



**Asia-Pacific
Economic Cooperation**

2019/SOM3/EC/WKSP1/004

Inclusive Labour Market Policies That Work for Women

Submitted by: Canada



**APEC Gender and Structural Reform
Workshop: Improving the Environment for
Women in the Workplace
Puerto Varas, Chile
25 August 2019**

Puerto Varas, August 24, 2019

Inclusive Labour Market Policies That work for Women

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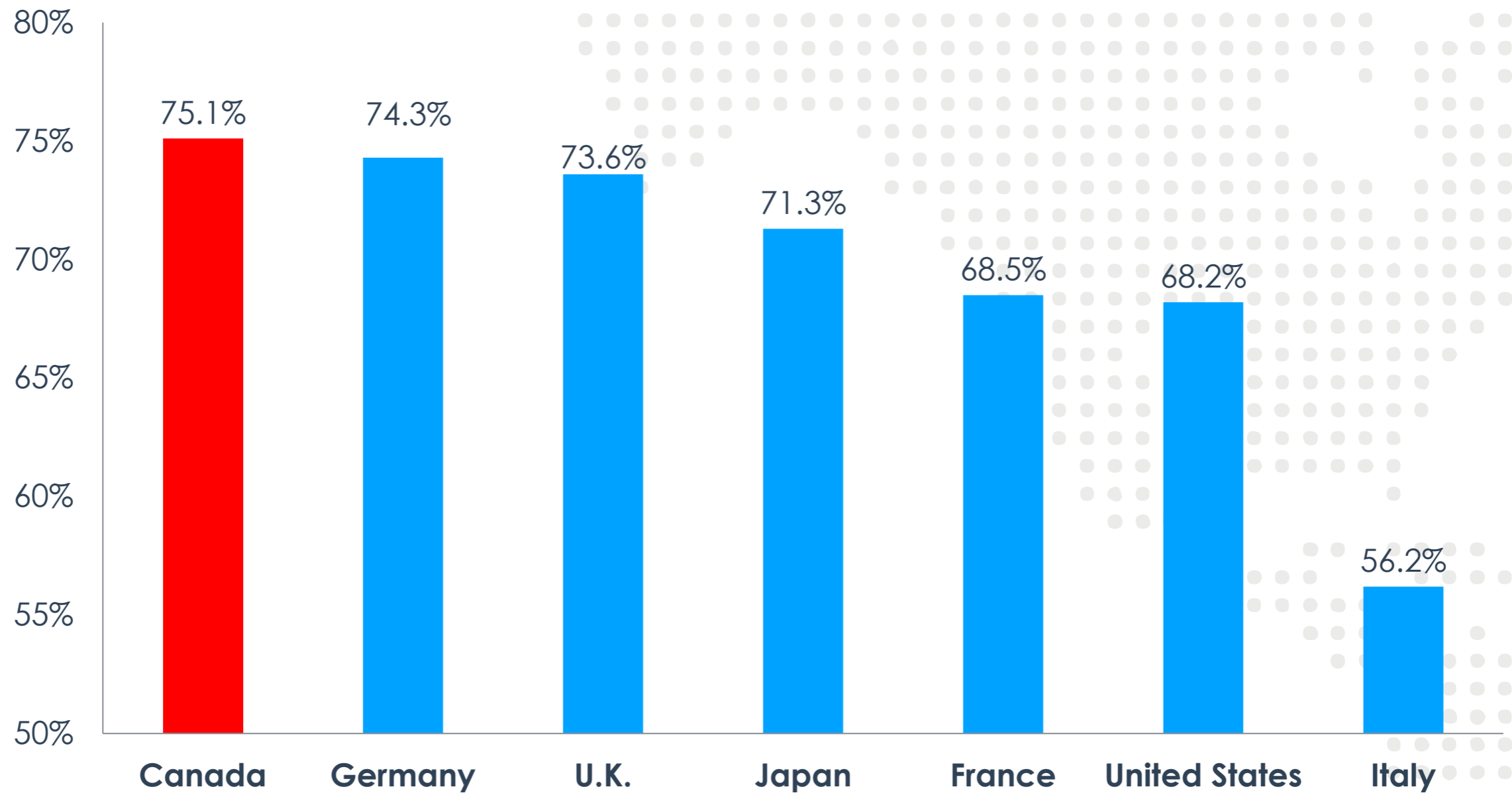
Roadmap to Innovative Solutions

- Factors Leading Women to Job Market
- Employment Paths for Women
- Canada's Insight
 - Women-owned Businesses and their Role in Trade
 - Women Business Owners as Employers
- Canadian Policies supporting Women's Entrepreneurship Opportunities



Where do Women Work?

