Researchcentrum voor Onderwijs en Arbeidsmarkt; McKinsey & Company analysis

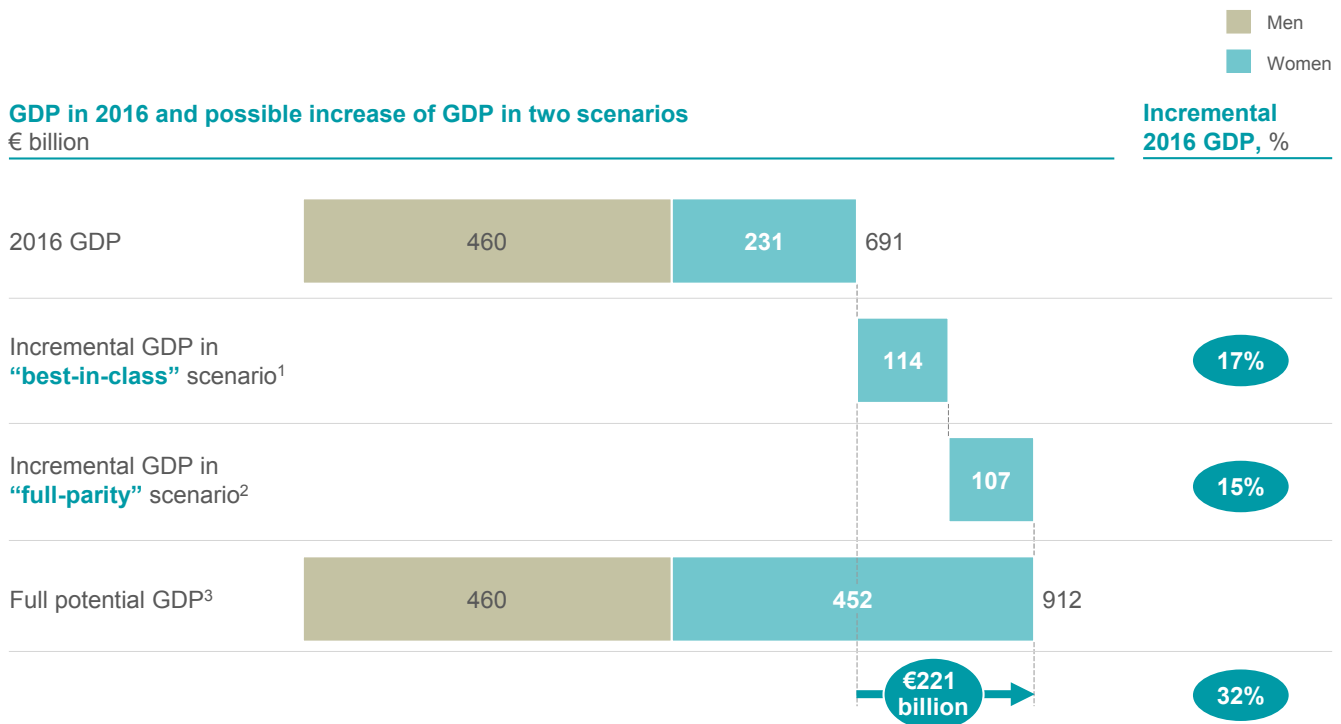
To estimate the effect of improved parity on GDP, this research has modeled two scenarios, in which gender parity on the aforementioned three factors is increased (Exhibit 9): a best-in-class scenario and a full-parity scenario.⁶⁷

In a best-in-class scenario, the Netherlands performs on a par with the highest-scoring Western European countries for each of the three factors. This entails that the female-to-male ratio for labor force participation is in line with that of Norway and Sweden, depending on the age category, the female-to-male ratio for the number of paid working hours is in line with that of Sweden, and the sector mix is in line with that of France. Dutch GDP could increase by an additional GDP of €114 billion, or 17 percent of 2016 GDP. More than half of this GDP potential (54 percent) would be achieved by increasing the number of paid working hours for women, 26 percent would be driven by a more equal sector mix, and 20 percent by increasing the female-to-male labor force participation ratio. The second scenario assumes full gender parity in terms of labor force participation, number of hours worked, and sector mix. In this scenario, GDP could increase by €219 billion, representing an increase of 32 percent compared to the 2016 GDP.

