



ClosinGap Index

Measuring the gender gap in Spain
and quantifying its economic
impact

Towards gender parity | Third Edition

February 2023

CG
closingap

A message from Marieta Jiménez



We are pleased to present, in collaboration with PwC, the ClostinGap Index 2023, the third edition of this unique, proprietary indicator in Spain, which is a benchmark not only in terms of measuring the economic impact of the gender gap, but also in helping us to understand how we are evolving as a country and society on the road to equality.

Having published three editions of this Index, enables us to interpret how the gap is behaving over time and how it has been affected by major events such as the COVID-19 pandemic. This index helps us focus our efforts and corrective measures by analysing five critical categories: employment, health, digitalisation, education and work-life balance.

In 2020, **the ClostinGap Index stood at 64.1%**, with 100% understood as total parity, and revealed that there was a **35.9% gender gap that remained to be closed** and that if the trend were to continue it would take 35 years to achieve equality between men and women. In that first analysis, we discovered that work-life balance and co-responsibility were our most pressing unresolved issues.

A year later, in the second edition, when we analysed the impact of the pandemic on equality we observed an alarming decline, from **35.9%** in 2020 to **36.7%** in 2021, meaning that **Spain would not achieve complete parity until the year 2058**. Just twelve months earlier, we had noted with concern the gap in work-life balance/co-responsibility, but it was in the second edition that a profound deterioration in

this category became evident: women were more heavily affected by an **increase in the rate of work-related partiality** for reasons of work-life balance, many of them pandemic-related.

In the pages of this new report we can look to the future with optimism, as **the gap is narrowing** and we find ourselves almost back to 2019 levels, an encouraging indicator that should inspire us to continue working with the same enthusiasm and perseverance.

And as always, maintaining the spirit that united us with Merck, BMW Group, CaixaBank, Fundación CEOE, Grupo Social ONCE, KREAB, Mahou San Miguel - Solán de Cabras, MAPFRE, PwC, Repsol and Telefónica around the common goal of working together for equal opportunities, promoting knowledge and debate from an economic perspective and highlighting the opportunity cost of the different gender gaps to the economy and society.

We are on the right track, inspired by the encouraging data that moves us to step up our pace in the construction of a more equal, prosperous and sustainable society.

Marieta Jiménez
President of ClostinGap

A message from Ana Polanco

The ClostinGap Index, developed by PwC, is a benchmark tool in Spain - and one of the few in Europe - that measures parity in five main categories (*employment, health & well-being, digitalisation, education and work-life balance*) through a detailed analysis of a total of 28 key variables. It is, therefore, an essential compass for those of us working for equality.

In this edition, we see how **the gender gap has improved, from 63.3% in 2021 to 64.7% in 2022, i.e. the gap to be closed has been reduced by 1.4 percentage points, which brings the current closing time horizon to 33 years.**

At the category level, we saw improvements in all categories compared to 2020 except health and well-being. Despite this being the area with the greatest parity, the evolution of the indicator shows that the **trend is not favourable for women.** Moreover, in the last year, this gap has worsened slightly due to the risk of poverty and exclusion, and to a decline in the years of "good health" for women in relation to their life expectancy.

Moreover, in order to quantify the impact of the gap on the Spanish economy, the Index concludes that the GDP associated with closing the current gap in the labour market (in participation, working hours and productivity) is **€212.2 million**, which would be equivalent to a **17.6% increase in 2021 GDP.**

This information and much more can be found in this new edition of the Index, which has emerged as a useful document for consultation and a source of information, as well as the driving force behind our work on social transformation in pursuit of an economy free of gender gaps in both the private sector and in public-private collaborations.



Ana Polanco
Chair of ClostinGap's Executive Committee

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01

Executive Summary

1.1

2022 Edition

CLOSINGAP INDEX 2022

In an effort to promote the social transformation of women and the economy from the business realm, CloSinGap has developed the **CloSinGap Index**: an indicator that analyses the advances made towards general equality in five key categories with a total of 28 variables that are crucial to the personal and professional development of a society.

The results show that **the gender parity index has improved compared to last year due to a narrowing of the gap in the** employment, education, work-life balance and digitalisation indicators. Specifically:

- The **employment indicator** continues its upward trend, with notable increases in the business leadership and pension indicators. Despite this positive trend, precarious employment was reduced by a lesser extent for women than for men, which has a negative impact on the employment indicator.