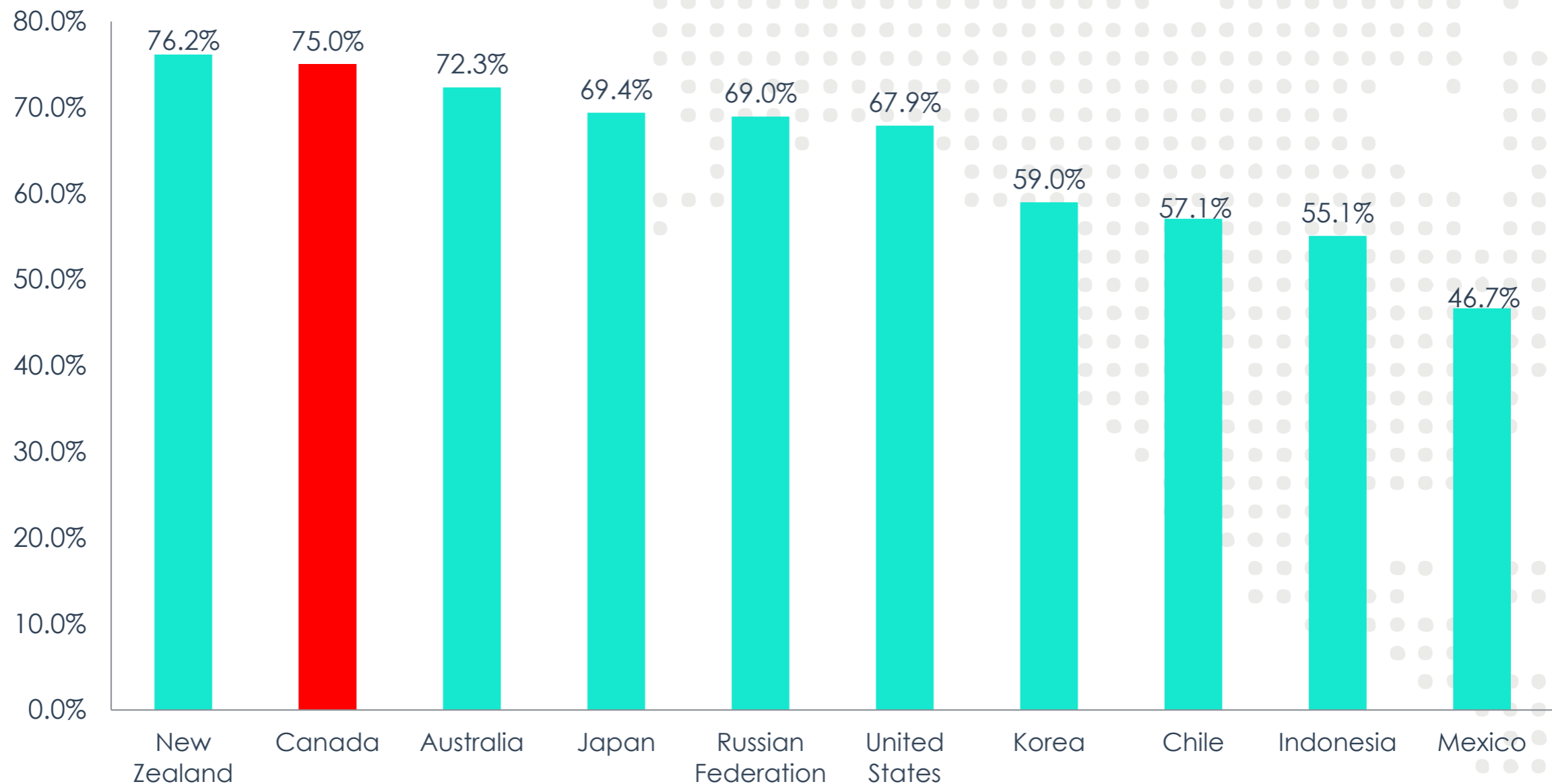
Women's Labour Force Participation Rate, G7 countries, 2018





Where do Women Work?

