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THE POWER OF PARITY: ADVANCING WOMEN'S EQUALITY IN ASIA PACIFIC

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EXECUTIVE SUMMARY



MCKINSEY GLOBAL INSTITUTE

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THE POWER OF PARITY: ADVANCING WOMEN'S EQUALITY IN ASIA PACIFIC



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IN BRIEF

ADVANCING WOMEN'S EQUALITY IN ASIA PACIFIC

Advancing women's equality in the countries of Asia Pacific could add \$4.5 trillion to their collective annual GDP by 2025, a 12 percent increase over the business-as-usual trajectory. Already a powerful engine of global growth, pursuing the goal of gender parity can lift many more women out of poverty, unleash the economic potential of many others, and reinforce the region's dynamic growth story.

- All countries would benefit from advancing women's equality. In a best-in-region scenario in which each country matches the rate of progress of the fastest-improving country in its region, the largest absolute GDP opportunity is in China at \$2.6 trillion, a 13 percent increase over business-as-usual GDP. The largest relative GDP opportunity is in India, which could achieve an 18 percent increase over business-as-usual GDP, or \$770 billion. Across Asia Pacific, we estimate that 58 percent of the opportunity would come from raising the female labour-force participation ratio, 17 percent from increasing the number of hours women work, and the remaining 25 percent from more women working in higher-productivity sectors.
- MGI has established a strong link between gender equality in work and in society—the former is not achievable without the latter. MGI's Gender Parity Score, or GPS, using 15 indicators of gender equality in work and society, measures the distance each country has travelled towards parity, which is set at 1.00. Overall, Asia Pacific has a GPS of 0.56, slightly lower than the global average of 0.61—both “high” levels of gender inequality. But countries in the region vary in their positions on specific indicators. There is no single Asia Pacific story.
- On gender equality in work, the Philippines stands out for its progress, followed by New Zealand and Singapore. The six countries furthest from gender parity in work are Bangladesh, India, Japan, Nepal, Pakistan, and South Korea. China does well on female labour-force participation but can improve its share of women in leadership—as can most countries in Asia. Globally, there are fewer than four women in leadership roles to every ten men, but, in Asia Pacific, only around one woman for every four men. Gender inequality also remains high across the region in the sharing of unpaid care work.
- On gender equality in society, Australia, New Zealand, the Philippines, and Singapore are ahead of most in the region on essential services such as education, maternal and reproductive health, financial and digital inclusion, and legal protection and political voice; countries like Bangladesh, India, Nepal, and Pakistan still have a considerable distance to travel. Achieving gender parity in digital and financial inclusion is a large opportunity in many South Asian and Southeast Asian countries. Physical security and autonomy remains a concern in many parts of the region—and globally.
- Asia Pacific nations have made progress in the past decade, driven by a combination of economic development, government measures, technological change, market forces, and activism. Maternal mortality and gender gaps in education have declined in countries including Bangladesh, Cambodia, India, and Nepal. Many countries have increased women's labour-force participation, but participation has fallen in Bangladesh, India, and Sri Lanka, a trend that may be linked to rising household income.
- Mapping the road ahead, policy makers, companies, and non-governmental organisations could consider prioritising action in five areas that are urgent issues (to differing degrees) across the region: (1) focus on higher female labour-force participation, with steps to address unpaid care work as a priority to boost economic growth; (2) address the pressing regional and global issue of women's underrepresentation in business leadership positions; (3) capture the economic and social benefits of improving access to digital technology; (4) shift social attitudes about women's role in society and work in order to underpin progress on all aspects of gender inequality; and (5) collaborate on regional solutions as powerful catalysts for gender equality.

The economic case for gender parity in Asia Pacific

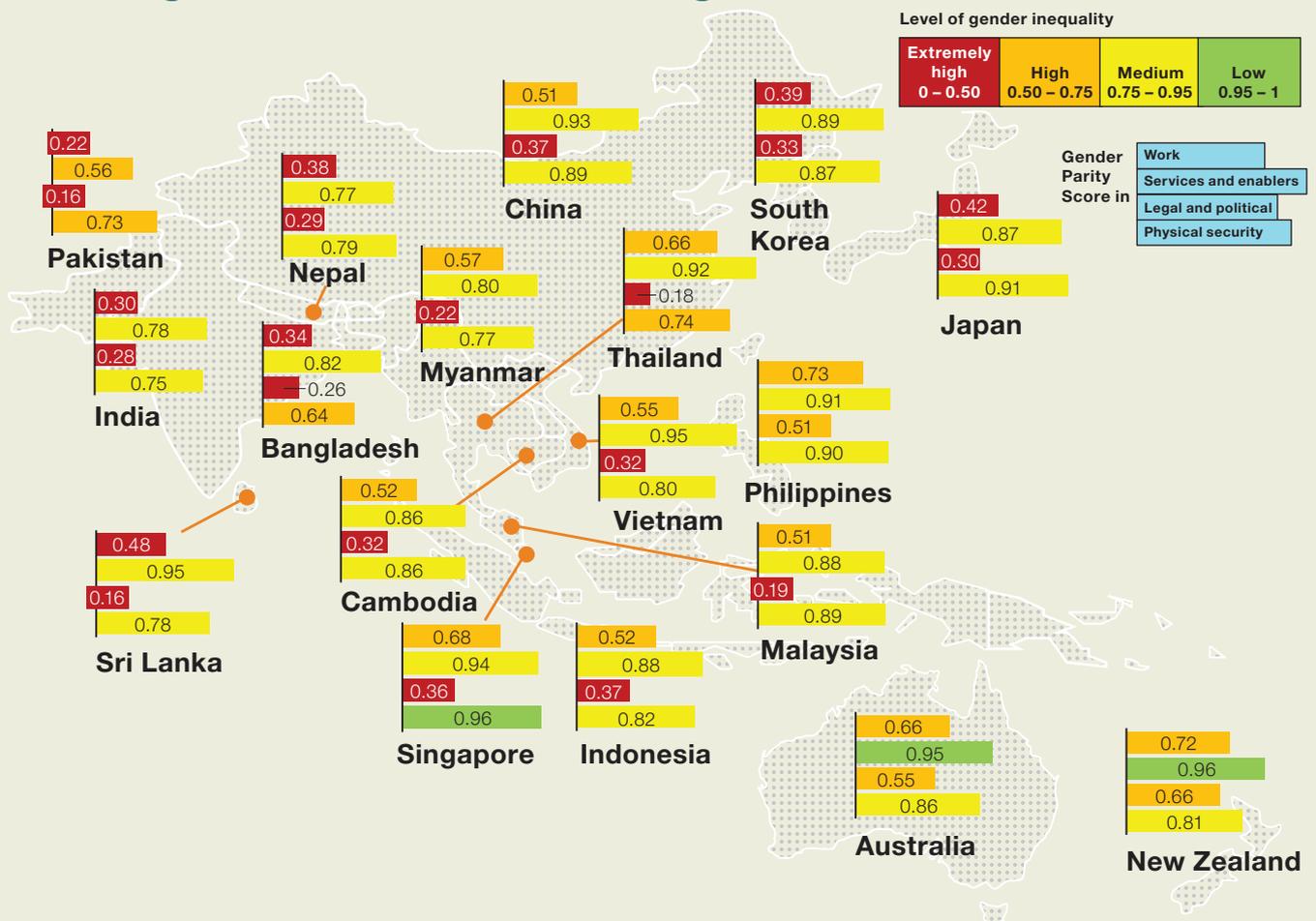


\$4.5 trillion

of **additional annual GDP** in 2025 could be added to the economies of Asia Pacific by advancing women's equality

or **12%** above business-as-usual GDP in 2025¹

Gender inequality is high overall in Asia Pacific, with significant variations among countries²



Five areas for change in Asia Pacific

- Focus on higher female labour-force participation in quality jobs as a priority to boost economic growth
- Address the pressing regional and global issue of women's underrepresentation in business leadership positions
- Capture the economic and social benefits of improving women's access to digital technology
- Shift attitudes about women's role in society and work, in order to underpin progress on all aspects of gender equality
- Collaborate on regional solutions, such as financing and knowledge-sharing, as powerful catalysts for gender equality

¹ GDP opportunity in scenario where all countries match their best-in-region country in progress towards gender parity.

² GPS scores are made up of 15 indicators of gender equality in work and society, weighted equally. GPS runs from 0 (no gender equality) to 1.0 (parity); for instance, a 0.95 ratio represents 5% distance from gender parity.

SOURCE: McKinsey Global Institute analysis



EXECUTIVE SUMMARY

Asia Pacific is today arguably the most dynamic region in the world, a global engine of growth driven by productivity, investment, technology, and innovation. Women can help—and are helping—to power this engine, making vital contributions to sustaining and enhancing Asia’s growth and lifting more people out of poverty. Yet gaps remain large in many countries in the region on gender equality both in work and in society. From an economic perspective, trying to grow without enabling the full potential of women is like fighting with one hand tied behind one’s back.

By advancing women’s equality, the economies of Asia Pacific could boost their collective GDP by \$4.5 trillion a year by 2025, a 12 percent increase over business-as-usual GDP. This additional GDP would be equivalent to adding an economy the combined size of Germany and Austria each year. China and India would benefit most in absolute and relative terms, respectively. Advancing women’s equality not only is important from a moral and social perspective, but also delivers a considerable growth dividend.

This research builds on MGI’s landmark 2015 report on global gender inequality, *The power of parity: How advancing women’s equality can add \$12 trillion to global growth*, which found that advancing women’s equality could add \$12 trillion to annual global GDP by 2025. Every region studied has the potential to increase its GDP by 8 to 16 percent over the next ten years. MGI used 15 economic and social indicators to compile a Gender Parity Score, or GPS, for each country.¹

Asia Pacific countries are grappling with many of the same challenges and opportunities that we see around the world. But there is no one Asia Pacific story. Rather, there is huge variation throughout the region in both gender outcomes and the drivers of those outcomes, whether economic, cultural, political, or environmental. Yet we believe that using a regional lens to look at these complex, interrelated issues of gender inequality can aid understanding of common challenges, potential solutions, and key differences.

First, the sheer size of the region in population and GDP terms means that regional solutions could be possible and, if initiated, could be rolled out on a significant scale. Second, many multinational businesses operate across national borders within the region, including companies whose global supply chains are heavily dependent on Asia Pacific. They represent a potentially catalytic opportunity, as multinational corporations bring a wider range of organisational practices to individual labour markets within Asia Pacific. Third, there is merit in bringing countries grappling with various gender equality issues into one conversation, so that they can share best practices and learn lessons from one another’s experience.

In Chapter 1, we investigate the cross-cutting issue of women in leadership positions in business, an aspect of gender inequality that is highly relevant in the region and globally. We suggest some key measures that would help to raise the number—and share—of women in companies from the entry level to middle management to the boardroom. Then, in Chapters 2 through 8, we focus in greater detail on seven Asia Pacific countries: Australia, China, India, Indonesia, Japan, the Philippines, and Singapore (see Box 1, “Approach to country discussions,” and Box 3, “Gender inequality in seven Asia Pacific countries”).

¹ *The power of parity: How advancing women’s equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015.

Box 1. Approach to country discussions

The seven countries we focus on in this report are home to more than 80 percent of the region's female population and account for 90 percent of the total \$4.5 trillion GDP opportunity in the 18 Asia Pacific countries included in our estimate. They vary widely in their stage of economic development, cultural norms, and performance on different aspects of gender inequality.

For each country, we have highlighted the economic opportunity from advancing women's equality and dimensionalised gender gaps. We have also homed in on key topics in each country chapter, chosen because they are of national interest and importance in those countries and have gender-disaggregated data available. Some of these topics build on current strengths, while others are pockets of continuing gender inequality that need to be addressed. We note that these topics are not exclusively relevant to a particular country. In many cases, they are aspects of gender inequality that will resonate in many countries. The topics we have chosen for each of the seven countries are illustrative, not exhaustive. We have focused more closely on gender equality in work and the direct enablers of economic opportunity, while fully acknowledging the importance of areas such as gender equality in political leadership, and physical safety and security, to help countries move to gender parity.

Measures needed to accelerate progress towards parity differ. For each country, we have identified some of the significant gaps and opportunities

in gender inequality and have examined measures to address them through actions by governments, corporations, non-governmental organisations, and individuals. The measures that we discuss are, by definition, not exhaustive—a broader suite of measures will be needed to fully address gender imbalances. We note, too, that approaches relevant to the formal sector may not be effective in the informal or agricultural sectors.¹ For instance, tax measures and workplace policies such as parental leave may be suitable for the formal sector but not for others, and action to open up access to digital technologies and financial services may be most necessary for those at lower income levels who often live in rural areas and work informally.

In Exhibit 9 at the end of this chapter, we summarise recommended measures that are discussed in each subsequent chapter of this report. We identify five areas that countries might prioritise: (1) focus on higher female labour-force participation, with steps to address unpaid care work as a priority to boost economic growth; (2) address the pressing regional and global issue of women's underrepresentation in business leadership positions; (3) capture the economic and social benefits of improving access to digital technology; (4) shift social attitudes about women's role in society and work in order to underpin progress on all aspects of gender inequality; and (5) collaborate on regional solutions as powerful catalysts for gender equality.

¹ Hundreds of millions of women worldwide work informally without social and labour protections in law or in practice. Bringing these women under the protection of regulatory regimes—specifically through measures covering recognition as workers, regulated access to public spaces, freedom of association and collective bargaining, and access to social protection—will be important to addressing gender inequality in countries with large informal sectors, such as India. See *Leave no one behind: A call to action for gender equality and women's economic empowerment*, Report of the UN Secretary-General's High-Level Panel on Women's Economic Empowerment, 2016.

AN ADDITIONAL \$4.5 TRILLION A YEAR COULD BE ADDED TO ASIA PACIFIC GDP BY 2025 BY ACCELERATING PROGRESS TOWARDS GENDER PARITY

Today, women account for half of the combined population of Asia Pacific but contribute 36 percent of the \$26 trillion of GDP currently generated (Exhibit 1). This is in line with the global figure of 36 percent. We note that current traditional measures of GDP do not capture the very significant economic value that women create through unpaid care work in the home such as looking after children and the elderly, shopping, cooking, and cleaning. Using conservative assumptions, we estimate that the unpaid care work undertaken by women in Asia Pacific, if included in measurement of GDP, would add \$3.8 trillion to the regional total, equivalent to roughly 15 percent of the region's GDP.²

On the paid work that is measured in GDP statistics, there is significant variation in the share that women contribute among Asian economies. For instance, in China, which generates almost half the region's GDP and accounts for 35 percent of the region's female population, women contribute an above-average 41 percent to GDP. However, in India, which generates almost 10 percent of regional GDP and is home to 33 percent of the region's combined female population, the share is well below average at 18 percent.

