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Paola Profeta¹

Gender Equality and Public Policy

Progress toward gender equality has been constant and continuous over the past several decades. However, the road to achieving equality between men and women, in particular with respect to economic opportunities and political empowerment, is still long. There is a serious risk that this long road will get even longer and more difficult as a consequence of the current pandemic. The outbreak of Covid-19 exacerbates existing gender differences in the labor market, at least in the short-term (Alon et al. 2020), because women are more vulnerable workers than men and because they have borne most of the burden of domestic tasks and childcare during the lockdown. In this context, it is crucial to understand which policies can be used to promote gender equality.

How to promote a more gender-equal context in which policies can be effective depends on several factors. The experience of Covid-19 suggests that the presence itself of a gender-balanced policy-making leadership can make a difference and help promote successful strategies (Profeta 2020b).

In the following section, I will briefly discuss which policies can promote female employment and how female leadership matters in public policy. This discussion is particularly meaningful with regard to the gender implications of the Covid-19 pandemic.

PUBLIC POLICY AND GENDER EQUALITY

Do Family Policies Promote Female Employment?

To provide an initial assessment of this relationship, I collected data from OECD statistics on family policies for 35 OECD countries spanning the period from 1970 to 2016. I concentrate on parental leaves and childcare. Table 1 shows the results of a regression analysis which estimates the female employment rate (aged 25-54) as a function of the length and generosity of parental leaves measured by the number of weeks and percentage paid (column 1) and as a function of the childcare expenditure (column 2) separately. Column 1 shows that the number of maximum weeks of job-protected leave shares a hump-shaped relationship with the female employment rate: a greater period of leave is associated with higher female employment up to a certain level, after which a further increase in the period of leave is related to lower female employment. Column 3 provides a joint estimate of the generosity of parental leaves and childcare: the generosity of the payment is negatively related to female employment,

¹ I thank Rosa Gobetti for her research assistance.

ABSTRACT

Gender equality and public policy are strictly inter-related. On the one hand, public policies—which include childcare, maternity, paternity and parental leave—have a positive relationship with female employment rates and are thus advocated as a tool for accelerating progress toward gender equality. On the other hand, women as economic agents may themselves have an impact on policies: the changing role of women in families and societies and their greater representation in decision-making positions contribute to focusing and redirecting policy agenda toward items that ultimately reduce gender gaps. How to start this vital process is crucial yet difficult. It is particularly relevant at this time during the Covid-19 pandemic, owing to the risk of possibly exacerbating gender differences and enlarging the existing gender gaps.

whereas childcare is positive and highly significant. Column 4 confirms the strong role of childcare when the dependent variable is the employment gap as the difference between male and female employment rate. All regressions include country and year fixed effects.

Results in Table 1 are obviously simple correlations and do not have to be interpreted in a causal way. They suggest that family policies may help to promote female employment and that the specific design (for example, the length and generosity of the leave) matters and thus has to be carefully evaluated. They also suggest that childcare is a powerful policy in reducing gender gaps. Several studies based on micro evidence confirm this relationship (see Profeta 2020a for a review).

Several countries have reacted to Covid-19 by introducing, among other measures, policies directed at families. These measures are meant to support family needs and their work-life balance, such as additional time for parental leave or in-kind benefits (such as baby-sitter vouchers), which have been introduced in particular during the lockdown and upon closure of schools. They are also meant to support working women.

Figure 1 shows for a large sample of countries around the world



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Table 1

Family Policy and Female Employment

	(1) Fem. Empl. Rate	(2) Fem. Empl. Rate	(3) Fem. Empl. Rate	(4) Empl. Gap
Max. weeks job-protected leave	0.483*** (0.128)		0.265** (0.109)	-0.254** (0.095)
Max. weeks squared/100	-0.212*** (0.072)		-0.094 (0.060)	0.079 (0.053)
Percentage of the total paid leave	-0.028 (0.046)		-0.101** (0.041)	0.071* (0.041)
Average payment rate	-0.086 (0.065)		-0.083* (0.043)	0.057 (0.035)
Early childcare expenditures		16.29*** (3.464)	16.78*** (3.342)	-17.59*** (3.706)
Constant	52.02*** (4.418)	58.15*** (1.685)	53.06*** (3.421)	37.95*** (2.786)
Country FE	Y	Y	Y	Y
Year FE	Y	Y	Y	Y
Observations	685	853	477	477
R2	0.490	0.330	0.560	0.585
Number of countries	22	34	19	19