- The **health category** is where we see the highest parity. However, the evolution of the indicator reveals an unfavourable trend. This indicator worsened for women this year due to the risk of poverty or exclusion and the years of good health in relation to life expectancy.
 - The **digitalisation indicator improved** compared to prior years. The online shopping variable reached parity this year. The computer skills variable has also improved significantly. Finally, the ratio between men and women specialists in digital professions has improved.
 - Parity has been achieved in **many variables** that make up the **education index**. By contrast, there is still a gap of more than 50% in education for technical careers, even though it has improved compared to previous years.
- Had the pandemic never occurred, it is estimated that there would be **33 years left to close the gender gap in Spain**.

ECONOMIC IMPACT 2022

All gender gaps addressed in the CloSinGap Index directly or indirectly affect GDP through the labour market.

In this regard, **GDP is directly impacted** by the **lower employment and activity rates of women in the labour market** and the **fewer number of hours** worked due to the higher preponderance of part-time work and the stronger presence of women sectors with **low productivity**.

As a consequence of these gaps, although women in Spain represented **51.4%** of the working age population in 2021, they only contribute **42.1% of Spanish GDP (+1.8% vs 2020)**.

Against this backdrop, we wonder: **What is the GDP associated with closing the gender gap** in 2021?

- The opportunity cost of closing the gap for the Spanish economy is **€212,179 million euros**, equivalent to a **17.6% increase in of GDP in 2021**.
- The opportunity cost of closing the gap in terms of employment is **2.5 million full-time** equivalent female jobs.
- As an update on the previous year, the rate of female participation in the labour force has improved considerably, bringing women's labour market participation ever closer to parity. On the contrary, average productivity in the sectors where women have a greater presence has declined relative to men, aggravating the GDP gender gap.

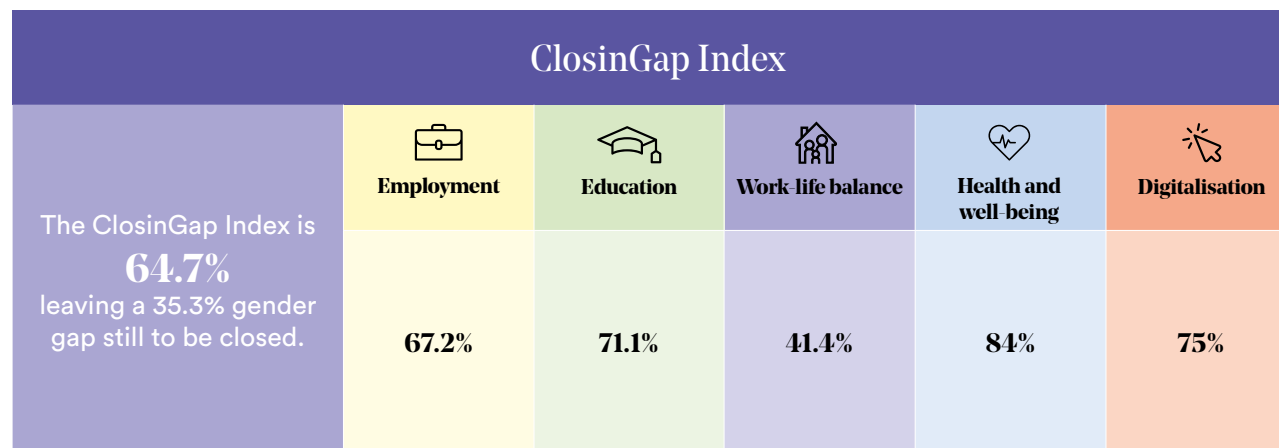
In conclusion, it is essential **to promote female talent in the labour market as a driver of economic recovery**. Closing gender gaps is not only a matter of social justice and equity, but would have an enormously positive impact on our economy, society and well-being.