MGI's 2015 global report on the power of parity assessed the size of the growth opportunity that could be seized if each country were to narrow its labour-market gender gaps at the same rate as the fastest-improving country in its region.³ In Asia Pacific, most countries would increase female labour-force participation rates relative to male labour-force participation rates for 25- to 54-year-olds at a rate of 1.1 percentage points a year, in line with the experience of Singapore between 2003 and 2013.⁴ At these rates of progress, the region's average labour-force participation rate for prime working-age women would reach 54 percent by 2025, an increase of seven percentage points from 2016. On the second source of additional GDP related to gender equality in work—closing the gap between the paid hours women work compared with men—all countries in the region would bridge the gap by 0.6 percentage point per year, in line with Norway, the country that closed the gap the fastest in the period from 1995 to 2013.⁵ Finally, on the migration of workers to higher-productivity sectors, most countries would increase the share of women moving into such sectors at a rate 0.5 percentage point faster than men, matching the performance of Indonesia.⁶

² This figure is estimated from minimum wage multiplied by time spent on unpaid work.

³ In our calculation of the GDP opportunity, we assumed the same labour productivity for men and women within sectors. We excluded any second-order impact from the increased participation by women, including increased consumption by women, any negative impact on male labour-force participation due to increased female participation, and any drag on productivity due to increased labour supply (see the appendix for more detail).

⁴ This benchmark improvement rate was applied to 11 countries, while different rates were applied to other countries (see the appendix for more detail).

⁵ We benchmarked to Norway because there were not sufficient regional benchmarks, and therefore we chose a global one. Norway was identified as the best performer in a sample of 30 countries, most of which are developed economies. See the appendix of *The power of parity: How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015.

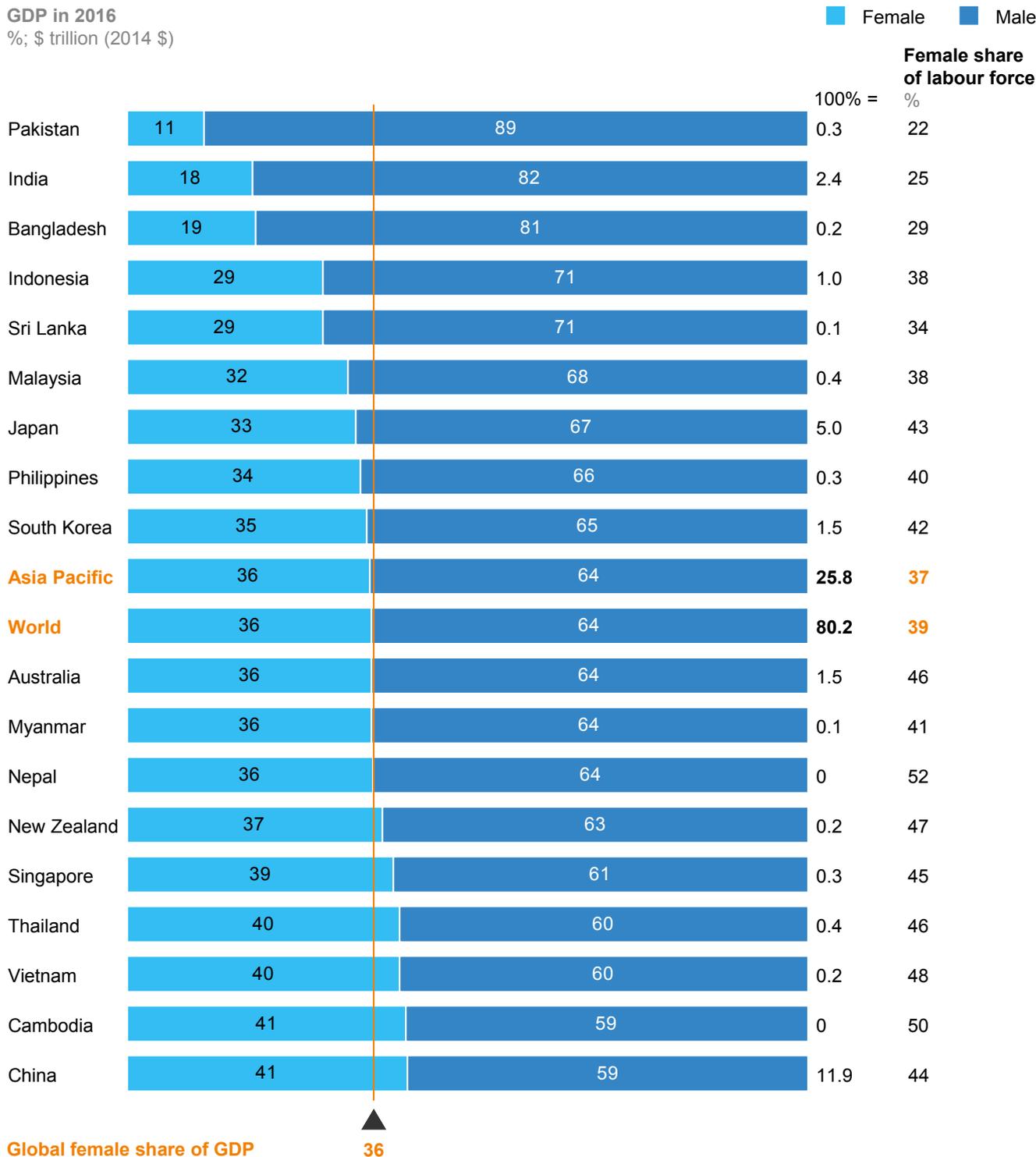
⁶ For women's labour-force participation rate and high-productivity sector mix, different rates of improvement were applied to Australia, Bangladesh, India, Nepal, New Zealand, Pakistan, and Sri Lanka to adjust for local circumstances (see the appendix for further detail).

Exhibit 1

Women’s contribution to GDP ranges from 11 to 41 percent across Asia Pacific; the Asia Pacific average is in line with the global average

GDP in 2016

%; \$ trillion (2014 \$)



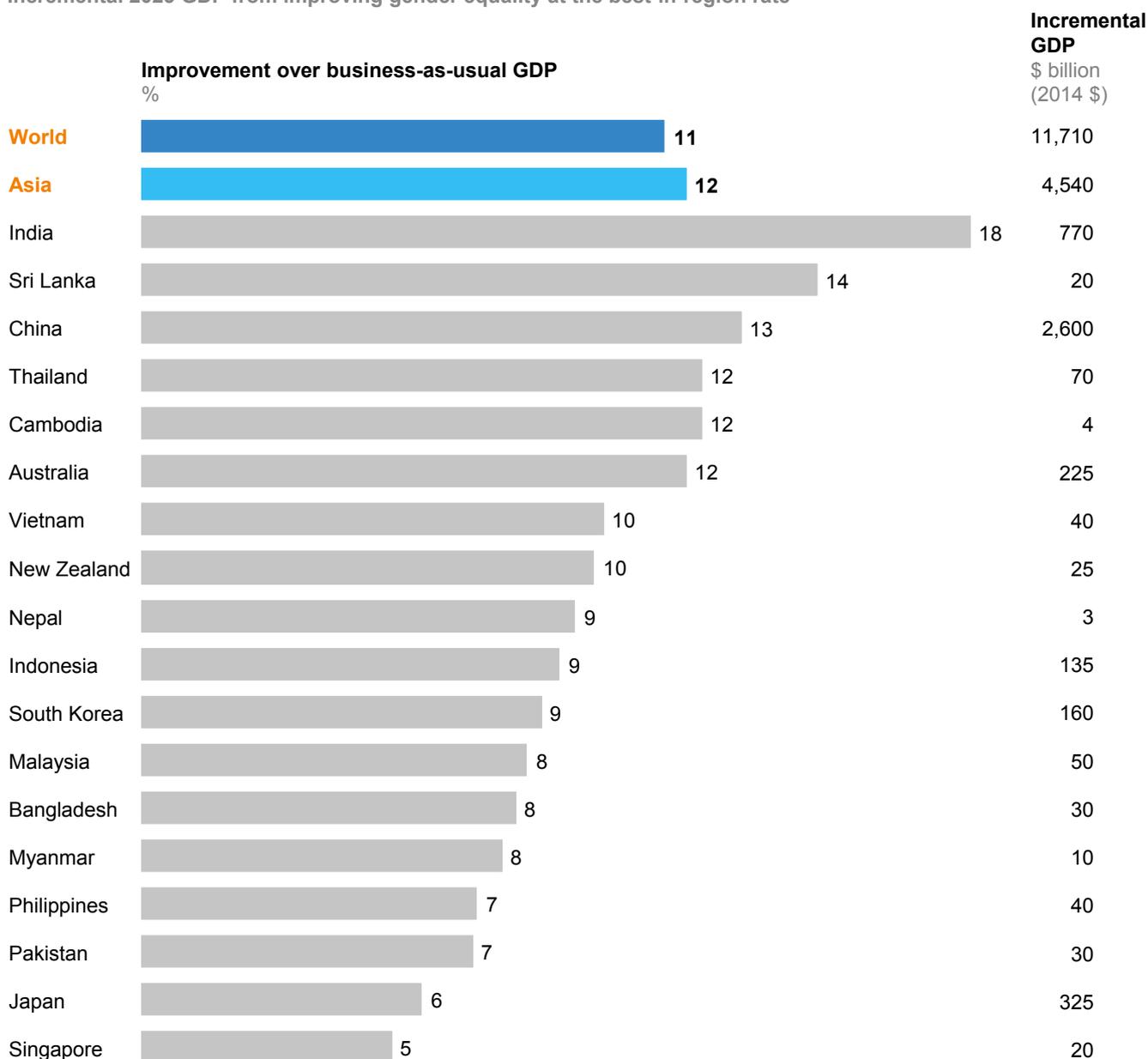
SOURCE: ILO; World Input-Output Database; IHS; national statistical agencies; Oxford Economics; McKinsey Global Growth Model; McKinsey Global Institute analysis

In a best-in-region scenario for Asia Pacific, we estimate that the region overall could add \$4.5 trillion of GDP a year by 2025 (Exhibit 2). This represents 12 percent more than would be generated according to current forecasts of GDP for 2025. The largest absolute opportunity is in China at \$2.6 trillion, a 13 percent increase over business-as-usual GDP. The largest relative opportunity is in India, which could achieve an 18 percent increase over business-as-usual GDP, or \$770 billion.

Exhibit 2

In a best-in-region scenario, Asia Pacific could add \$4.5 trillion to annual GDP by 2025, or 12 percent above business as usual

Incremental 2025 GDP from improving gender equality at the best-in-region rate



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

MGI's calculation is a supply-side estimate of the size of the additional GDP available from closing the gender gap in employment. It takes into account labour-force participation rates by gender and age cohorts, the prevalence of part-time vs. full-time work among men and women, and employment patterns for men and women across sectors of the economy (see the appendix for more detail). We acknowledge that the supply-side approach needs to be accompanied by demand-side policies that could influence the ability to create jobs to absorb additional female workers. In addition, education and vocational training systems will need to keep pace with rapid technological changes that are altering the nature of work and creating new types of jobs.

To achieve this significant boost to growth will require the region to tackle three economic levers: increase women's labour-force participation rate, increase the number of paid hours

women work (part-time vs. full-time mix of jobs), and raise women's productivity relative to men's by adding more women to higher-productivity sectors. Of the total \$4.5 trillion GDP opportunity, 58 percent would come from raising the female-to-male labour-force participation ratio, in line with the global average contribution. A further 17 percent of the GDP opportunity would come from increasing the number of paid hours women work, and the remaining 25 percent from more women working in higher-productivity sectors.

It is difficult to quantify the mechanisms through which increased women's participation becomes possible (that is, whether it is due to reduced leisure, reduced hours in unpaid work, redistribution of unpaid care work, or the marketisation of that work). However, it is clear that women who are freed from spending some time in unpaid care work would have more opportunity to use and improve their skills and pursue higher-paid professions, boosting GDP. We therefore estimate the economic impact only in GDP terms, while acknowledging that this lens does not measure total welfare and total economic activity. The impact of unpaid work on economic activity and wellbeing warrants further study.

Delivering the power of parity will require investment. Previous MGI research estimated that achieving the \$4.5 trillion GDP opportunity in Asia Pacific will require around \$1.5 trillion of incremental investment to 2025 to support additional workers, roughly 12 percent higher than the business-as-usual scenario for the region.⁷ Beyond capital to support additional jobs, investment will be needed to close gender gaps in health, education, and other services to enable women to participate more fully in the formal economy. In a 2016 paper, MGI estimated that 20 to 30 percent more spending would be required worldwide to tackle these key aspects of gender inequality in society. However, the return on that investment could be six to eight times higher than the additional social spending required.⁸

THE REGION'S ECONOMIES EXHIBIT MAJOR DIFFERENCES IN THE PATTERNS AND EXTENT OF GENDER INEQUALITY

Gender inequality does not exist purely in the workplace—it affects women's life in society, too. Indeed, one influences the other. Progress on gender equality in work is unlikely to be achievable without progress on gender equality in society. Realising the power of parity will require addressing societal drivers of gender inequality in the workplace including education, health, attitudes towards women working outside the home, access to finance, and more access for women to the internet and the benefits of the digital revolution. That is why MGI uses the broadest possible lens to examine gender inequality.

⁷ The best-in-region scenario assumes that many women shift out of agriculture into industry and service sectors, narrowing gender productivity gaps, but achieving this shift will require investment: productivity-boosting investment in agriculture (that is, losing workers), and investment to create jobs in the sectors to which women are migrating. Several MGI country studies have discussed measures that can stimulate investment and job creation for inclusive growth. See MGI's reports on Africa, Brazil, Europe, India, and Nigeria, all downloadable free at www.mckinsey.com/mgi. Also see *Global growth: Can productivity save the day in an aging world?* McKinsey Global Institute, January 2015.

⁸ *Delivering the power of parity: Toward a more gender-equal society*, McKinsey Global Institute discussion paper, May 2016.