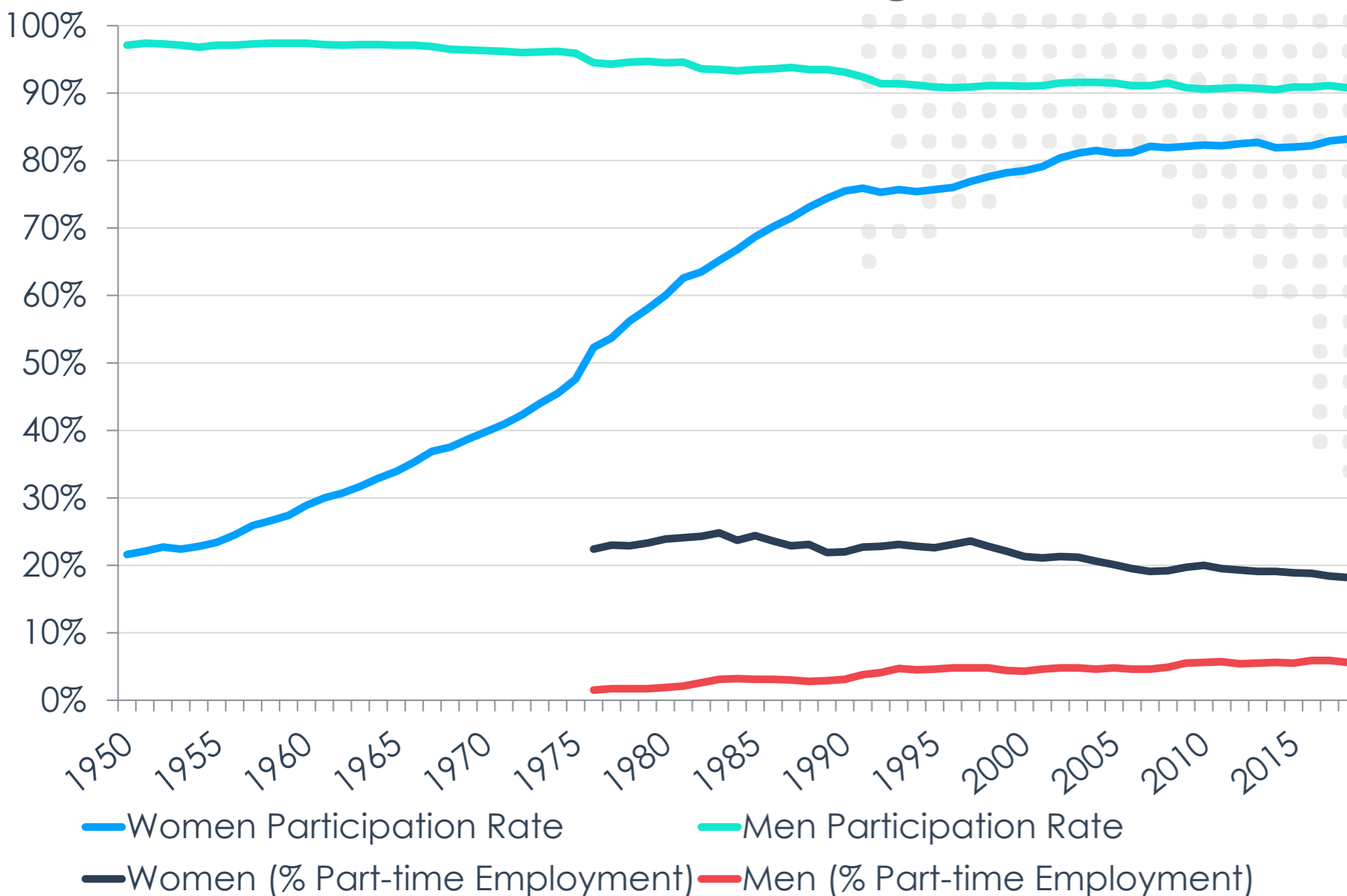
Women's Labour Force Participation Rate, APEC economies, 2017





Why do Women Work?