⁶⁷ In MGI's global Power of Parity report from 2015, the methodology is described in more detail (*The Power of Parity. How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015, McKinsey.com).

Exhibit 9

Improving gender parity at work has enormous GDP potential



¹ In the "best-in-class" scenario, the female-to-male rate for each factor (labor force participation rate, number of paid working hours, sector mix) for the Netherlands is increased to the level of the best-performing Western European country: France for sector mix; Sweden for number of paid working hours; and labor force participation rate in the different age categories: the Netherlands for the age category of 15–24 years, Norway for 25–34 years, Sweden for 35–44 years, 45–54 years, and 55–65 years, Norway for 65+ years.

² In the "full-parity" scenario, the female-to-male rates for each factor (labor force participation rate, number of paid working hours, sector mix) is 1.0.

³ GDP in the case of full potential is not equal for men and women, because there are fewer women in the age categories that are taken into account.

SOURCE: IHS; ILO; Oxford Economics; national statistical agencies; World Input-Output database; McKinsey Global Growth Model; McKinsey Global Institute analysis

These scenarios focus on the supply side of the labor market. Obviously, realizing this GDP increase would entail enormous changes in the way in which labor, care and education are organized, such as "larger" part-time jobs, higher-quality formal childcare or expanding several fields of education. This would have to be accompanied by investments. However, given the significant economic value, it would likely pay off to realize part of this potential.

A greater degree of parity in the labor market would thus yield clear benefits for individuals, companies, within sectors, and for the Dutch economy as a whole. Additionally, greater parity could also lead to a higher return on government investments in education—an important consideration given that total government spending on higher vocational and academic education was €7.4 billion in 2017.⁶⁸ Given that women today make up the majority of students in a large number of study areas, a greater return from this investment in education would be achieved by making better use of women's knowledge and experience in the labor market.

⁶⁸ Jaarverslag OCW, Ministerie van Onderwijs, Cultuur en Wetenschap, 2017, rijksoverheid.nl.

Greater gender parity offers economic advantages, and also goes well together with “welfare in a broad sense,” a concept that seems to be gaining popularity in the Netherlands.⁶⁹ In this concept, welfare is not only defined in terms of economic growth or GDP, but also encompasses elements such as “working and learning” and “material welfare and well-being.”⁷⁰ A more active role for women in the labor market can positively influence these elements.

As we conclude this chapter, we should emphasize that this study is not meant to be prescriptive and is not a call for women to work full-time, acknowledging that the choice of whether to work longer or even not at all is a personal one to be taken by individual women, which may be dependent on each person’s specific personal and economic circumstances and ambitions. Our analysis shows the value of greater gender parity—the emphasis is on creating an environment in which women are able to make the choices regarding work and care they want to make.

The potential of enhanced gender parity that we describe in this chapter, however, is largely already feasible when women work on average just a few hours more each week. A scenario whereby female talent can be better tapped in the Netherlands, without detracting from the benefits of working part-time, therefore seems feasible. For example, the European average of 31 working hours per week could be a good ambition. In the next chapter, we present several ideas to help achieve this ambition.

⁶⁹ *Monitor Brede Welvaart 2018*, CBS, 2018, cbs.nl.

⁷⁰ *Ibid.*



4. AN INTEGRATED APPROACH WITH SIX SOLUTION AREAS

This study shows the huge potential that can be achieved for the Dutch economy and society by increasing the deployment of “female capital”—rendering the subject a priority for government, the business community, and social partners.

At the same time, our findings show how complex the Dutch system is and how it perpetuates itself. The limited success of measures to date could be explained by the fact that efforts to improve the position of women in the labor market were primarily aimed at individual factors in isolation: for example, driving down childcare costs or boosting the number of girls opting for STEM education. The idea of adopting an integrated approach—in which all dimensions are addressed simultaneously and in a coordinated fashion with all parties involved—has been broached to a limited extent.