Note: OLS estimations at the country level. OECD countries. All specifications include country and year dummies. Data refer to full-time employees and self-employed employees. *Female employment rate*: the employment/population ratio to men 25-54. *Employment gap*: the male-female difference in employment rates (%). *Maximum number of weeks of job-protected leave*: maximum weeks of job-protected maternity, parental and home care leave available (and its squared version). *Percentage of the total paid leave*: total weeks of paid maternity, parental and home care payments available to mother (%). *Average payment rate*: mother's average payment rate. *Early childcare expenditure*: public spending on early childhood education and care (% GDP). *Sample period*: 1970-2016 Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Source: Elaboration on Profeta (2020a).

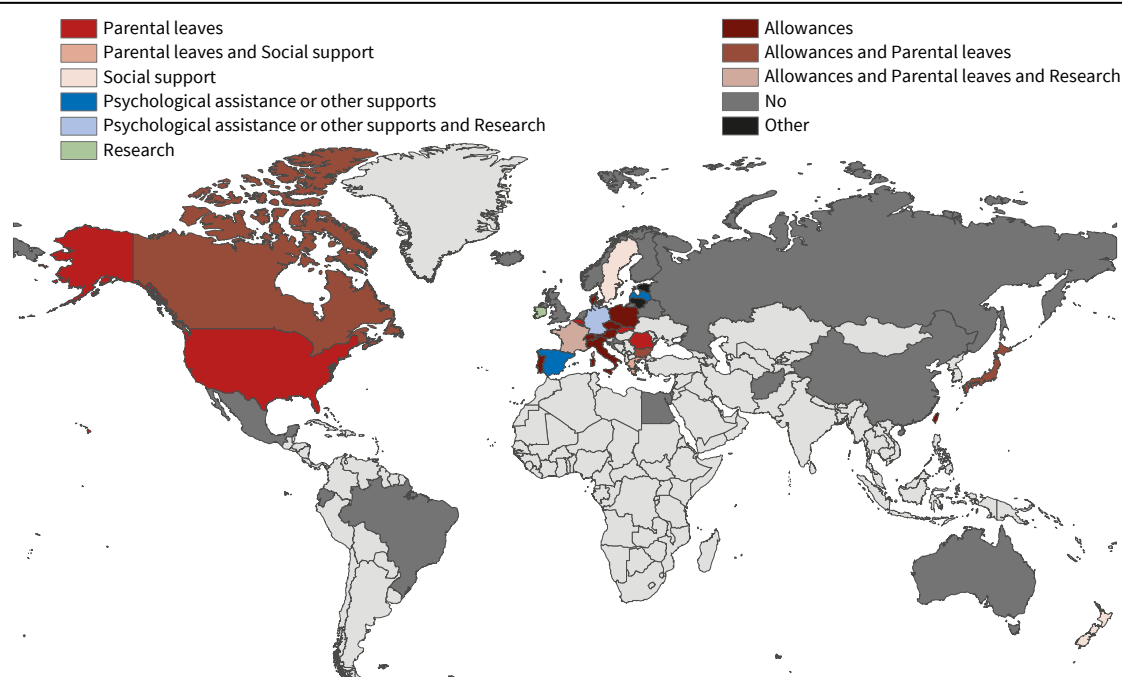
which policies have been introduced: allowances and parental leaves represent the most common measures. They include benefits to parents with small children and more time for caring the children. Although we understand the positive implications of these policies on families, we point out the lack of massive investment in childcare, which has been

shown to be the more effective policy against gender gaps.

Other measures also matter in terms of gender equality, some through a less direct relationship. One important, growing role is flexible work arrangements, which introduce a flexible place and time of work, and which have substantially increased during the pan-

Figure 1

Family Policies Implemented as a Response to Covid-19 Pandemic



Source: Author's elaboration on data from OECD and European Systemic Risk Board.

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demic. Flexible work arrangements may have effects on the reduction of gender gaps in domestic activities (Angelici and Profeta 2020). By increasing the participation of men involved in housework and childcare, they have the potential of rebalancing the asymmetry in the allocation of chores within the family, which in turn may drive a reduction in gender differences in the labor market. To what extent this transmission channel is at work is still uncertain and will probably only become visible over the long term. In fact, recent data shows that during the Covid-19 pandemic, despite the massive use of working from home and flexible working hours, women have had to bear most of the burden of domestic and childcare tasks (Del Boca et al. 2020).