Labour Force Characteristics, Age 25 to 54, Canada



- **Time Allocation Decision**
Different economic, social and demographic factors affect a person's decision to work for a given wage.

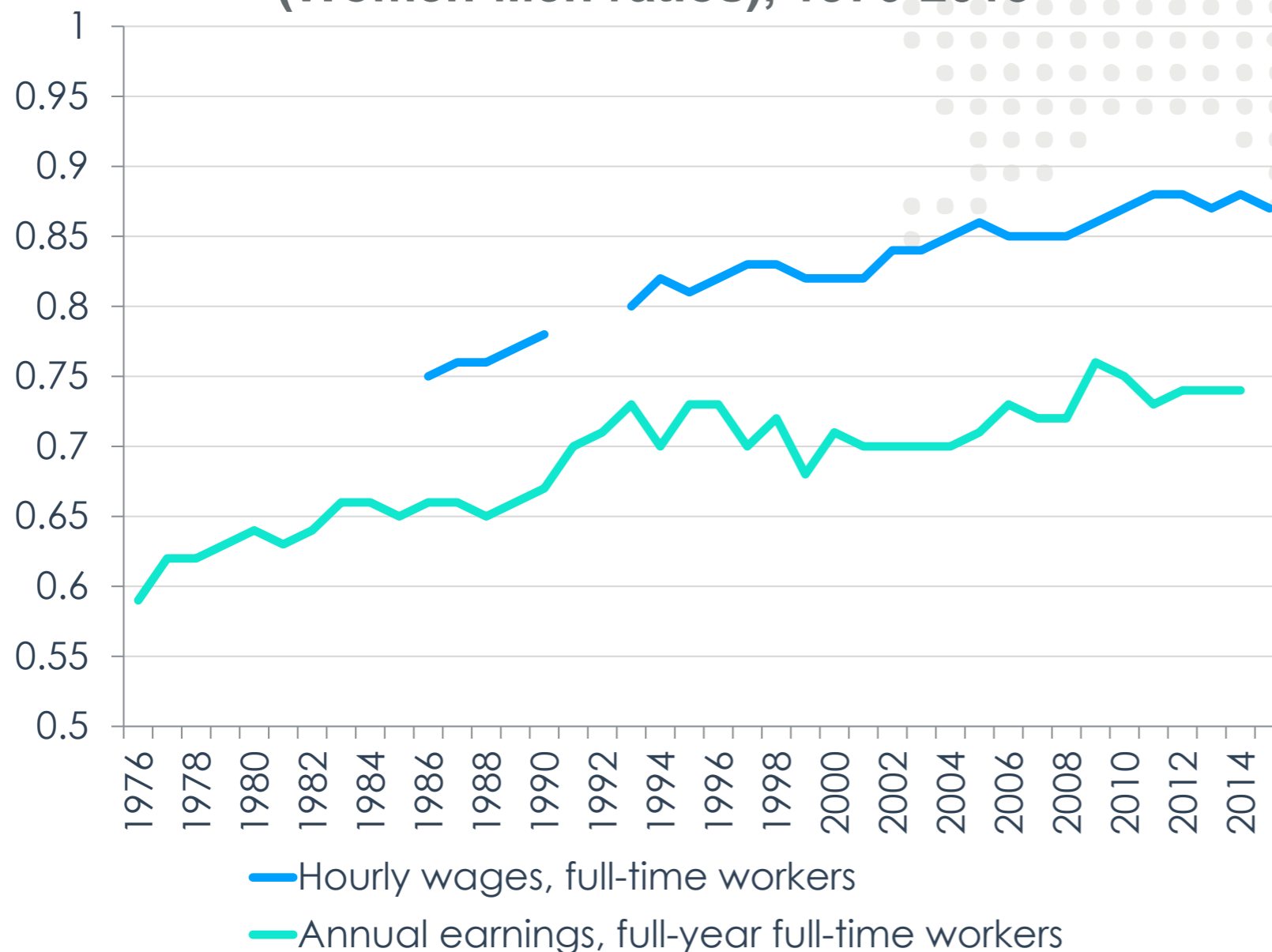
- **Paid and Unpaid Work**
Empirical literature confirms that child status variables impact LFP decision of women.