In its 2015 global analysis of gender inequality, MGI mapped 15 gender equality indicators to arrive at a Gender Parity Score or GPS that runs from 1 (gender parity) to zero (full gender inequality). We colour code four categories: “low inequality” (green), “medium inequality” (yellow), “high inequality” (orange), and “extremely high inequality” (red).⁹ MGI’s GPS analysis looks at gender equality in work and in society in the following four dimensions:¹⁰

- **Gender equality in work:** This includes the ability of women to find employment and be compensated fairly for it, share unpaid care work equitably, have the skills and opportunity to perform higher-productivity jobs, and occupy leadership positions. Five indicators are included in this category: labour-force participation rate, professional and technical jobs, perceived wage gap for similar work, leadership positions, and unpaid care work.
- **Essential services and enablers of economic opportunity:** These include healthcare, education, and financial and digital services that are also vital enablers of social progress. We include five indicators in this dimension: unmet need for family planning, maternal mortality per 100,000 births, education level, financial inclusion, and digital inclusion.
- **Legal protection and political voice:** This includes the right to work, access institutions, inherit assets, be protected from violence, and have the opportunity to participate actively in political life.¹¹
- **Physical security and autonomy:** This is the right of women to be safe from bodily harm. We include three indicators: sex ratio at birth, child marriage, and violence against women.

Asia Pacific as a whole has a GPS of 0.56—high gender inequality, according to MGI’s GPS analysis—slightly lower than the global average GPS of 0.61. It places Asia Pacific in the middle of the pack globally, comparing favourably with the Middle East and North Africa (0.50) and in line with sub-Saharan Africa (0.57), but lagging behind Latin America (0.63), Eastern Europe (0.67), and Western Europe (0.71). Globally, some aspects of gender equality are persistent problems in most parts of the world, while in others, some regions have made rapid strides relative to others (see Box 2, “Ten impact zones: Five global and five regional”).

⁹ For most indicators, low inequality is defined as being within 5 percent of parity, medium between 5 and 25 percent, high between 25 and 50 percent, and extremely high as greater than 50 percent from parity. For physical security and autonomy indicators, we defined extremely high inequality as greater than 33 percent distance from no prevalence (of child marriage or violence against women). For sex ratio at birth and maternal mortality, given the different range of values for these two indicators, slightly different thresholds were used. See the appendix to this report and, for full details of the methodology used in MGI power of parity reports since 2015, the appendix of *The power of parity: How advancing women’s equality can add \$12 trillion a year to global growth*, McKinsey Global Institute, September 2015.

¹⁰ MGI has aimed to map gender equality as comprehensively as possible. The indicators we chose typically measure the difference between the position of men and women; these are expressed as a ratio of female-to-male data. Exceptions are sex ratio at birth and unpaid care work, which are expressed as male-to-female ratios. For indicators that apply only to females—child marriage, violence against women, family planning, and maternal mortality—we used the absolute level expressed as a prevalence rate in percentage terms.

¹¹ We use a composite index of 11 indicators spanning laws to protect individuals against violence, ensure parity in inheriting property and accessing institutions, and safeguard the right to find work and be fairly compensated.

Box 2. Ten impact zones: Five global and five regional

MGI's global research in 2015 identified ten "impact zones"—concentrations of gender inequality that cover more than three-quarters of the women in the world affected by the gender gap. Five of these impact zones are global: blocked economic potential, time spent on unpaid care work, fewer legal rights, political underrepresentation, and violence against women. As global impact zones, these are present in Asia Pacific in varying degrees—for instance, violence against women is lower in East Asia than in other subregions. Five other impact zones are regional, and appear in parts of Asia Pacific.

Low labour-force participation in quality jobs is particularly problematic in South Asia (except Sri Lanka). Low maternal and reproductive health is an issue in the region's lower-income countries such as Nepal. Unequal education levels are a particular issue in Pakistan. Financial and digital exclusion appears mainly in South Asia (except Sri Lanka) and Myanmar. Finally, girl-child vulnerability, which we measure using the indicators of sex ratio at birth and child marriage, is a pressing issue in China, India, and Vietnam.¹ The recommendations in this report are not exhaustive and therefore do not address all ten impact zones.

¹ *The power of parity: How advancing women's equality can add \$12 trillion to global GDP*, McKinsey Global Institute, September 2015.

Within Asia Pacific, all countries have some way to go before attaining gender parity, although the patterns of progress towards that ultimate goal vary (Exhibit 3). Differences in gender equality among countries are greater in work-related indicators than in societal indicators, although the two are closely linked. The Philippines stands out for the extent of its progress towards gender equality in work, followed by New Zealand and Singapore. The six countries that are furthest away from gender parity in work, performing well below the regional average, are Bangladesh, India, Japan, Nepal, Pakistan, and South Korea. The countries that are the closest to gender parity in society are Australia and New Zealand—with the most progress towards parity in essential services and enablers of economic opportunity, and legal protection and political voice—and Singapore, which is most advanced towards parity on physical security and autonomy. Pakistan has room to improve on most aspects of gender equality in society, and its South Asian neighbours Bangladesh, India, and Nepal also have a considerable distance to travel. Legal protection and political voice stands out as an area in which many countries of Asia Pacific have much progress to make.

Exhibit 3

Countries across Asia Pacific have a significant way to go to bridge the gender gap

Gender Parity Score (GPS) Level of gender inequality ■ Extremely high ■ High ■ Medium ■ Low

Region	Country	Female population, 2016 Million	Gender equality in work ¹	Gender equality in society			
				Essential services and enablers of economic opportunity ²	Legal protection and political voice ³	Physical security and autonomy ⁴	
Oceania	Australia	11.9	■ 0.66	■ 0.95	■ 0.55	■ 0.86	
	New Zealand	2.3	■ 0.72	■ 0.96	■ 0.66	■ 0.81	
East Asia	China	671.2	■ 0.51	■ 0.93	■ 0.37	■ 0.89	
	Japan	65.2	■ 0.42	■ 0.87	■ 0.30	■ 0.91	
	South Korea	24.9	■ 0.39	■ 0.89	■ 0.33	■ 0.87	
Southeast Asia	Indonesia	125.6	■ 0.52	■ 0.88	■ 0.37	■ 0.82	
	Philippines	50.0	■ 0.73	■ 0.91	■ 0.51	■ 0.90	
	Vietnam	46.8	■ 0.55	■ 0.95	■ 0.32	■ 0.80	
	Thailand	34.3	■ 0.66	■ 0.92	■ 0.18	■ 0.74	
	Myanmar	27.6	■ 0.57	■ 0.80	■ 0.22	■ 0.77	
	Malaysia	15.5	■ 0.51	■ 0.88	■ 0.19	■ 0.89	
	Cambodia	7.9	■ 0.52	■ 0.86	■ 0.32	■ 0.86	
	Singapore	2.8	■ 0.68	■ 0.94	■ 0.36	■ 0.96	
	India	612.2	■ 0.30	■ 0.78	■ 0.28	■ 0.75	
South Asia	Pakistan	90.0	■ 0.22	■ 0.56	■ 0.16	■ 0.73	
	Bangladesh	78.4	■ 0.34	■ 0.82	■ 0.26	■ 0.64	
	Nepal	14.5	■ 0.38	■ 0.77	■ 0.29	■ 0.79	
	Sri Lanka	11.0	■ 0.48	■ 0.95	■ 0.16	■ 0.78	
	Asia Pacific best		■ 0.73	■ 0.96	■ 0.66	■ 0.96	
Asia Pacific average⁵		■ 0.44	■ 0.85	■ 0.32	■ 0.82		
Global best		■ 0.73	■ 0.97	■ 0.84	■ 0.97		

1 Comprising labour-force participation, professional and technical jobs, perceived wage gap for similar work, leadership positions, and unpaid care work.
 2 Comprising unmet need for family planning, maternal mortality, education, financial inclusion, and digital inclusion.
 3 Comprising political representation and a legal protection index (including, for example, legislation protecting against domestic violence, providing equal inheritance rights and paternity or parental leave, and mandating non-discrimination in hiring).
 4 Comprising sex ratio at birth, child marriage, and violence against women.
 5 Weighted by 2016 female population.

NOTE: GPS calculations use a sum of squares method with equal weighting of indicators. Numbers are rounded to two decimal places. Colour coding is based on actual, not rounded, values. For further details on this, and the underlying GPS indicators, see the appendix.

SOURCE: McKinsey Global Institute analysis

At the level of individual indicators, the differences between countries—and the opportunities for improvement—are even clearer (Exhibit 4). Within gender equality in work, the female-to-male ratio in labour-force participation ranges from 0.92 in Nepal to 0.30 in Pakistan, but getting more women into the labour force is a major opportunity in many countries, including Bangladesh, India, Indonesia, Japan, Malaysia, and South Korea. The ratio of women vs. men in professional and technical jobs is above 1.00 in seven countries, including Australia, China, New Zealand, the Philippines, and Thailand, but less than 0.5 in Bangladesh, Nepal, and Pakistan. The low level of women in leadership positions is apparent throughout the region, with only the Philippines achieving a female-to-male ratio of close to 1.00 on this indicator. Unpaid care work is unequally distributed between men and women, not only in countries with low female labour-force participation rates, but also in Australia, China, and New Zealand, where many more women are part of the paid workforce.

Within gender equality in society, gender gaps in education are relatively narrow in most countries, although maternal mortality and financial and digital inclusion are significant improvement opportunities in most parts of South Asia and Southeast Asia. Sex ratio at birth is a stubborn issue in China, India, and Vietnam where the male-to-female ratio exceeds 1.10. Child marriage is a particularly common issue for girls and women in Bangladesh, and violence against women continues to be prevalent in many countries. Most countries of Asia Pacific can also improve substantially on legal protection and political voice.

While gender outcomes vary significantly among Asia Pacific countries, our analysis shows equally large variations within certain countries (Exhibit 5). Countries such as India and Indonesia with significant geographic and economic diversity tend to have the highest internal variations. For example, the female-to-male labour-force participation ratio is approximately 0.8 in the Indian state of Nagaland (higher than in Brazil) but below 0.2 in Chandigarh and Delhi (lower than in Saudi Arabia). In the Indonesian provinces of Sumatera Barat and Lampung, the female-to-male tertiary education ratios are 1.36 and 1.38, respectively—similar to the United States—but 0.69, close to the national average in Kenya, in Nusa Tenggara Barat. Interestingly, subnational variations seem less dramatic in China and the Philippines despite their internal diversity.

Variations in gender outcomes between and within countries appear to be broadly correlated with differences in per capita GDP, but there are clearly non-economic factors at play. Consider China and India, which have marked variations in per capita GDP at the subnational level but very different patterns of gender inequality. Essentially, variations in gender outcomes are much larger in India than they are in China, which may reflect the presence of non-economic factors such as local cultural norms.

The fact that there is large variation in gender outcomes among the region's constituent economies underscores the need for national governments to tailor measures designed to further women's equality to the particular economic and social context of their individual nations. At the same time, the many aspects of gender inequality that countries experience in common indicate that there are opportunities for governments, companies, and non-governmental organisations (NGOs) to collaborate, learning from one another's experiences and spreading best practices (for more, see the final section of this summary on the agenda for change).

Exhibit 4

Asia Pacific's performance varies on gender equality indicators (1 of 2)

Level of gender inequality ■ Extremely high ■ High ■ Medium ■ Low

Region	Country	Female population, 2016 Million	Per capita GDP, 2016 \$, current purchasing power parity	Gender equality in work				
				Labour-force participation rate F/M ratio	Professional and technical jobs F/M ratio	Perceived wage gap for similar work F/M ratio	Leadership positions F/M ratio	Unpaid care work M/F ratio
Oceania	Australia	11.9	46,790	0.83	1.19	0.60	0.58	0.55
	New Zealand	2.3	39,059	0.85	1.25	0.71	0.67	0.58
East Asia	China	671.2	15,535	0.81	1.07	0.59	0.20	0.39
	Japan	65.2	41,470	0.70	0.66	0.61	0.15	0.21
	South Korea	24.9	35,751	0.70	0.93	0.45	0.12	0.19
Southeast Asia	Indonesia	125.6	11,612	0.61	0.94	0.63	0.30	No data
	Philippines	50.0	7,806	0.64	1.42	0.76	0.96	No data
	Vietnam	46.8	6,424	0.89	1.19	0.58	0.35	No data
	Thailand	34.3	16,917	0.79	1.31	0.73	0.48	0.56
	Myanmar	27.6	5,773	0.93	1.12	No data	0.40	No data
	Malaysia	15.5	27,681	0.64	0.80	0.76	0.26	No data
	Cambodia	7.9	3,736	0.87	0.57	0.72	0.45	0.25
	Singapore	2.8	87,856	0.76	0.91	0.78	0.52	No data
South Asia	India	612.2	6,572	0.34	No data	0.50	No data	0.10
	Pakistan	90.0	5,249	0.30	0.28	0.48	0.03	0.10
	Bangladesh	78.4	3,581	0.53	0.39	0.46	0.13	0.27
	Nepal	14.5	2,468	0.92	0.43	0.52	0.22	No data
	Sri Lanka	11.0	12,316	0.40	0.97	0.63	0.33	No data
Asia Pacific best				0.93	1.42	0.78	0.96	0.58
Asia Pacific average¹				0.60	0.95	0.56	0.25	0.25
Global best				1.00	2.66	0.86	1.13	0.85

¹ Weighted by 2016 female population.

NOTE: For further details on the indicators used here, see the appendix.