WOMEN'S REPRESENTATION AND GENDER EQUALITY

Do Women Matter in Public Policy?

Women in decision-making positions may themselves have an impact on policies, as they contribute to focusing and redirecting the policy agenda toward items which, in the end, reduce gender gaps. To provide an overview of this relationship, in parallel to what was stated in the previous section, I collected data on family expenditures and childcare expenditures (as % of GDP) in OECD countries and compare them with the share of seats held by women in national parliaments. Table 2 presents the result of OLS regressions at the country level, including a country and year dummy and a set of control variables (GDP per worker, female labor force participation, percentage of elderly over the age of 65): a greater presence of women holding positions in federal government is associated with higher family expenditures and higher childcare expenditures.

The simple correlations shown in Table 2 are suggestive and only partially informative, and obviously say nothing about causal relationships. It may be the case that in countries where family expenditures are higher, more women are elected to positions in federal government because the high level of expenditures reduces gender gaps or because the country is characterized by a culture that is more open to gender balance in all dimensions. To solve this endogeneity problem, research has often used the introduction of gender quotas, which exogenously increase the share of women. Gender quotas have been largely studied both in the business and in the political dimension (Profeta 2020).

Another well-studied identification strategy exploits the existence of close gender-mixed races. Using micro-level data, a recent paper on Bavaria in Germany has found evidence that local female politicians increase the availability of childcare (Baskaran and Hessami 2018). However, existing studies do not all draw the same conclusions, i.e., there is no consensus

in terms of the effect of gender of the politician on the policy implemented.

The relationship between female leadership and public policy has also attracted a great deal of attention in recent times during the Covid-19 pandemic. Avivah Wittenberg-Cox, in an article published by Forbes, noticed that countries led by women are performing better in dealing with the Covid crisis: Denmark, Finland, Germany, Iceland, New Zealand, Norway and Taiwan. Obviously, this simple correlation cannot have an a priori causal interpretation, yet it seems that the style of female leadership does matter in dealing successfully with crisis. This style includes telling the truth, the ability to be decisive, the use of advanced technology and innovative communication. Several recent papers have tried to provide rigorous empirical support to this anecdotal evidence that countries led by female leaders have been performing better during the Covid-19 crisis (Coscieme et al. 2020; Garikipati and Kambhampati 2020; Sargent and Stajkovic 2020). They argue that the positive performance of female leadership could be the result of the style of policy response adopted by men and women: women have been more proactive and have coordinated with policy responses.

Does the evidence regarding female leadership during this Covid-19 crisis reflect the existence of a standard “female leadership style”?

Existing preliminary analysis suggests a positive answer. In the following section, I refer to the results in Profeta (2020a) on data from the Comparative Candidate Survey dataset. This dataset collects answers to survey questions posed to a sample of male and female candidates running for national parliaments in different countries from 2005-2013 and 2013-2016. Compared to men, women are shown to be more in favor of women's issues, for example, they are more sensitive to preferential treatment of women when applying for a job. They are more open to immigration, less in favor of military intervention and more in favor of protecting the environment. Moreover, women

Table 2
Percentage of Women in Parliament Involved in Forming Public Policy (Family Expenditures, Childcare)

	Public spending on families (% of GDP)	Public spending on early childhood education and care (% GDP)
Seats held by women in national parliaments (%)	0.0144* (0.00748)	0.00576* (0.00317)
Constant	2.686* (1.332)	- 1.308* (0.761)
Country FE	Y	Y
Year FE	Y	Y
Observations	184	195
R2	0.035	0.129

Note: OLS estimations at the country level, OECD countries. All specifications include controls: GDP per worker, Female labor force (%), population aged 65+, country and year dummies. Sample period: 2005, 2007, 2009-2013. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Source: Elaboration on Profeta (2020).

are more ready to sacrifice their own opinions when they differ from the preferences of voters of parties. Although these results should be considered preliminary, they open the way for a new argument in favor of gender equality: the style of leadership of female politicians may contribute to their performance, perhaps particularly in period of crisis.

CONCLUSION

To identify the relationship between gender equality and public policy is challenging. The relationship is also a dynamic one and evolves in concert with economic and social changes. Covid-19 is expected to have a crucial impact on both aspects of these relationships and thus on ultimate gender gaps. Although I have provided some examples, further and more rigorous studies are needed to understand how public policies contribute to promoting gender equality, and how women in decision-making positions can make a difference during these current times of pandemic and, more generally, in future economies.

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