- **Hours of work supplied**
 - Full time wage employment
 - Part time wage employment
 - Temporary (gig) work
 - Self-employment



Why do Women Work?

Evolution in the Canadian Gender Pay Gap (Women-Men ratios), 1976-2015



- **Reservation Wage**

The reservation wage is the minimum wage for which a person is willing to trade off leisure for work.

- **Measuring the gap**

In terms of hourly wage, the gender pay gap is considerably smaller than in annual earnings.

- The **type of employment** influences the pay gap

- The pay gap tends to be larger in **high-unemployment** jurisdictions



Why do Women Work?

Median employment income in dollars by age group and educational attainment, 2015, Canada

	Women	Men	Ratio
Total – Highest certificate, diploma	49,912	63,286	0.79
No certificate, diploma or degree	31,033	45,002	0.69
High School diploma or equivalent	40,753	52,696	0.77
Apprenticeship or trades certificate or diploma	36,637	61,085	0.60
College, CEGEP or other non-university certificate	46,889	65,021	0.72
University certificate or diploma below a bachelor	52,398	65,885	0.80
Bachelor's degree	63,884	76,760	0.83
University certificate, diploma or degree above a bachelor level	74,737	86,374	0.87

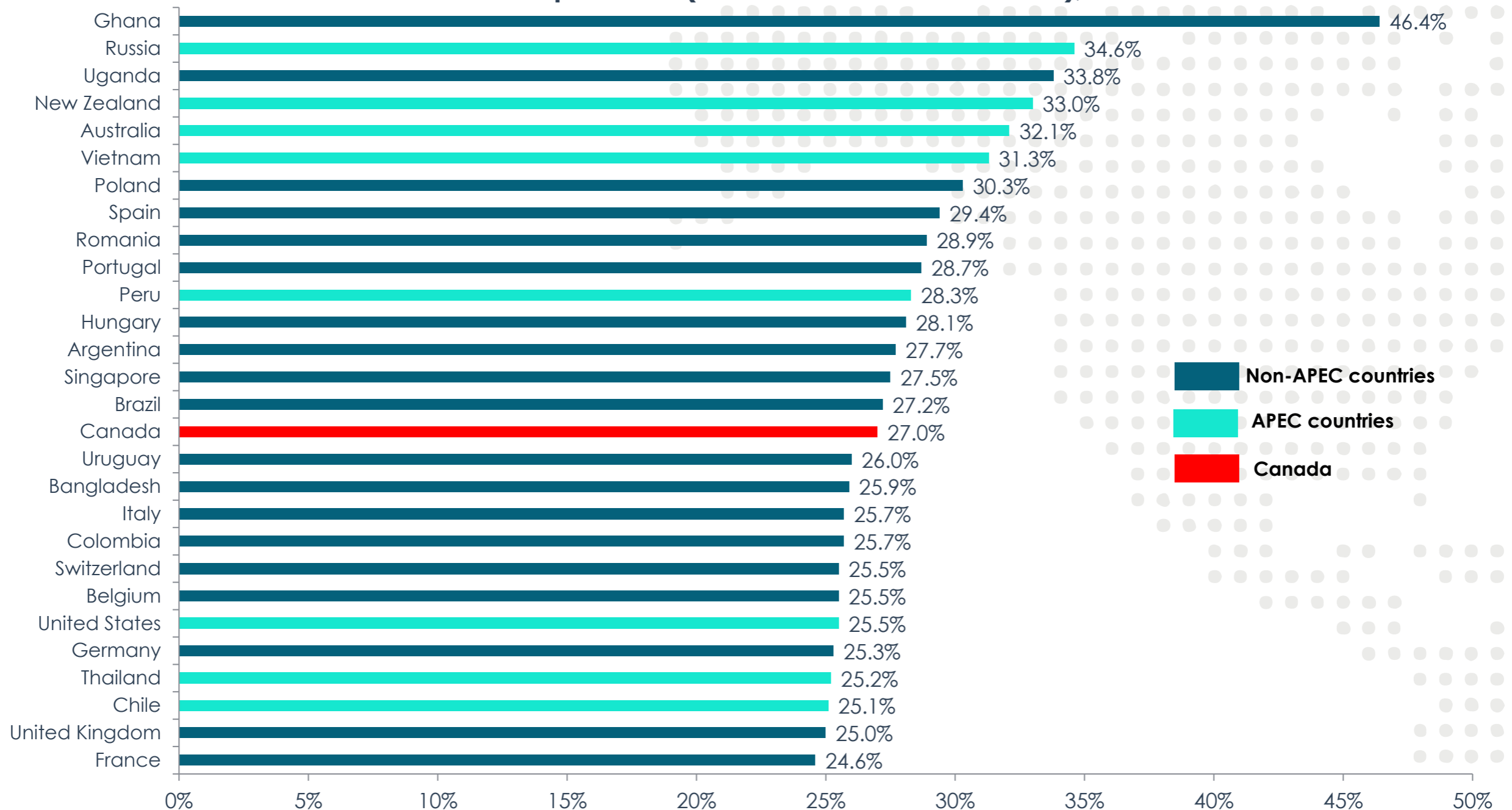
Note: Median wage income reported for 25 to 54 years of age having worked full time all year in 2015.
Source: Statistics Canada, Census 2016,