SOURCE: McKinsey Global Institute analysis

Exhibit 4 (continued)

Asia Pacific's performance varies on gender equality indicators (2 of 2)

Level of gender inequality ■ Extremely high ■ High ■ Medium ■ Low

		Gender equality in society									
		Essential services and enablers of economic opportunity					Legal protection and political voice		Physical security and autonomy		
Region	Country	Unmet need for family planning	Maternal mortality	Educa- tion level	Financial inclu- sion	Digital inclu- sion	Legal protec- tion Index	Political represen- tation F/M ratio	Sex ratio at birth	Child marriage	Vio- lence against women
		% of women	Per 100,000 births	F/M ratio	F/M ratio	F/M ratio			M/F ratio	% of girls and young women	% of women
Oceania	Australia	11	6	1.00	1.00	1.00	1.00	0.36	1.06	1	25
	New Zealand	9	11	1.00	1.00	1.00	0.83	0.55	1.06	1	33
East Asia	China	4	27	0.97	0.87	No data	0.58	0.20	1.16	3	15
	Japan	20	5	0.95	0.80	0.97	0.51	0.14	1.06	1	15
	South Korea	6	11	0.86	0.81	0.93	0.58	0.15	1.07	0	23
Southeast Asia	Indonesia	12	126	0.98	0.81	0.86	0.45	0.29	1.05	26	No data
	Philippines	18	114	1.00	1.00	No data	0.70	0.37	1.06	2	18
	Vietnam	6	54	0.97	1.00	No data	0.47	0.19	1.10	8	34
	Thailand	6	20	0.98	0.84	0.98	0.29	0.09	1.06	11	44
	Myanmar	16	178	0.98	0.60	No data	0.39	0.08	1.03	12	38
	Malaysia	18	40	0.98	0.82	0.96	0.28	0.10	1.06	6	No data
	Cambodia	13	161	0.86	0.80	0.97	0.50	0.17	1.06	20	14
	Singapore	11	10	0.96	1.00	0.96	0.64	0.17	1.07	0	No data
South Asia	India	13	174	0.87	0.66	0.72	0.40	0.18	1.11	21	37
	Pakistan	20	178	0.74	0.17	0.59	0.20	0.12	1.09	27	39
	Bangladesh	12	176	0.84	0.83	0.73	0.39	0.16	1.05	34	53
	Nepal	23	258	0.84	0.74	No data	0.38	0.21	1.05	24	28
	Sri Lanka	7	30	0.99	0.96	No data	0.29	0.05	1.04	9	38
Asia Pacific best		4	5	1.00	1.00	1.00	1.00	0.55	1.03	0	14
Asia Pacific average¹		10	102	0.92	0.76	0.77	0.47	0.19	1.11	14	28
Global best		4	3	1.00	1.00	1.00	1.00	0.93	1.02	0	6

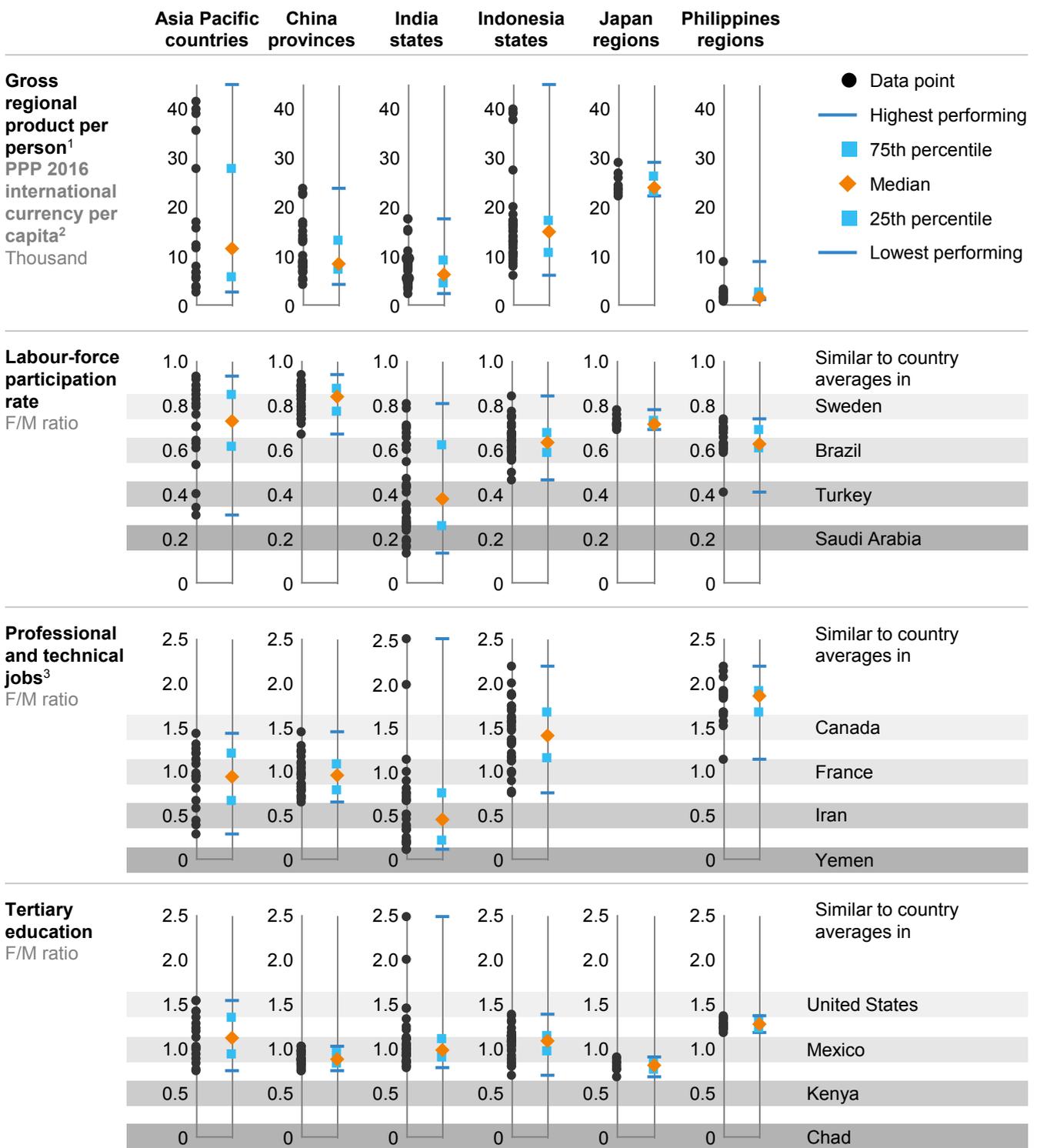
1. Weighted by 2016 female population.

NOTE: For further details on the indicators used here, see the appendix.

SOURCE: McKinsey Global Institute analysis

Exhibit 5

There is significant variation in gender equality between and within Asia Pacific countries



1 In Asia Pacific, outlier removed for per capita GDP: Singapore (\$87,856 PPP 2016 per capita); in Indonesia, outlier removed for per capita GRP: DKI Jakarta (\$51,769 PPP 2016 per capita). For display purposes, Australia set to 40,000 (\$46,790 PPP 2016 per capita), and Japan set to 40,000 (\$41,461 PPP 2016 per capita).

2 Except Japan, which is in PPP 2014 International currency per capita. For display purposes, Kanto region set to 40,000 (\$44,104 PPP 2014 per capita), and Chubu region set to 40,000 (\$40,985 PPP 2014 per capita).

3 For display purposes, outlier removed for professional/technical jobs in India: Lakshadweep (18.8 F/M), and Chandigarh set to 2.50 (2.52 F/M).

NOTE: Not to scale. Similar countries are representative only. Their values typically fall within or close to the bands depicted here.

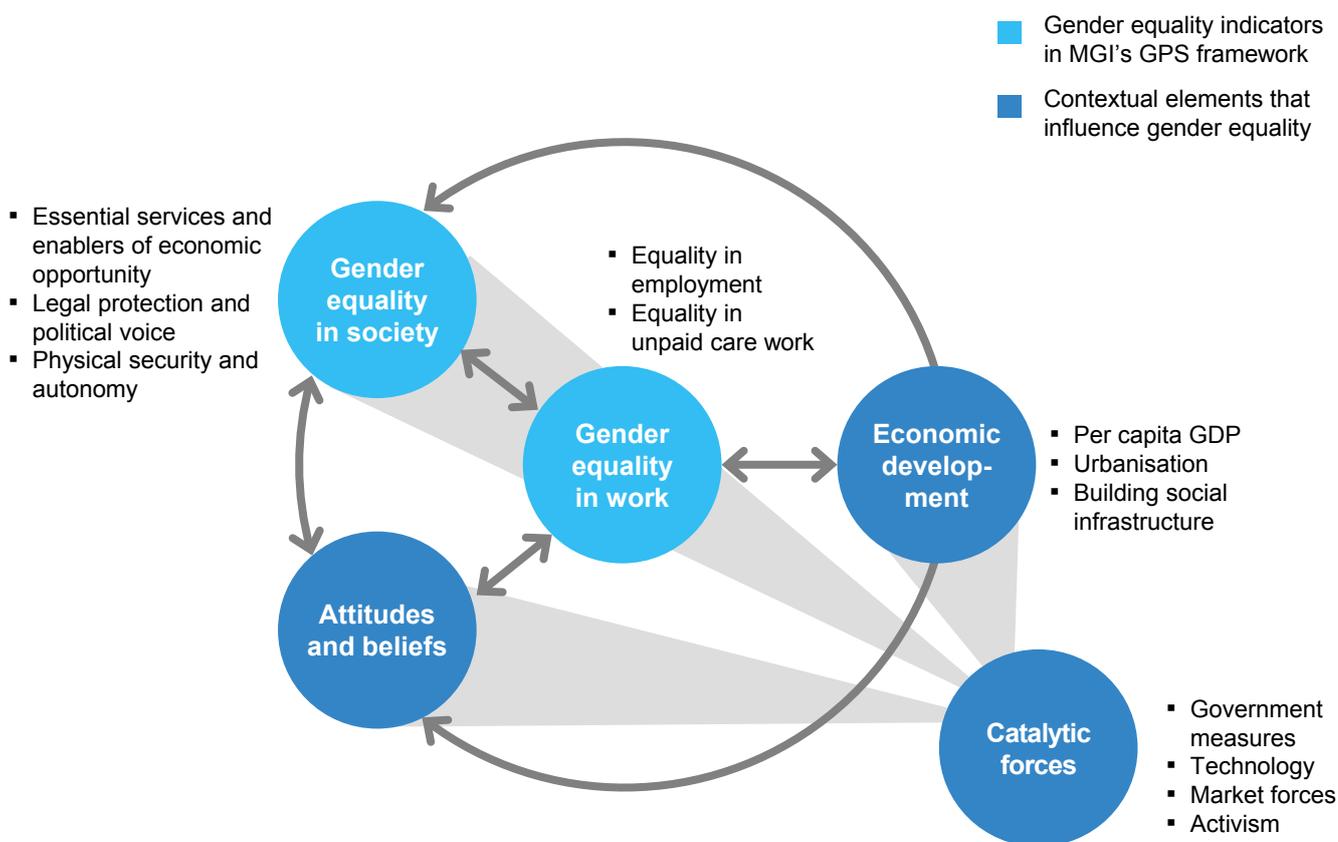
SOURCE: ILOSTAT, 2016; UNESCO STAT, 2016; World Bank, 2016; China National Bureau of Statistics, 2012, 2016; China Ministry of Human Resources and Social Security, 2011; India Ministry of Statistics and Programme Implementation, 2016; India Ministry of Labour and Employment, 2016; India Ministry of Human Resource Development, 2016; Statistics Indonesia, 2013, 2016; Japan Cabinet Office, Government of Japan, 2014; Japan Ministry of Internal Affairs and Communications, 2014, 2016; Obunsha Educational Information Center, 2017; Philippines Statistics Authority, 2015, 2016; IMF World Economic Outlook Database, 2017; McKinsey Global Institute analysis

ECONOMIC DEVELOPMENT HEAVILY INFLUENCES GENDER OUTCOMES IN ASIA PACIFIC, BUT OTHER NON-ECONOMIC FACTORS ARE ALSO SIGNIFICANT

Economic development has a significant influence on gender equality outcomes but does not fully account for differences between and within countries in Asia Pacific. Other factors at work include cultural attitudes and beliefs, and catalysts such as government action, technological development, market forces, and activism. These factors help to explain the significant variations in gender outcomes between—and within—Asia Pacific countries, and are often complex and mutually reinforcing: improvement on any of them is likely to have some positive impact on the others, creating a virtuous cycle (Exhibit 6).

Exhibit 6

Gender equality is shaped by contextual elements like the stage of economic development, attitudes about women, and catalytic forces that provide impetus for change



SOURCE: McKinsey Global Institute analysis

- Economic development:** Gender outcomes in Asia Pacific appear to be closely tied to the stage of economic development. In its 2015 global report on the power of parity, MGI conducted a correlation analysis suggesting that per capita GDP is strongly linked to almost all aspects of gender equality in society.¹² Economic development in itself can create momentum towards a further narrowing of gender gaps, provided countries use the dividend of higher GDP growth to boost investment in social infrastructure, for example education and healthcare. However, relying on economic development alone is a slow process. The fact that some aspects of gender inequality are present

¹² While gender equality in society outcomes do improve with economic development, this does not mean that countries with high per capita GDP have “solved” gender equality in society issues. The evidence for this includes global impact zones of violence against women, underrepresentation of women in politics, and weak legal protection for women.

in both developing and advanced economies is testament to the fact that economic development alone cannot solve these complex issues. Moreover, there is a nuanced correlation between economic development and indicators of gender equality in work. Women's labour-participation rates dip in middle-income countries and rise again in more advanced economies, reflecting not only cultural barriers and personal choices, but also changes in the opportunity cost of women working as opposed to caring for children and the elderly.¹³ The relationship between urbanisation and progress on gender inequality is also nuanced. While urbanisation generally correlates with growth in per capita GDP and improved gender outcomes, in the short term urbanisation may make it more difficult for some women to work for pay because employment in cities is more regulated and less flexible, and childcare is more expensive.

In Asia Pacific, economic development has a significant influence on gender equality outcomes but does not fully account for differences between countries (Exhibit 7). The correlation between economic development and progress towards gender parity is much clearer in the case of gender equality in society than in gender equality in work. In the case of gender equality in society, countries tend to cluster quite clearly into subregions broadly aligned with per capita GDP—South Asia, Southeast Asia, East Asia, and, finally, Australia and New Zealand in their own cluster. Yet the scores on gender equality in society in Japan, Singapore, and South Korea are more similar to those in China, Indonesia, and Vietnam than to those in other advanced economies in the region such as Australia and New Zealand. This highlights the influence of non-economic factors on gender outcomes.

On gender equality in work, countries in South Asia have the furthest to go before achieving parity, but Southeast Asian countries have generally advanced further than higher-GDP East Asian countries. The Philippines stands out for its achievements on narrowing gender gaps in work.

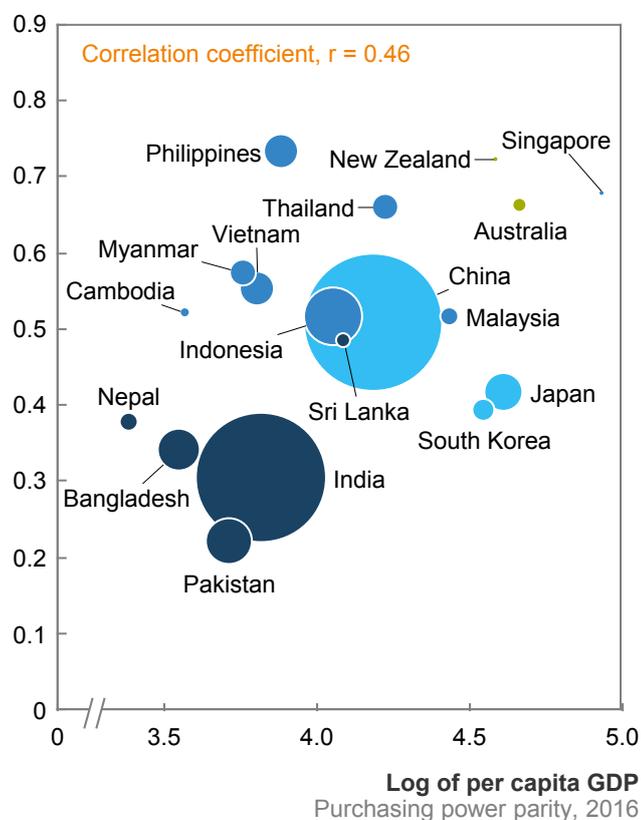
¹³ There is a U-shaped curve relationship between the participation of women of prime working age and per capita GDP. See Exhibit 8 in *The power of parity: How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, September 2015.