1.2

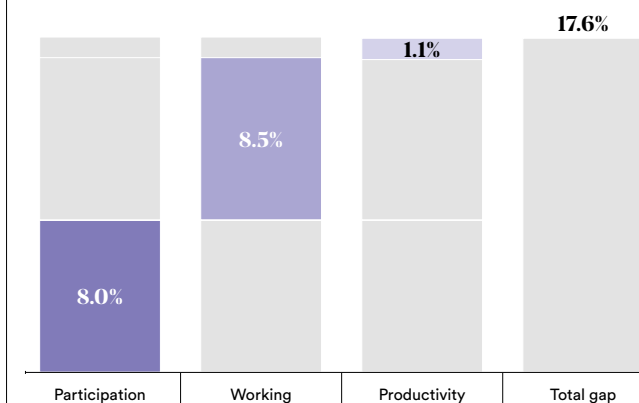
Evolution of the Index

Figure 1. Key results



The GDP associated with closing the gender gap that currently exists in the labour market (in participation, working hours and productivity) is €212.2 million, which would be equivalent to a 17.6% increase in 2021 GDP*.






Figure 2. GDP breakdown



Conclusions	Highlights
<ul style="list-style-type: none"> The ClosinGap index has improved compared to 2021, which reflected the impact of the pandemic on the gap, and is six tenths higher than in 2020. This growth of the index is mainly due to improvements in the employment, education, work-life balance and digitalisation indicators. At the 2015-22 rate, it will take 33 years to reach parity. 	<ul style="list-style-type: none"> The gaps in health and work-life balance have worsened in the wake of Covid-19. The figures for both are worse than before the pandemic, and the health indicator even deteriorated compared to the year before. The pandemic seems to have had a positive effect on women's acquisition of digital skills, with the digital category showing a positive increase.

(*) Due to the lack of more recent public data, the economic impact refers to the year before the publication of the Index.

Figure 3. Evolution of the ClostinGap Index

ClostinGap Index (YoY growth)	2020	2021	2022
		64.1 ↑ 0.9%	63.3 ↓ 1.2%
 Employment	65	66.1	67.2
 Education	67.9	67.9	71.1
 Work-life balance	44	40.8	41.4
 Health and well-being	84.5	84.4	84
 Digitalisation	71.3	71.4	75

Conclusions

The indicator shows an **improvement** in the categories of **employment and work-life balance**, **no change in education and health** and a **slight deterioration in digitalisation**. A very positive evolution of the employment category is noted, with an increasing number of women **participating in the labour market**.

The calculation of the index in 2021 shows the **impact of the pandemic** on several categories. The category most heavily impacted was **work-life balance**, where the number of women working **part-time increased** for reasons of work-life balance.

This indicator **has improved** compared to previous years. **At the category level, all of them show improvement** compared to 2020 **except health**, where a downward trend is observed. Of particular note is the **improvement** of women in the **digitalisation section**.



02

ClosinGap Index

2.1

An indicator to measure gender parity in Spain

In an effort to measure and monitor the evolution of gender parity in Spain, ClosinGap has developed the **ClosinGap Index: an indicator that analyses the evolution of five key categories** with a total of **28 variables that are critical to a society's progress towards gender parity**.

The index quantifies gender parity in five critical categories, highlighting the priority areas to be strengthened. These **categories are interrelated and reinforce each other**. It is therefore **essential to join forces to move towards gender parity in each one of them**.

The Employment category includes many of the variables that will subsequently be used to calculate the economic impact of the gender gaps.