- The **pay gap decreases** with a higher level of **education attainment**.
- Canada leads OECD countries both for the share of women having **completed tertiary education** and the share of women involved in early-stage firms.
- While many Canadian women pursue post-secondary education, the number of women opting to study in the **STEM fields** remain low.
- **Women are underrepresented among top earners.** Less than 3% of women head incorporated businesses in Canada, almost half the rate of men.



Alternatives to Employment Wage Work

Women Entrepreneurs (% of total business owners), 2018

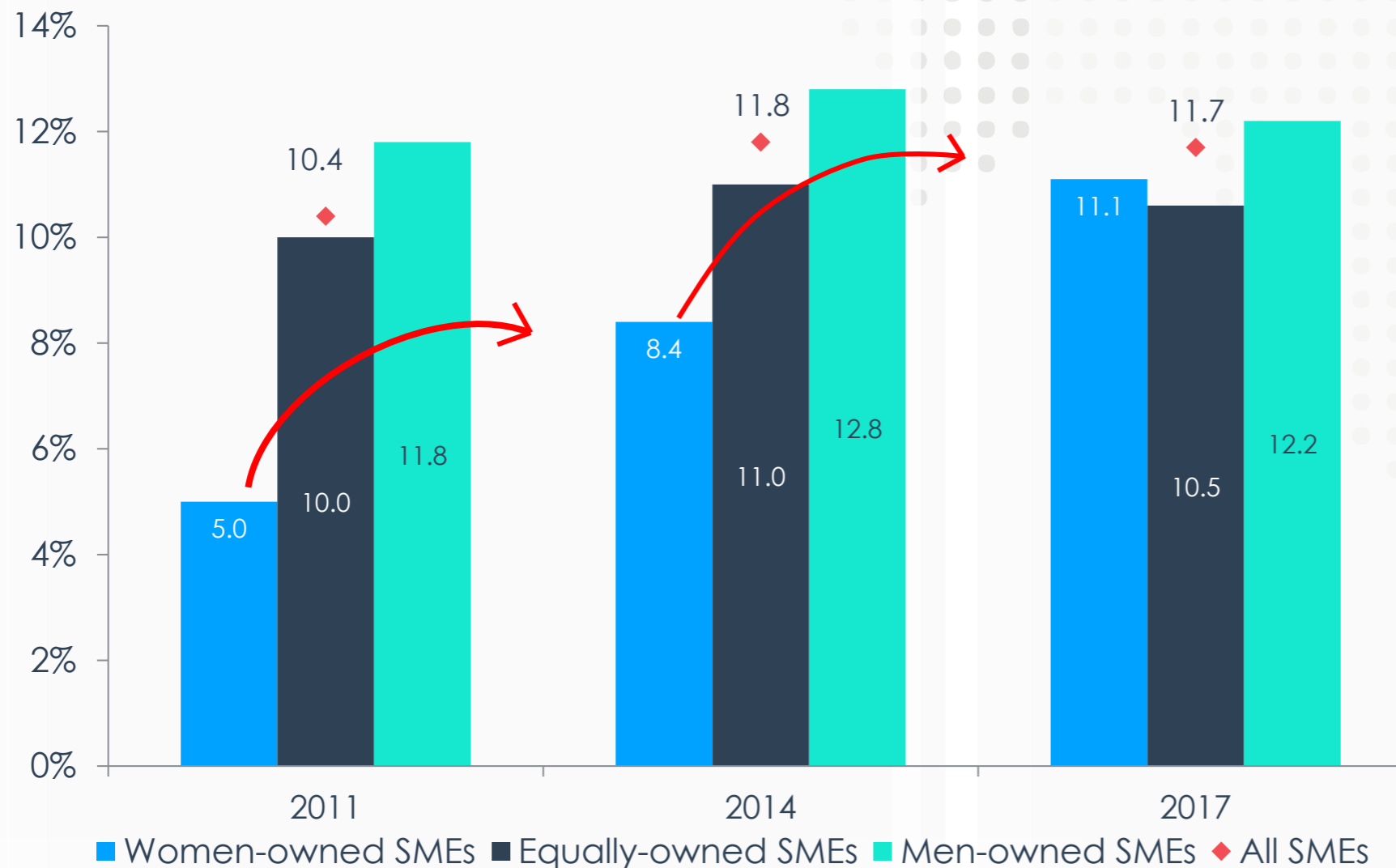


Data: Mastercard Index of Women Entrepreneurs (MIWE) 2018 | Source: Office of the Chief Economist, Global Affairs Canada