Exhibit 7

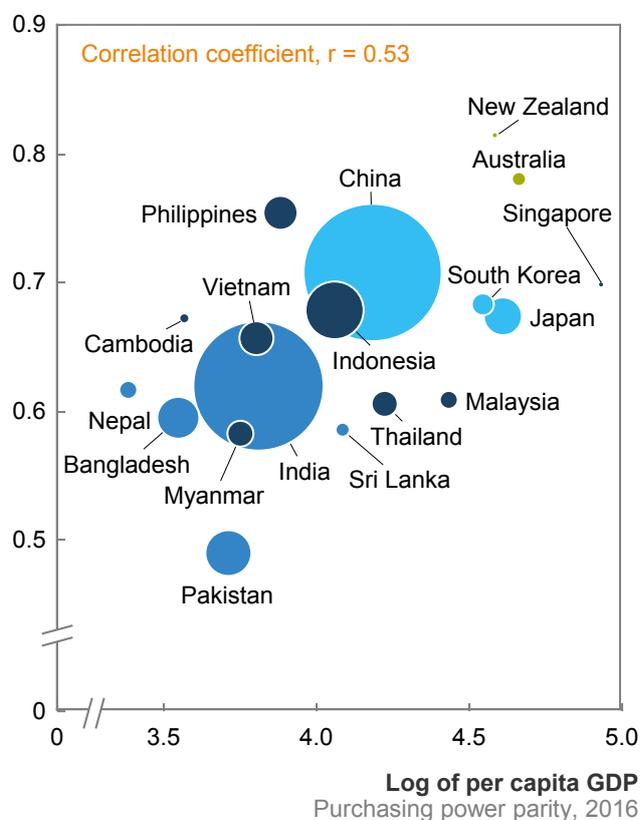
Equality in work and society tends to increase with per capita GDP, but with some variations



Gender Parity Score: Gender equality in work¹



Gender Parity Score: Gender equality in society²



1 Includes labour-force participation rate, professional and technical jobs, perceived wage gap for similar work, leadership positions and unpaid care work.
 2 Includes essential services and enablers of economic opportunity, legal protection and political voice, and physical security and autonomy.

SOURCE: McKinsey Global Institute analysis

- Cultural attitudes and beliefs:** Attitudes can affect gender outcomes in work and in society. We have analysed the World Values Survey and Organisation for Economic Co-operation and Development (OECD) data and found a strong link between societal attitudes that limit women’s potential and gender-equality outcomes in a given region.¹⁴ On average in Asia (excluding Australia and New Zealand), cultural attitudes reflected in the World Values Survey are similar to global averages. On women’s role in the workplace, for instance, 45 percent of respondents in Asia agree that men should have more right to a job than women when jobs are scarce, compared with 39 percent of respondents globally. Nearly half of respondents both in Asia and globally agree that children suffer when a mother works for pay. Cultural attitudes can reinforce expectations about the roles women are best equipped to play. In Indonesia, for example, the concept of *kodrat* embodies society’s expectation that women are nurturing and should take care of domestic commitments before engaging in any other activities.¹⁵ Beyond affecting the role of women in work, cultural attitudes can impact more fundamental notions of the value of women and girls in society. One example is the phenomenon of “son bias” or

¹⁴ Throughout this report, we refer to the 2010–14 World Values Survey. See *WVS Wave 6 (2010–2014)*, (<http://www.worldvaluessurvey.org/WVSDocumentationWV6.jsp>).

¹⁵ Sari Andajani, Olivia Hadiwirawan, and Yasinta Astin Sokang, “Women’s leadership in Indonesia: Current discussion, barriers, and existing stigma”, *Indonesian Feminist Journal*, volume 4, number 1, March 2016.

the preference for the male child. It results in a skewed male-to-female sex ratio at birth in countries such as China (1.16) and India (1.11), driven by sex-selective abortions and sometimes by younger girls being neglected in favour of their male siblings.¹⁶ Changing societal attitudes can play an important role in changing gender outcomes, but the link may not be obvious or sufficient. For example, the Philippines' proportion of female political leaders is more than double that of Japan, despite the fact that twice as many Filipinos as Japanese agree with the statement that men make better political leaders than women. This may be driven by factors including legislated gender quotas at the subnational level in the Philippines since 1991—which have in turn influenced political parties to adopt their own voluntary quotas—underscoring the potential impact of catalytic forces such as government action on gender outcomes.¹⁷

- **Government measures:** Government measures—whether in the form of legislation, fiscal measures, programmatic change, or public-private partnerships—have the potential to influence gender outcomes directly, or indirectly by targeting society's economic development or attitudes and beliefs. Asia Pacific offers many examples of government initiatives, often in conjunction with the private sector, and legislation leading to significant progress on certain gender equality indicators. For instance, the government of Singapore has clearly contributed to the city-state's progress on inequality in labour-force participation through a range of policies that help women to balance family responsibilities and work. Measures in place include paid maternity leave, paid and unpaid childcare leave, increased tax relief, tax rebates, and childcare subsidies. As far back as 1978, the government put in place a Foreign Domestic Servant Scheme, enabling employment of women from other countries. This raised the rate of labour-force participation among married women by 145 percent between 1970 and 2016.¹⁸ In the Philippines, the government set up the Philippines Commission of Women to ensure the inclusion of gender policies at all levels of government. The commission also implemented gender and development budgeting, or GAD, which requires a minimum of 5 percent of the national government budget be allocated for gender and development initiatives such as microfinance pilot programmes to help informal-sector workers open bank accounts, and providing legal support to improve workplace safety and access to jobs. Australia's federal Workplace Gender Equality Agency (WGEA) reviews compliance of employers with the Workplace Gender Equality Act 2012, including reporting on workforce representation and pay by gender, and offers support in designing gender initiatives. Similarly, legislation enacted in Japan in 2015 requires large companies (with more than 300 employees) to report on gender diversity and improvement plans. Action can also be taken by governments working together. For example, Asia-Pacific Economic Cooperation (APEC) has a number of gender initiatives, including collecting and reporting on regionwide gender-disaggregated data and helping member economies to develop Individual Action Plans for the Enhancement of the Ratio of Women's Representation in Leadership, including voluntary targets.
- **Technology:** In the digital age, technological developments are likely to be a major factor in accelerating progress towards parity if their full power is harnessed. On digital inclusion of women, Asia Pacific has a GPS of 0.77, somewhat behind the global average of 0.85. GSMA has estimated that there are 1.1 billion unconnected women in

¹⁶ A review of literature on sex ratio at birth found that the natural male-to-female ratio at birth is typically in the neighbourhood of 1.06. See Stephan Klasen and Claudia Wink, "Missing women: Revisiting the debate", *Feminist Economics*, volume 9, issue 2–3, 2003.

¹⁷ *Enacting a women's political participation and representation law*, policy brief number 4, Philippine Commission on Women (<http://www.pcw.gov.ph/wpla/enacting-women%E2%80%99s-political-participation-and-representation-law>).

¹⁸ While foreign workers in Singapore are offered protections under local laws, the ILO notes that Singapore is the only country in the Association of Southeast Asian Nations that has yet to ratify its Convention on Domestic Workers.

low- and middle-income countries in the region.¹⁹ Yet use of digital technologies is truly transformative—it unlocks doors to finance and even healthcare, saves cost and time, and helps drive access to information and marketplaces, for instance.²⁰ Just as mobile banking enables women to avoid long journeys to the ATM or bank, technology-enabled healthcare delivered via phone or tablet can reach women even in the remotest areas and save them time travelling to see a doctor. In both cases, there is an impact on the time women spend on unpaid household or family tasks, and, for some women, access to services that were previously out of reach.²¹ Digital technologies offer channels to new customers and business models. Women-owned micro, small, and medium-sized enterprises (MSME) generate 35 percent of e-commerce revenue, compared with only 15 percent of offline MSME revenue.²² Digital technologies enable individual microentrepreneurs and even one-woman micromultinationals to sell to global markets at a low cost and with a high degree of flexibility—attractive characteristics for women balancing home and work responsibilities.²³ And digital technologies give women a low-cost and easy way to network and to have their voices heard as never before. In India, the rapid adoption of cable television—150 million individuals gained access between 2001 and 2006—has been identified as a potential driver of positive changes in attitudes towards women’s role in the household and reductions in domestic violence.²⁴

- **Market forces:** Competitive market forces can also be a positive catalyst for change. In technology, for example, market forces can make the internet more accessible to women. In 2015, 72 percent of women in India did not own a phone, compared with 57 percent of men, and in one survey half of Indian women said that the cost of a handset was the major reason.²⁵ But prices are heading downwards—the average cost of a smartphone in India has already fallen 45 percent in the past five years, opening up the possibility of owning one for many more women and giving them a gateway to a range of services, from finance to healthcare and education. A key reason for prices dropping has been competition. In India, for instance, Reliance Jio was able to reduce prices of data and voice packages by investing heavily in 4G, and other companies cut their prices in order to compete. Market forces in the skills market can also play a role in driving towards gender parity. In Australia, the shift from resource-intensive to service-based industries has been highlighted as a potential driver of faster growth in women’s labour-force participation relative to men.²⁶ Throughout the region, the emergence of ride-hailing services may significantly improve women’s mobility, thus enabling greater economic, social, and civic participation and reducing the time they spend doing household chores. Almost one-quarter of women in one survey said ride-hailing

¹⁹ *Bridging the gender gap: Mobile access and usage in low- and middle-income countries*, GSMA, 2015.

²⁰ MGI research in 2016 found that two billion people and 200 million businesses in emerging economies lack access to savings and credit, and that digital technologies can help to close this gap. The research found that financial services delivered via mobile phones and the internet could provide access to finance for 1.6 billion people in emerging economies, more than half of them women. Overall, widespread use of digital finance could boost the annual GDP of all emerging economies by \$3.7 trillion by 2025, a 6 percent increase vs. a business-as-usual scenario. We should note that although digital technologies help connect people to financial institutions, they do not guarantee improved credit—and that it is important that any increased access to credit does not result in unsustainable indebtedness. See *Digital finance for all: Powering inclusive growth in emerging economies*, McKinsey Global Institute, September 2016.

²¹ *Digital China: Powering the economy to global competitiveness*, McKinsey Global Institute, December 2017.

²² McKinsey survey of Indonesian e-commerce merchants, 2017. N = 700.

²³ *Global flows in a digital age: How trade, finance, people, and data connect the world economy*, McKinsey Global Institute, April 2014.

²⁴ Robert Jensen and Emily Oster, “The power of TV: Cable television and women’s status in India”, *Quarterly Journal of Economics*, volume 124, issue 3, August 2009.

²⁵ *Accelerating affordable smartphone ownership in emerging markets*, GSMA, July 2017. Unconnected women are those who do not own a mobile phone but may borrow one. See *Bridging the gender gap: Mobile access and usage in low- and middle-income countries*, GSMA, 2015.

²⁶ *More jobs. Great workplaces: Annual report 2015–16*, Australian Government Department of Employment, 2016.

increases their sense of independence; 9 percent of Indonesian women said that ride-hailing enables them to go out at night when they otherwise could not.²⁷

- **Activism:** Social movements and organisations mobilising the grassroots have historically been a powerful catalyst for change, from the suffragettes in the United Kingdom over a century ago to the current #MeToo movement. Indeed, social media and mobile internet devices have only amplified the reach and pace of social activism. Beyond global movements such as #MeToo, local activist campaigns have achieved significant change in Asia Pacific in recent years. Popular outrage over the brutal rape and murder of an Indian girl in 2012 spurred legal reforms regarding sexual offences, for instance.²⁸ In Bangladesh, the mobilisation of self-help groups has helped to improve the economic situation of many poor people, including women.²⁹

To ensure Asia Pacific's continued progress towards gender parity, the virtuous cycle needs to be working well, powered by continued economic development. In addition, we see positive catalytic forces through government measures, market forces, new technologies, and activism playing a significant role in shaping gender outcomes. Government action, in particular, will be necessary both to accelerate progress and to achieve measurable change in globally consistent areas of inequality such as female leadership representation, which have proven persistent irrespective of economic development.

ASIA PACIFIC COUNTRIES HAVE MADE PROGRESS ON GENDER EQUALITY IN RECENT YEARS, BUT THERE IS STILL A LONG WAY TO GO

The past decade has seen many advances in addressing gender inequality in society in Asia Pacific. South Asia and Southeast Asia in particular have achieved significant improvements in health and education outcomes, which are generally correlated with economic development. However, the picture on indicators of gender equality in work is more mixed, particularly on women's participation in the labour force, on which some countries have advanced but others have regressed (Exhibit 8).³⁰

²⁷ *Driving toward equality: Women, ride-hailing, and the sharing economy*, International Finance Corporation, Accenture, and Uber, 2018.

²⁸ The Criminal Law (Amendment) Act, 2013, Government of India.

²⁹ M. Mahmudul Hasan and Mizan Rahman, "Self-help groups in Bangladesh", *Review of Enterprise and Management Studies*, volume 2, number 1, 2015.

³⁰ Trend figures are for ten-year changes, but the exact period measured may vary slightly by country and indicator, depending on data availability.