Such an approach could encompass the following six solution areas.

- Prioritize specific areas for attention; formulate concrete, ambitious objectives for overcoming hurdles, and monitor progress. Articulating specific objectives will help introduce focus. These objectives can be formulated by the government (for instance, “add four hours by 2022—boost the average number of hours worked by women each week to 31, in line with the Western European average”), but also within sectors or by businesses. Progress made on these objectives will need to be measured on an annual basis and published in a simple, clear way, possibly as part of metrics that already exist (for instance, the Monitor Talent naar the Top, which currently measures the share of women in senior leadership roles). This would ensure transparency and help drive the initiative forward.
- Raise the level of the provisions and regulation for supporting combining work and care duties up to that of other Western European countries. A more active role for women in the labor market requires affordable, high-quality, flexible provisions that make it possible to combine work and caregiving. In this regard, the Netherlands has a number of options for improvement. These pertain to such issues as duration of leave for both parents around the birth of a child, and the costs, educational value, and flexibility of childcare. In addition to this “evolution” there is also a more “revolutionary” scenario, entailing expansion of the school system and extracurricular activities being made an integral part of the school day (as is currently the case in such countries as France and Belgium).
- Make it more (financially) appealing to work more hours a week. This starts with further improvement of existing fiscal structures (for example, income tax structures or childcare allowances) in order to ensure that working more hours will also be suitably worthwhile in financial terms. This is something that will need to be looked at in conjunction with the cost structure for childcare, such that the cost-benefit analysis works out well for parents keen to work more. In specific situations (such as parts of the healthcare sector with acute shortages) an option to explore would be to offer employees progressive compensation the more hours a week they worked. It will also be important to provide people with adequate information on the existence of available schemes and how these work.

- Ensure that from primary school age onwards adequate information is provided to girls and boys on study and career choices and their implications. Schools, parents and government will play an important role in making children aware of their options in the labor market from an early age. In this regard it is important that stereotypes are avoided (“girls become teachers and boys become firemen”). From high school onwards it is worthwhile fostering young people’s awareness of the implications (including financially) of selecting particular sectors and choosing part-time working arrangements, such as the impact on economic independence or career opportunities.
- Work towards more positive public opinion on topics such as working mothers, caregiving fathers, or childcare, with inspiring male and female role models. The government, the business community, and social organizations can play an important role in positively shaping views on issues such as working mothers and stay-at-home fathers. In this regard, it is essential to place inspiring, recognizable role models in the spotlight. The media will play a significant part in this: not only newspapers and television but also social media and other contemporary channels—for instance, vloggers who exert considerable influence on younger people.
- Adopt a lifecycle approach toward the careers of both men and women, with flexibility both within jobs and during an entire career. Trade unions and employers could not only play an important role in discussions on flexibility arrangements within jobs, but also on flexibility during men and women’s career development. The current focus tends to be around the possibility of scaling down the number of hours (for example, following the birth of a child), and too little on scaling up after some time has passed. Furthermore, employers should also promote an active dialogue among men and women on the division of work and care duties, and its resulting implications (for instance, in terms of salary, pension accrual, and opportunities for growth).

Unfortunately, there is no single, easy solution. The maximum effect will be achieved through combining the six solution areas above and through cooperation on the part of all those involved. To illustrate this point, to solve current and anticipated staff shortages in the healthcare sector, it is important that the government makes explicit the fact that an important potential solution area for current and anticipated staff shortages is for employees to work more hours. This potential solution area could then be converted into specific objectives at the sector level, and policy could be formulated and/or adapted. Healthcare institutions will subsequently be able to incorporate this into their own (people) policies, ensure that working longer hours is an attractive option, and engage in active dialogue with their employees on the possibility of increasing the number of hours worked. Facilities such as childcare must support the logistics surrounding increased hours, in terms of costs, flexibility, and quality. Meanwhile, inspiring, recognizable role models could have a positive influence on public opinion regarding (women) working longer hours.

A breakthrough in the status quo requires a long-term transformation approach rather than a short-term action plan. There is huge potential, and now it is time to capture this.



AFTERWORD

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