Women-owned SMEs are taking their place in trade

Percentage of SMEs that Export by Majority Gender of Ownership



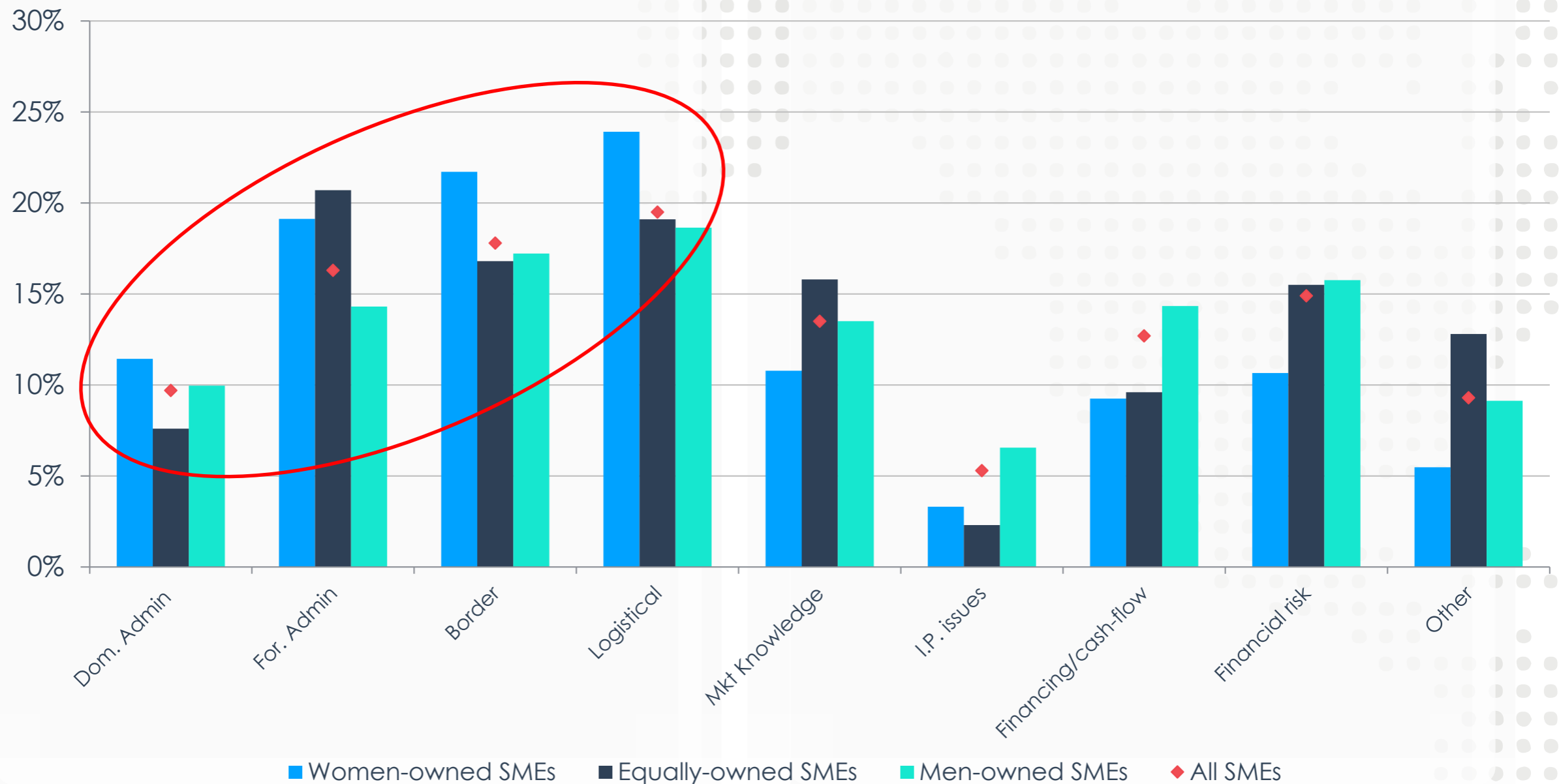
- Empirical evidence has demonstrated that **exporting SMEs** pay higher wages
- Women-owned SMEs are more likely to **hire women**
- Women own at a higher share businesses in the **service sector**, and are more employed in the service sector.

Data: Statistics Canada; Survey on Financing and Growth of SMEs, 2011, 2014, 2017
Source: Office of the Chief Economist, Global Affairs Canada



Addressing the Challenges

Obstacles to Exporting by Gender of Ownership, 2017





Selected Examples of Canada's Policies and Programs to Support Women at Work

Trade policy

- Addressing barriers to trade in services
 - Border obstacles (e.g. tariffs, non-tariff barriers, import quotas, custom duties, border security issues)
 - Logistical obstacles (e.g. distance to customers, transportation costs, brokerage fees)

Core Structural Reforms

- Address domestic administrative obstacles to export (e.g. rules, regulations) – ease of doing business, strengthening economic and legal infrastructure
- Broaden access and use of the Internet which has the potential to boost women's success in business ([ITCSD, 2018](#))

Supporting policies and programs

- Address the education gap in STEM
- Trade Commissioner Services of Global Affairs Canada has a trade commissioner unit dedicated to [Business Women in International Trade](#)
- The [Women Entrepreneurship Strategy](#) (Budget 2018) aims to support women in business as part of the Government of Canada's Innovation and Skills Plan



Conclusion

- Research and evidence are key to finding innovative solutions to promote and support women employment, within and outside the main policy spheres (education, labour laws and policies, culture, etc.)
- Trade effects are not neutral on gender and population groups (race, income, etc.) e.g. the impact on the domestic labour market can be different for different groups
- A holistic approach to supporting women entrepreneurs that involves trade policy, structural reforms and supporting policies has the potential to:
 1. Increase the labour force participation rate for women
 2. Create incentives for employers to improve workplace conditions for women to compete with women employers that do
 3. Boost the representation of women in high-wage fields (e.g. STEM) where they are underrepresented