Exhibit 8

There has been significant progress towards gender equality in Asia Pacific over the past decade, except on labour-force participation

Progress on gender equality ■ Negative ■ Positive

	Country	Per capita GDP Annualised absolute change ¹ , %	Labour- force parti- cipation rate Change in F/M ratio ²	Maternal mortality Change per 100,000 births ²	Adult literacy rate ³ Change in F/M ratio ²	Net secondary enrolment ³ Change in F/M ratio ²	Gross tertiary enrolment ³ Change in F/M ratio ²
Oceania	Australia	3.6	0.03	-1			0.15
	New Zealand	4.1	0.05	-3		-0.13	
East Asia	China	16.4	-0.02	-21			0.24
	Japan	2.5	0.04	-2			0.04
	South Korea	3.8	0.01	-3			0.10
Southeast Asia	Indonesia	7.8	0.02	-86	0.03		0.22
	Philippines	7.2	0.03	-13		-0.01	0.05
	Vietnam	9.0	0	-7			0.04
	Thailand	5.3	-0.01	-6	0.01		0.33
	Myanmar	14.6	-0.01	-70		0.05	
	Malaysia	5.7	0.06	-12			0.25
	Cambodia	8.9	0	-154		0.38	0.36
	Singapore	4.6	0.05	-6			
South Asia	India	10.9	-0.08	-106	0.10		0.27
	Pakistan	3.7	0.05	-71	0.03	0.02	0.03
	Bangladesh	9.2	-0.03	-143		0.06	0.22
	Nepal	5.6	0.01	-186		0.21	0.51
	Sri Lanka	9.2	-0.07	-13	0.02		

1 Total GDP percentage change divided by number of years.

2 Change in indicator is defined as the value in the latest year subtracted by the value ten years ago. Note that measures are not comparable across indicators, since units and timeframes vary.

3 Length and starting point of period vary based on the availability of data.

NOTE: Within each subregion, countries have been ordered according to their 2016 female population. No data are available for the countries where no values are shown.

SOURCE: McKinsey Global Institute analysis

In the sphere of women's health, maternal mortality, measured as maternal deaths per 100,000 live births, has dropped across the board. In 2016, Nepal was the lowest-performing country in the region on this indicator, and over the past ten years it achieved the largest fall in maternal mortality—a drop of 186 deaths per 100,000 live births, or 42 percent. Other countries registering large improvements were Cambodia (minus 154), Bangladesh (minus 143), and India (minus 106). All countries in Asia have some way to go on tackling unmet need for family planning. China, the best-performing country in the region, stands out for its progress on this front. The proportion of women with unmet family planning needs has dropped consistently over the past decade—by 12 percentage points in Cambodia, five percentage points in Pakistan, and four percentage points in Bangladesh and the Philippines. Cambodia and Vietnam have regressed on sex ratio at birth, which may reflect increased availability of early diagnosis of foetal sex and abortion services.³¹

Indicators related to women's education have improved significantly over the past decade. The female-to-male adult literacy ratio has risen markedly in South Asia—by 0.10 in India, 0.03 in Indonesia and Pakistan, and 0.02 in Sri Lanka, according to UNESCO. The female-to-male ratio in net secondary enrolment rates has risen significantly in several countries, including Cambodia (0.38) and Nepal (0.21). Finally, the female-to-male ratio of gross tertiary enrolment has increased in almost every country in Asia Pacific. The largest rise was in Nepal at 0.51, followed by Cambodia (0.36), India (0.27), Malaysia (0.25), and China (0.24). Gender equality in educational attainment has a moderate or strong correlation with three out of five work equality indicators and several indicators of gender equality in society. For instance, women who enjoy parity in education are more likely to share unpaid work with men more equitably, to work in professional and technical occupations, to assume leadership roles, and to have higher status in the family, reducing the prevalence of child marriage and violence against women. Higher education and skills training can help raise women's labour participation.³²

While these improvements in health and education outcomes are closely correlated with economic development, progress can also be attributed to positive measures by governments and NGOs. For example, the Cambodia Health Equity Fund launched a voucher programme in 2007 to provide poor pregnant women with access to free pre- and postnatal care and delivery, while the government implemented a nationwide scheme to incentivise healthcare workers for live births in hospitals and healthcare centres.³³

The female-to-male labour-force participation ratio has increased in some developed economies, climbing 0.05 in New Zealand and Singapore, 0.04 in Japan, 0.03 in Australia, and 0.01 in South Korea. Government measures have facilitated some of these improvements. For instance, Singapore extended its parental leave scheme in 2013 to allow sharing of leave by working fathers, and Australia mandated 18 weeks of paid parental leave in 2011. In contrast, several South Asia countries have registered declines on this indicator, with the ratio falling by 0.08 in India, 0.07 in Sri Lanka, and 0.03 in Bangladesh. These changes in developing economies may be associated with an improvement in per capita GDP, as lower-income women are no longer forced into the workforce, and younger women are staying in school longer and joining the workforce later.

Many countries in the region have experienced increases in women's political representation. This may reflect the introduction of gender quotas in government and public service, which have boosted women's political participation. In India, which has a 33 percent quota for female representation in local government, many states have attained 50 percent representation.

³¹ *Gender equality and women's empowerment in Asia and the Pacific: Perspectives of governments on 20 years of implementation of the Beijing Declaration and platform for action*, UNESCAP, 2015.

³² *The power of parity: How advancing women's equality can add \$12 trillion a year to global growth*, McKinsey Global Institute, September 2015.

³³ Andrew D. Mason et al., *Toward gender equality in East Asia and the Pacific: A companion to the World Development Report*, World Bank, 2012.

Box 3. Gender inequality in seven Asia Pacific countries

Australia. Australia's best-in-region annual GDP opportunity by 2025 is \$225 billion, or 12 percent above business-as-usual GDP. Australia has advanced further than the Asia Pacific average towards gender equality in work and on all three elements of gender equality in society. It scores higher than the regional average on almost all of the 15 gender inequality indicators. It is near best in region on female-to-male ratio in professional and technical jobs, maternal mortality, and child marriage, and is best in region on educational level and financial and digital inclusion. Nevertheless, as in the rest of the region, inequality on political representation is still a major issue. Progress has stagnated in recent years on key indicators such as female labour-force participation, gender wage gaps, and women's political representation. Increasing female labour-force participation is crucial to delivering the GDP opportunity. Achieving this—especially for Australian mothers—will require action on three fronts: improving marginal financial incentives to work, spreading best practices in workplace policies, and shifting attitudes about gender roles.

China. In a best-in-region scenario, China could add \$2.6 trillion—or 13 percent above business as usual—to annual GDP by 2025. China's position on gender equality in work is above the average of Asia Pacific, with a relatively high female-to-male labour-force participation ratio and share of women in professional and technical jobs. China is best in region on unmet need for family planning and is near best in region on female-to-male ratio of educational attainment and on child marriage. However, China has some way to travel towards parity in leadership positions, unpaid care work, political representation, and sex ratio at birth, which is heavily skewed towards male children, a legacy of China's one-child policy. Overall, there has been no substantial advance in women's equality in recent years. China can build on its emerging strength in women's entrepreneurship in the e-commerce and technology sectors to continue to encourage more women into professional and technical fields and into leadership positions. It should also consider looking carefully at the high share of unpaid care work undertaken by women, a share that is likely to increase as the number of children rises—the fertility rate is expected to stop declining over the longer term—and the elderly population swells.

India. In a best-in-region scenario, India could add \$770 billion to annual GDP by 2025, or 18 percent above business as usual. India has a considerable way to travel to reach the Asia Pacific average on female-to-male labour-force participation rate, maternal mortality, financial and digital inclusion, sex ratio at birth, and violence against women. In education, by contrast, gender gaps are narrowing fast. India also has some significant opportunities, such as access to digital technologies—and, largely through their use, access to financial services and credit. In unpaid care work in the home—women do roughly ten times as much as men—India has made advances in rolling out household infrastructure that helps women. Building on this momentum and sharpening focus on how women can achieve greater economic empowerment are high potential priorities for India to consider.

Indonesia. Our analysis finds that Indonesia could add \$135 billion to annual GDP by 2025, or 9 percent above business as usual. Indonesia exceeds the Asia Pacific average on gender equality in work but lags significantly behind best in region in areas including labour-force participation and leadership positions. Indonesia's position on the three dimensions of gender equality in society is in line with the Asia Pacific average but, again, some distance from best in region. There are some bright spots. For instance, Indonesia is near best in region on education. Potential priorities for Indonesia to consider are unleashing the full potential of its existing strength in female entrepreneurship and boosting female labour-force participation by investing in household and transport infrastructure in order to reduce women's share of unpaid work.

Japan. Japan could add \$325 billion to annual GDP by 2025, or 6 percent above business as usual, in a best-in-region scenario. Japan's progress towards gender parity in work is below the Asia Pacific average and considerably lower than best in region. There is considerable scope to boost the female-to-male ratio of labour-force participation and other indicators of gender equality in work. As the economy ages and the workforce shrinks, tapping the economic potential of women by increasing women's representation in higher education, and subsequently in professional and technical jobs and company leadership positions, is vital. Transforming the work culture in Japanese organisations and shifting attitudes about gender roles will be essential. A particular area to address is the lack of women in leadership, which partly reflects underrepresentation of women in Japan's top universities. The government is leading from the front on addressing gender issues, introducing many potentially effective policies, but there is now an imperative to ensure that legislation and policies are implemented effectively to achieve more rapid change.

The Philippines. In a best-in-region scenario, the Philippines could add 7 percent to GDP above business as usual, or \$40 billion a year, by 2025. The Philippines is a traditionally matriarchal and egalitarian society whose government has proactively legislated to close gender gaps. Consequently, it is Asia Pacific's best performer on indicators of gender equality in work, such as participation in professional and technical jobs and women in leadership positions, and near best in region on perceived wage gap for similar work. On gender equality in society, the Philippines is in line with the regional average on essential services and enablers of economic opportunity and on physical security and autonomy, but is above average on legal protection and political voice. Looking at individual indicators, the Philippines is in line with best in region on education and financial inclusion, and near best in region on sex ratio at birth and child marriage. But there is scope for improvement. The experience of women in the Philippines still depends largely on their socioeconomic status. Lower-income women still confront considerable gender gaps and less opportunity. For educated women, there is scope for higher representation and equal pay in professional and technical fields—already a strength. Another priority is to increase women's access to finance.

Singapore. In a best-in-region scenario, Singapore could boost its GDP by \$20 billion a year, or 5 percent. It has achieved an above-average level of gender equality in work. The women's labour-force participation rate doubled from 28 percent in 1970 to 58 percent in 2016, reflecting a range of policies helping women to achieve work-life balance, including paid maternity leave, paid and unpaid childcare leave, increased tax relief, tax rebates, and childcare subsidies. Singapore's level of gender equality in essential services and enablers of economic opportunity and in legal protection and political voice is in line with the Asia Pacific average. It is best in region on physical security and autonomy. Singapore is at or near best in region on financial and digital inclusion and on education. The number of women with at least secondary education rose from 57 percent in 2011 to 71 percent in 2015. Singapore still has a significant gap to best in region on leadership positions and legal protection, and much to do to erase gender inequality in political representation. Two potential priorities are supporting women in balancing work and family life by shifting societal attitudes and providing family-friendly workplace programmes, and boosting the number of women working in higher-growth sectors and higher-paying roles by encouraging participation in STEM fields and addressing skills shortages.

FIVE PRIORITY AREAS COULD BE THE BACKBONE OF AN EFFECTIVE AGENDA FOR CHANGE IN ASIA PACIFIC

What should the road ahead look like as Asia Pacific countries move to capture the considerable economic and social opportunity from greater gender equality? Here we briefly summarise key areas that we believe could usefully form the backbone of an Asia Pacific agenda for change. Each of them applies across the region to differing degrees, and therefore merits being prioritised by policy makers, companies, and NGOs. Some aspects, namely female labour-market participation, are crucial for securing the potential economic benefits we have identified in most countries. Others, including the role that digital technologies can play, offer an opportunity to raise economic participation and earning while potentially improving gender equality in society. The imperative to shift societal attitudes towards women's role in society and work appears in virtually all countries and can enable—or hold back—progress on all other aspects of gender inequality. Measures described here are broadly relevant throughout the region, but they may not be equally applicable to all countries, and indeed to regions within countries. Some approaches are more suitable for the formal economy, others for the informal economy. Broadly, measures need to be tailored to the cultural and economic context of each country, based on decision makers' judgment—and experience—of what will be most effective. As examples of this tailoring, we have developed a menu of potential actions in seven countries (Exhibit 9).

Exhibit 9

Overview of potential measures to improve gender equality across Asia Pacific (1 of 6)

Measures are primarily

■ Government-driven

■ Company-driven

Overarching priorities for action

P Raise female participation in quality jobs

L Lift female leadership representation

DF Improve digital and financial inclusion

A Shift attitudes on gender roles

P L DF A

Women in business leadership (all countries)			
Government			
Invest in skills training programmes for women in industries where they are underrepresented	●	●	●
Improve transport infrastructure to make commuting less burdensome and safer for women	●	●	
Use public spending to enable better and more affordable childcare, and rationalise taxes to remove disincentives for second earners	●	●	●
Implement workplace legal protections (e.g., antidiscrimination laws, protection from sexual harassment)		●	●
Set a publicly declared national agenda and target for women's representation in leadership	●	●	●
Work with companies in broad coalitions to share experience and foster a collective effort towards parity	●	●	●
Corporations			
Show top management commitment and accountability by, for instance, setting metrics and targets for gender equality supported by gender-based talent pipeline planning		●	●
Offer and encourage uptake of flexible working arrangements such as part-time positions and homeworking, supported by technology such as videoconferencing	●	●	●
Introduce inclusion programmes that, for instance, challenge conscious and unconscious bias in the talent management process, from recruitment to performance evaluation		●	●
Introduce formal and explicit sponsorship and mentorship programmes		●	●
Run leadership skills workshops and networking events to help women bolster aspirations and push for higher positions		●	●
Individuals (men and women)			
Actively pursue methods to reduce personal negative perceptions and unconscious biases		●	●
Participate in well-designed diversity and inclusion measures		●	●
Partnerships			
Create partnerships between governments to set goals, share best practices, and make gender parity a priority		●	●
Create partnerships between organisations and institutions (public, private, local, or foreign) to share gender data transparently and commit to initiating inclusion programmes		●	●
Australia			
Articulate case for change: macroeconomic, company, and individual			
Develop a clear macroeconomic and social case for policies promoting female participation	●	●	●
Communicate the individual and family benefits of workforce parity through awareness campaigns	●	●	●
Make a strong case for gender balance in the organisation, linked to purpose and business goals	●	●	●

SOURCE: McKinsey Global Institute analysis

Exhibit 9 (continued)

Overview of potential measures to improve gender equality across Asia Pacific (2 of 6)

Measures are primarily

■ Government-driven

■ Company-driven

Overarching priorities for action

P Raise female participation in quality jobs

L Lift female leadership representation

DF Improve digital and financial inclusion

A Shift attitudes on gender roles

P L DF A

Australia (continued)

Ensure economic incentives exist for all mothers to work

Ensure long-term budgetary support for more universal childcare **P L**

Adjust means testing for childcare-related benefits to retain incentives for middle-class women to work **P L**

Increase equal provision, uptake, and acceptance of flexible policies and life-transition support for women

Encourage equal uptake of leave by making it more financially attractive, flexible, and understood **P L DF**

Increase support including services and networks during life transitions **P L DF**

Foster acceptance of flexibility (for both genders) through role models and positive communication **P L**

Invest in shifting attitudes about the role of women in society and work

Launch public-awareness campaigns on the economic and societal benefits of women being free to pursue careers and of parents sharing childcare **P L DF**

Normalise male child rearing through role modelling by key influencers **P L DF**

Further strengthen existing institutions and policy action focused on gender

Expand participation in coalitions (e.g., Male Champions of Change) across sectors and geographies **P L**

Increase policy impact through gender budgeting and gender-impact analysis **P L**

Consider strengthening national mandates for employers and encourage greater gathering and use of data to shape practices **P L**

China

Increase opportunities for women to reduce time spent on unpaid work

Provide subsidised childcare from birth to age five (pre-school) **P L**

Improve auditing and enforcement of childcare regulatory standards to ensure quality care **P L**

Mandate minimum nationwide paternity leave and encourage uptake by male workers **P L DF**

Increase focus on and accelerate provision of elderly care to respond to aging population **P L**

Mandate minimum nationwide elderly-care leave for male and female employees **P L**

Encourage and implement family-friendly work practices such as remote and flexible working, and permanent part-time roles that enable parents to accommodate their care requirements **P L DF**

Invest in shifting attitudes about the role of women in society and work

Launch public-awareness campaigns on the economic and societal benefits of women being free to pursue careers and of parents sharing unpaid care work **P L DF**

Encourage male and female leaders (“champions”) to role model and advocate for change **P L DF**

Mandate public reporting of data on women in employment and leadership in state-owned and other companies **L DF**

Raise minimum female representation in parliament and be transparent about progress in provinces **L DF**

SOURCE: McKinsey Global Institute analysis

Exhibit 9 (continued)

Overview of potential measures to improve gender equality across Asia Pacific (3 of 6)

Measures are primarily

■ Government-driven

■ Company-driven

Overarching priorities for action

P Raise female participation in quality jobs

L Lift female leadership representation

DF Improve digital and financial inclusion

A Shift attitudes on gender roles

P L DF A

China (continued)

Encourage and enforce equal treatment of women in the workplace

Remove barriers to women continuing to work past the age of 50 and 55 (in blue-collar and white-collar work, respectively), and align with male retirement age of 60

P L

Encourage equal treatment at work and strengthen enforcement of regulation by, for instance, reducing male-only advertised roles, addressing unequal pay between men and women, and prohibiting questions on intention to become a parent in interviews

P L DF A

Develop women's entrepreneurial and digital skills and networks, particularly in rural areas

Create partnerships with the private sector to provide training and networking events for women, particularly in the e-commerce and technology sectors

P DF

India

Make a concerted effort to expand job opportunities for women

Stimulate jobs creation and skills training in sectors where women are established, including textiles, garments, healthcare, beauty, IT-enabled services, tourism, electronics assembly, and manufacturing

P L

Enhance commitment to, and policies for, gender balance in the corporate sector among employees and in supply chains

P L DF A

Accelerate digital and financial inclusion of women and link with economic empowerment

Accelerate roll-out of digital literacy initiatives and innovative financial products for female entrepreneurs

P DF

Expand business training and connectivity to markets for individual women, collectives, and producer companies through digital platforms targeting female entrepreneurs

P DF

Continue to expand access to infrastructure to reduce unpaid care work

Sustain the roll-out of household infrastructure and services (e.g., water, sanitation, and clean cooking fuel)

P

Increase utilisation through supply and demand levers (e.g., quality, cost, education, and awareness)

P DF A

Increase accessibility and uptake of childcare

Increase investment in and scale up existing initiatives (e.g., national flagship scheme, mobile crèches)

P L

Strengthen and enforce national standards on childcare quality, including more training for carers

P L

Invest in high-quality employer-provided childcare and share best practices

P L

Invest in shifting attitudes about the role of women in society and work

Intensify public-awareness campaigns to communicate the value of girls and women in society

A

Put the spotlight on gender data, with a new focus on women in the workforce, across states, sectors, and organisations

A

Engage community leaders and individuals on women's digital and financial empowerment

DF A

Educate individuals on the value of childcare (e.g., children's cognitive, emotional, and health outcomes)

P L DF A

SOURCE: McKinsey Global Institute analysis

Exhibit 9 (continued)

Overview of potential measures to improve gender equality across Asia Pacific (4 of 6)

Measures are primarily

- Government-driven
- Company-driven

Overarching priorities for action

- P Raise female participation in quality jobs
- L Lift female leadership representation
- DF Improve digital and financial inclusion
- A Shift attitudes on gender roles

P L DF A

Indonesia	
Continue to expand access to infrastructure to reduce unpaid care work	
Build a robust economic case for increased investment in infrastructure, with a gender-budgeting lens	●
Work with NGOs and foundations to develop infrastructure and services in remote areas	●
Introduce innovative products and services to help women reduce time spent on household chores	●
Drive digital access, skills development, and business training for female entrepreneurs	
Increase instruction in digital skills in the early years of secondary school	● ●
Scale up digital skills-building programmes for female entrepreneurs	● ●
Improve tailoring of digital platforms, products, services, and marketing to women's needs	● ●
Invest in shifting attitudes about the role of women in society and work	
Encourage community learning on how to manage a career in addition to family	● ● ●
Educate and activate networks of male champions	● ● ●
Run public-awareness campaigns to encourage recognition and redistribution of unpaid care work	● ● ●
Legislate and enforce greater protection for women	
Pass workforce laws to enforce part-time options, grant more paternity leave, and tackle sexual harassment	● ● ●
Strengthen enforcement of gender protections (e.g., training, measurement, and accessibility of courts)	● ● ●
Promote diversity policies in business organisations	
Make a strong case for gender balance in the organisation, linked to purpose and business goals	● ● ●
Offer and encourage uptake of flexible working arrangements (e.g., part-time and home-based assignments)	● ● ●
Set diversity targets and boost acceptance by men and women of diversity goals and programmes	● ● ●
Train and equip women as entrepreneurs in supply chains and distribution channels	● ● ●
Japan	
Accelerate implementation of specific existing recommendations and policies	
Accelerate policy change and public services to match market needs (e.g., expanding public provision of childcare, more flexible labour contracts, and tax and social disincentives for second-income earners)	● ●
Use organisational change best practices to accelerate implementation (e.g., top management commitment and linking diversity to business objectives)	● ●
Increase cross-institutional collaboration to foster gender equality	
Create national and local coalitions of public and private institutions to facilitate sharing of best practices, broaden advocacy, and collaborate on societal issues	● ● ●

SOURCE: McKinsey Global Institute analysis

Exhibit 9 (continued)

Overview of potential measures to improve gender equality across Asia Pacific (5 of 6)

Measures are primarily

■ Government-driven

■ Company-driven

Overarching priorities for action

P Raise female participation in quality jobs

L Lift female leadership representation

DF Improve digital and financial inclusion

A Shift attitudes on gender roles

P L DF A

Japan (continued)				
Invest in shifting attitudes about the role of women in society and work				
Run campaigns to celebrate top-performing women professionals and those at top universities	■	●	●	●
Facilitate networks, mentorship, and sponsorship of women from high school through the talent pipeline	■	●	●	●
Increase corporate and public-sector efforts to cultivate female talent from the start of the talent pipeline				
Provide scholarships for women to attend Japan's top universities	■	●	●	
Expand search for female talent beyond the top ten universities and ensure that women are included in management development programmes	■	●	●	
Increase the number of women attending top universities				
Legislate to promote women's representation in top universities (e.g., requiring targets and action plans)	■	●	●	
Provide safe and affordable housing for female students in top universities outside their home prefecture	■	●	●	
Review plans to change National Center Test and entrance conditions for applicants to non-STEM majors, to remove gender bias	■	●	●	
Create a coalition of top universities to develop understanding of gender issues and address them by, for instance, surveying, analysing, and sharing data	■	●	●	
Increase focus on improving female performance in STEM at high school				
Review STEM outcomes at the high school level and create action plan to improve female participation, scores, and motivation in mathematics and science	■	●	●	
Philippines				
Increase access and equal provision of family-friendly policies in the workplace				
Mandate gender-equal provision of parental leave	■	●	●	●
Increase flexible work options and part-time options for all workers	■	●	●	●
Increase access to employer-assisted or employer-provided childcare options	■	●	●	
Introduce policies and programmes to improve gender balance in male-dominated industries				
Revise elementary school curricula to remove gender biases	■	●		●
Develop mentorship programmes to encourage women to pursue careers in male-dominated industries	■	●	●	
Strengthen economic incentives for women to remain in the workplace				
Improve on equal remuneration clause for men and women	■	●		
Audit employee pay to identify gender wage gaps in similar roles	■	●		
Reduce barriers to labour-force participation for young mothers and single parents				
Improve childcare support for single parents and young mothers	■	●		
Provide employment and education support programmes for young mothers	■	●		

SOURCE: McKinsey Global Institute analysis

Exhibit 9 (continued)

Overview of potential measures to improve gender equality across Asia Pacific (6 of 6)

Measures are primarily

■ Government-driven

■ Company-driven

Overarching priorities for action

P Raise female participation in quality jobs

L Lift female leadership representation

DF Improve digital and financial inclusion

A Shift attitudes on gender roles

P L DF A

Philippines (continued)				
Use financial products and services to increase economic empowerment for less-educated women				
Scale up existing measures targeting unbanked areas to expand women's financial inclusion	●		●	
Provide adjacent services to improve financial access for women farmers and microentrepreneurs	●		●	
Accelerate implementation of programmes to improve maternal health in rural and isolated areas				
Improve access to maternal healthcare and information for women in rural areas	●			
Engage local government units in tracking health outcomes of expectant mothers	●			
Singapore				
Invest in shifting attitudes about the role of women in society and work				
Run public-awareness campaigns to foster recognition and redistribution of unpaid care work	●	●		●
Create forums of corporate leaders to share best practices on moving closer to gender equality	●	●		●
Increase access and equal provision of family-friendly policies in the workplace				
Increase availability of flexitime and teleworking options for full-time workers	●	●		●
Develop programmes to ease the transition for mothers returning to the workplace	●	●		
Expand leave options to include family sick leave and elderly-care leave	●			
Make parental leave policies more gender-balanced	●	●		●
Increase economic incentives for women to remain in the workforce				
Audit employee pay to identify gender wage gaps between similar roles	●			
Create an equal remuneration clause for men and women	●			
Encourage higher representation in STEM fields				
Develop programmes to inspire girls and young women to pursue STEM careers	●			
Review university policies to encourage women to participate in STEM fields	●			
Adjust policies to reduce barriers to women interested in applying for jobs in STEM	●			
Promote skills development for women working in lower-growth sectors and/or lower-paying roles				
Create incentives to participate in SkillsFuture for women in need of reskilling or skills development	●			
Help provide digital access to women who do not use mobile phones or the internet	●		●	

SOURCE: McKinsey Global Institute analysis

1. Focus on higher female labour-force participation in quality jobs with steps to address unpaid care work as a priority to boost economic growth

Improving female labour-force participation represents 58 percent of the total GDP opportunity in Asia Pacific that we estimate is available. Enabling women to juggle their home and work responsibilities—an issue in advanced and developing economies alike—would help women who choose to work for pay outside the home to do so. The emphasis of such efforts should be to open the way for women not only to work, but to work in quality jobs. Today, women are underrepresented in many Asia Pacific countries in higher-paying professional and technical jobs, particularly in high-growth science, technology, engineering, and mathematics (STEM) jobs.

Women undertake four times the unpaid care work as men on average—and this hinders their freedom to choose to work for pay outside the home. In some countries, shifting demographics risk exacerbating this issue. In China, for instance, the time spent by women looking after their children and elderly relatives may even rise in the years ahead as fertility rates bounce back because of the shift from a one-child to a two-child policy, and as the population ages rapidly. Many women get deep satisfaction from caring for their children and aging relatives, and the time they choose to spend may reflect personal choice. But true equality of opportunity and freedom of choice still eludes many women who would be able to earn more money outside the home if household responsibilities were recognised, reduced, or redistributed.³⁴

A lack of childcare clearly deters many women from participating more fully in the labour market. The scarcity of quality, affordable childcare in major Indian cities has been cited as a barrier to women participating in the workforce. Even in Australia, an advanced economy, many women struggle to balance childcare with paid work because of a lack of affordable childcare. Net childcare costs were 20 percent of average family income in 2015, compared with the 12 percent average in OECD economies. Even if provision of childcare is sufficient and affordable, uptake will be limited unless women's incentive to work in terms of salary and tax rate is set at the right level. Many countries have recognised the importance of addressing this issue and have responded with a combination of public subsidies and mandates on employer provision.³⁵

There are other ways to reduce the time that women spend on unpaid work. Improved transport infrastructure and services such as ride-hailing can reduce the time it takes to shop or visit a doctor. There is every prospect that digital technologies will enable widespread use of remote healthcare via mobile phone and internet, saving women a great deal of time.³⁶ Other types of “household infrastructure” can also reduce time pressure on those working in the home. Today, many households lack water supply, necessitating considerable time collecting water. Unpaid care work can also be shared more equally between men and women in the household, facilitated by policies to promote paternity leave and flexible work models for male as well as female workers. Family leave policies that include men have the potential to provide better recognition for care work and to redistribute it among men and women, thereby potentially helping women to participate more actively in the world of work: however, steps are needed to encourage men to take up these offers.

³⁴ Gaëlle Ferrant, Luca Maria Pesando and Keiko Nowacka, *Unpaid care work: The missing link in the analysis of gender gaps in labour outcomes*, OECD Development Centre, December 2014.

³⁵ For example, Australia provides government subsidies to help cover childcare costs, while India's Maternity Benefit Act requires companies with 50 or more employees to provide crèche facilities.

³⁶ In China, a combination of healthcare big data, treatment powered by artificial intelligence, and Internet of Things-enabled services can create a more efficient, higher-quality system that puts the patient at its centre. See the discussion in *Digital China: Powering the economy to global competitiveness*, McKinsey Global Institute, December 2017. For more on the use of digital technologies in healthcare, see, for instance, *India's technology opportunity: Transforming work, empowering people*, McKinsey Global Institute, December 2014, and *What's now and next in analytics, AI, and automation*, McKinsey Global Institute briefing note, May 2017.

Unpaid care work can also be “marketised” to external providers, creating jobs in the care services industry.

A number of initiatives are being pursued in the region to give women a more solid platform for higher-quality careers. In response to reluctance among girls in Singapore to pursue STEM careers, non-profit 21C has started to provide free coding classes for girls.³⁷ In Japan, where women are markedly underrepresented at the top universities that are the source of a large share of the country’s business and political leaders, the institutions are taking some new approaches. For instance, Nagoya University has established a centre for gender equality and instituted female-only positions to open up opportunities to women academics.

2. Address the pressing regional and global issue of women’s underrepresentation in business leadership positions

A lack of women in top management positions—an issue in advanced and developing economies around the world—not only stunts the ability of women to have fulfilling careers and earn higher incomes, but negatively affects companies’ bottom lines. McKinsey’s latest research on the impact of diversity in business shows that companies in the top quartile for gender diversity on their executive teams are 21 percent more likely than other firms to report above-average profitability; the figure three years earlier was 15 percent.³⁸ We note that correlation does not prove causation, but we would argue that the correlation at least indicates that companies with gender-diverse leadership are more successful.

The global GPS on this metric, which includes women in leadership positions in both business and politics, is 0.37, indicating extreme gender inequality—there are fewer than four women for every ten men in leadership positions. The average GPS on women in leadership in Asia Pacific is only 0.25: women hold only one in four positions at the manager level and above. Asia Pacific has made some progress in recent years. Across the region, the share of women sitting on company boards doubled between 2011 and 2016 from 6 to 13 percent, but that is still a very low share.

Most countries have similar barriers to women rising to leadership roles in business. They include cultural expectations that women should prioritise childcare over their careers, a lack of suitable or affordable childcare, unconscious bias in the workplace, a lack of role models and sponsors, and, perhaps critically, a failure by many companies to offer flexible working options. The fact that the barriers are similar suggests that measures that have proved successful in raising the share of women in leadership in individual companies could be the template for businesses in the region.

Governments, companies, and NGOs all have a role to play in tackling this issue. Policy makers have the power to influence the talent pipeline through education and training systems, legislation, fiscal measures, and political leadership. They can also improve diversity in public services in their capacity as employers and can encourage gender diversity in companies in their supply chains through their procurement practices. Companies need to embed gender diversity into their operations from top to bottom, with clear managerial commitment to equality in the workplace, processes to back up that standard, the provision of flexible working to ensure that employees can achieve work-life balance, and programmes that explicitly provide mentorship, skills building, and networking for women. NGOs can provide similar programmes. It is vital that men play a central role in efforts to promote gender equality. In the home, if they undertake a greater share of family responsibilities, women will be freer to work for pay if they so choose. In work, men are still

³⁷ Lakshmi Ramachandran, *Small steps to big changes towards gender equality in science*, National University of Singapore, May 2017.

³⁸ *Delivering through diversity*, McKinsey & Company, January 2018; *Women Matter: An Asian perspective: Harnessing female talent to raise corporate performance*, McKinsey & Company, 2012; and *Women Matter: Time to accelerate: Ten years of insights into gender diversity*, McKinsey & Company, October 2017.

often in positions of authority and therefore have control over decisions to promote women, offer them flexible work practices, and provide them with mentoring and sponsorship.

3. Capture the economic and social benefits of improving women's access to digital technology

Globally, a digital divide separates rich and poor but also men and women. Most countries have some distance to travel to open up access to digital technologies for women. Yet access to and use of digital technologies is a powerful enabler of economic advancement for both individuals and entire economies, and it can have a positive impact on a number of aspects of gender inequality. On digital inclusion of women, Asia Pacific has a GPS of 0.77, somewhat behind the global average of 0.85. GSMA has estimated that there are 1.1 billion unconnected women in low- and middle-income countries in the region.

Access to technology can open many economic doors to women. For instance, digital businesses can enable female entrepreneurs by reducing many of the barriers they face offline. The rise of e-commerce and the online “gig economy” offer many women flexibility in terms of their working hours and where they work, helping them to balance work with their family commitments.³⁹ There is widespread evidence that digital technologies connect women with larger markets far more effectively than if they are offline. In Indonesia, for instance, women-owned MSMEs generate 35 percent of e-commerce revenue, compared with only 15 percent of offline MSME revenue.⁴⁰ Digital technology-based startups also tend to require less capital than more traditional startups, reducing entry barriers for women who, on average, have less access to capital than men.⁴¹ In a 2015 report, Alibaba stated that starting a Tmall store typically costs 210,000 renminbi, 96 percent less than setting up an offline business.⁴²

Digital banking levels the playing field between men and women in terms of access to financial services, and it enables financial institutions to serve more customers profitably. MGI research has found that mobile payments can lower the cost of providing financial services by 80 to 90 percent, enabling providers to serve people with lower incomes in rural areas. Overall, digital finance has the potential to provide access to financial services for 1.6 billion people in emerging economies, more than half of them women. Today, an estimated 57 percent of women are financially excluded in South Asia, 54 percent in China, and 49 percent in Southeast Asia.⁴³

Digital technologies can also encourage higher labour-force participation by women. They can, for instance, reduce the hours women spend on unpaid work. For example, if women have access to digital payments, they can save an enormous amount of time spent travelling to a physical bank or ATM and waiting in line. MGI has estimated that Indians (men and women) lose more than \$2 billion a year in income because of travel time to and from a bank.⁴⁴ The adoption by many businesses of telecommuting also makes it easier for women to remain in the workforce if they so choose.

³⁹ *Independent work: Choice, necessity, and the gig economy*, McKinsey Global Institute, October 2016.

⁴⁰ McKinsey survey of Indonesian e-commerce merchants, 2017. N = 700.

⁴¹ David Halabisky, *5 ways policy could close the gender gap in entrepreneurship*, World Economic Forum, October 19, 2017.

⁴² *Women in the era of Internet Plus*, AliResearch, 2015.

⁴³ *Digital finance for all: Powering inclusive growth in emerging economies*, McKinsey Global Institute, September 2016.

⁴⁴ *Ibid.*

Finally, the internet offers the potential for women to make their voices heard. The #MeToo movement against sexual harassment that erupted on social media in late 2017 and early 2018 is just one example. One study found that half of the women surveyed in developing countries said that the internet had made it safer for them to express their views.⁴⁵ Yet powerful attitudes and beliefs inhibit women and girls from accessing the internet. In India, for instance, male relatives reportedly prohibit girls from using the internet.⁴⁶ Many digitally excluded people may need help to overcome digital literacy and numeracy issues. In an initiative from Tata Trust and Google India, for instance, women ride a bicycle carrying two smartphones and two tablets around villages to teach women how to use them.⁴⁷ It may not always be possible for the digitally excluded to take advantage of these technologies without assistance given that many will continue to have literacy and numeracy issues. Therefore, there is a case for providing digital access through intermediaries. Again in India, in late 2016, the government set up Common Service Centres in a public-private partnership with local entrepreneurs. Entrepreneurs run these kiosks, where people can go online, and the government allows them to be used for e-government services and applying for jobs.⁴⁸

We acknowledge that digital technologies are a double-edged sword. If the gender gap in digital inclusion and capabilities is not closed, there is a risk that women will be left out of the wave of change rolling through societies and economies driven by the rapid penetration of these technologies. Digital technologies can accelerate progress towards parity for women who are digitally included but leave those who are not even further behind.

4. Shift attitudes about women's role in society and work, in order to underpin progress on all aspects of gender inequality

In essence, progress towards gender parity in Asia Pacific and around the world relies on women and men having equality of opportunity and the freedom to choose how they balance the different parts of their lives: home and work, children and career. But even today in many countries, societal attitudes hold women back. Shifting those attitudes—a complex and long-term effort—can unlock progress on many aspects of gender inequality.

Defeating gender biases is critical to achieving equality in the workplace, where Asia Pacific countries generally exhibit an extremely high level of inequality. Attitudes regarding women's role as family caregivers are key reasons that women undertake a disproportionate amount of unpaid care work, choose to step out of the workforce, and face conscious and unconscious discrimination in the workplace. This holds true even in relatively advanced economies—in Australia, for instance, one in two women reported experiencing discrimination related to pregnancy or parental leave.⁴⁹ Selecting and equipping male champions to lead cultural change within organisations can be an effective way to address the attitudes underlying this bias. For example, the Australian Male Champions of Change group of CEOs and public-sector leaders recently committed to eliminating “everyday sexism” in workplaces through role modelling, tone setting, and training.⁵⁰

⁴⁵ *Women's rights online: Translating access into empowerment*, World Wide Web Foundation, October 2015.

⁴⁶ *Feminist Approach to Technology* (<http://www.fat-net.org/>). Restrictions are even more common in terms of limiting (rather than prohibiting) use. More than half of men in one survey in New Delhi agreed that men have the responsibility to restrict what women access on the internet, and 65 percent agreed that women should be restricted from using the internet in public places on their own. See *Women's rights online*, World Wide Web Foundation (<https://webfoundation.org/our-work/projects/womens-rights-online/>).

⁴⁷ “Google, Tata Trusts to expand Internet Saathi programme”, *The Hindu Business Line*, December 5, 2017.

⁴⁸ Anandita Jumde, *How Common Service Centres are revolutionising e-governance in rural India*, The Better India, May 31, 2016.

⁴⁹ *Supporting working parents: Pregnancy and return to work national review—report*, Australian Human Rights Commission, 2014.

⁵⁰ *We set the tone: Eliminating everyday sexism*, Male Champions of Change, October 2017.

Shifting attitudes is also an important part of improving women's political representation, which is currently an area of extremely high inequality in most countries in Asia Pacific. The average female-to-male ratio of elected leaders is only 0.19. In countries in the region, an average of 44 percent (not weighted for population) of World Values Survey respondents agreed that men make better political leaders than women. Even when countries attempt to increase female representation, women are judged more harshly than men. For example, in India, a study of women-led villages showed that levels of dissatisfaction among constituents were higher where council representatives were women, despite the fact that outcomes on some key services were, on average, better.⁵¹ Part of tackling this problem is increasing the visibility of female candidates, their track records, and the importance of women's representation in government. One example of this approach is the global #makeithappen campaign, which involved female parliamentarians raising awareness of these issues.

A change in attitudes is also crucial to solving the pervasive global issue of violence against women, a widespread problem that does not diminish even as countries develop economically. Campaigns can be effective. The Indian government's Beti Bachao Beti Padhao social campaign has raised public awareness of girl-child welfare in an effort to combat "son bias" and a skewed sex ratio at birth. Hollaback, an international initiative, targets women's attitudes. It asks women to share their stories of harassment so that other women don't feel alone and may be more empowered to report the problem to authorities. In countries including China and India, changing attitudes is an important part of addressing sex-selective abortion and child marriage. Humanising the issue to prompt discussions can be effective. For example, the Meena cartoon series, a television programme supported by UNICEF and shown in South Asian languages, presents a South Asian girl character, tailored to resonate with the audience's background, who faces a range of discriminatory obstacles.

Governments, companies, the media, and individuals in every community can help to change attitudes towards women by using cutting-edge and innovative approaches. Leading from the front, the Victoria state government in Australia has invited international behavioural insights experts to design strategies to address the societal attitudes and biases that drive gender inequality.

5. Collaborate on regional solutions as powerful catalysts for gender equality

Programmes and policies will largely be developed in each country with an eye to its particular context, pockets of high inequality, areas of strength, and cultural norms. But pan-Asia Pacific policies could give national efforts a powerful following wind, enabling change. Two forms of pan-Asian intervention could prove particularly effective, and regional and global bodies might consider exploring their feasibility:

- **Improve financing mechanisms to address gender outcomes:** Improving the financing of initiatives designed to tackle gender equality could improve outcomes. One approach is gender-lens investing—encouraging retail and institutional investors to direct funding to gender-diverse or women-owned businesses or to companies that advance gender equality through their product and service offerings.⁵² There is renewed momentum behind corporate social responsibility and ethical investing. For instance, BlackRock recently urged CEOs to ensure that their companies make a positive contribution to society.⁵³ Changes in investor behaviour can be facilitated by regional or global rating or accreditation systems for companies that improve gender outcomes, such as Bloomberg's Gender-Equality Index. Further work can be done to continue

⁵¹ Ray Fisman, "It takes a village . . . to fail to thank its female leader, no matter how good she is", Slate, November 27, 2007.

⁵² BNY Mellon and the UN Foundation explored this issue in a joint report: *Return on equality: Investment opportunities to help close the global gender gap*, January 2017.

⁵³ Larry Fink, *Larry Fink's annual letter to CEOs: A sense of purpose*, BlackRock, January 2018.

improving the sophistication and the uptake of such indices. Another approach to explore is social financing through, for instance, development impact bonds that attract private funding to support organisations or initiatives pursuing gender outcomes. Since the Banking on Women bond issued by the International Finance Corporation in 2013, many similar bonds have been developed. One example is the Women's Livelihood bond, which is estimated to have impacted 385,000 women in Cambodia, the Philippines, and Vietnam. In this case, the bond was partially guaranteed by USAID and Australia's Department of Foreign Affairs and Trade.⁵⁴

- **Explore greater regional collaboration on knowledge-sharing:** Given the wide variation in gender equality outcomes in Asia Pacific, it is vital that best practices already in place, as well as cutting-edge ideas, be widely shared. Asia Pacific institutions could consider creating a unified regional learning or knowledge agenda on gender issues, backed by regular, practitioner-level forums in a “network of networks”. Such collaboration may work most effectively within the framework of existing regional institutions such as APEC, whose Women and the Economy Dashboard seeks to measure and share progress in the region and its constituent countries. Regional and international organisations could also collaborate more with one another and with governments to build a comprehensive and up-to-date fact base of gender data to enable more effective design and implementation of gender initiatives. There may also be potential for strategic cooperation, including in procurement, to reduce operating costs and free up funds for investment in gender initiatives.⁵⁵

⁵⁴ *USAID supporting Women's Livelihood Bond to benefit 385,000 women in Southeast Asia*, USAID press release, August 7, 2017.

⁵⁵ An analogous example is the Joint Procurement Agreement between 24 EU countries to ensure more equitable access to vaccines, antivirals, and other medical countermeasures.



Asia Pacific is home to some of the fastest-growing and increasingly innovative economies in the world. The region is forging an exciting new future and an ever-greater role on the world stage. Yet women are not yet playing an equal part—a gap in the narrative that many leaders now recognise. The economic dividend from advancing women’s equality is significant in every country of the region. We know that diverse workforces are good for the bottom line, and that educated, healthy, fulfilled women with the freedom to choose both a family life and a career are good for growth. Now is the time to step up efforts to accelerate progress towards gender parity—and harness its power for growth and the wellbeing of society.



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