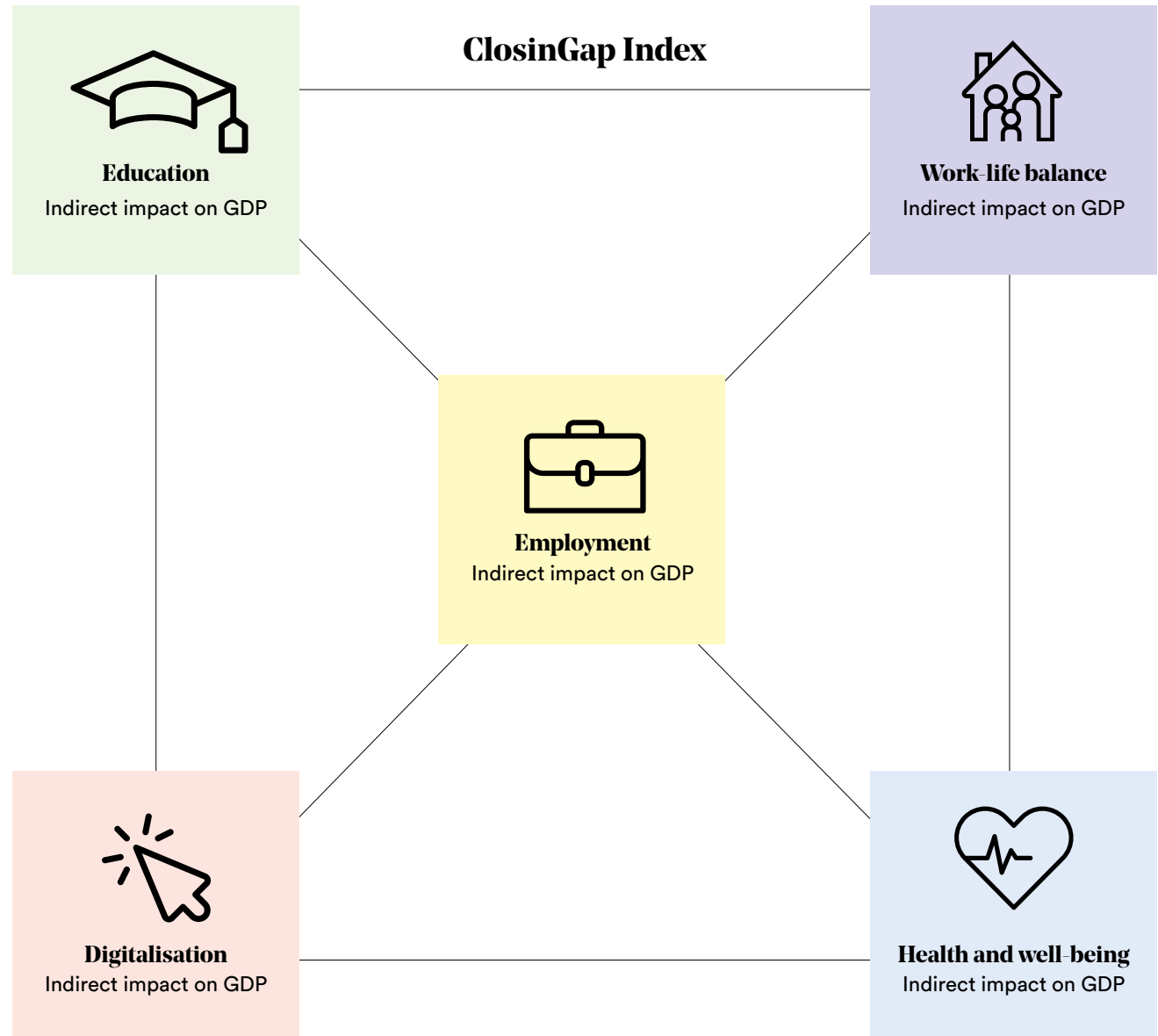




**The ClosinGap Index
quantifies gender parity in five
critical categories.**



Figure 4. Categories in the ClosinGap index



2.2

Composition of the ClosinGap Index

The five categories in the ClosinGap Index are constructed from a total of 28 variables that measure the most relevant inequalities between men and women.

The most representative variables from the different ClosinGap reports have been chosen, along with other variables which, despite not being included in the reports, could not be omitted due to their relevance. In all cases, we chose to obtain reliable data from public sources with frequent updating (mostly annual).

Figure 5. Illustrative example of the composition of the ClosinGap Index

Women to men ratio

Variable	Description	Index ClosinGap				
Variable 1	Employment		Index ClosinGap			
...						
...	Education			Index ClosinGap		
...						
...	Work-life balance				Index ClosinGap	
...						
...	Health and well-being					Index ClosinGap
...						
...	Digitalisation					
Variable 28						



The ClosinGap Index comprises five broad categories and 28 variables.






How were the variables chosen?



Relevance
Representative data of what we are trying to measure



Reliability
Data from public sources



Up to date
Information that is frequently updated, mainly on an annual basis








ClosinGap reports
Data used in previous ClosinGap reports



The 28 variables that make up the index have been updated from last year.

Figure 6. Composition of the ClostinGap Index

Categories	Variable	Description
 Employment	Activity rate	Ratio of women to men in activity rate
	Employment rate	Ratio of women to men in employment rate
	Hours worked	Ratio of women to men in hours worked
	Leadership in private enterprise	Composite indicator of the ratio of women to men in leadership roles: Chairwomen, Board of Directors, Senior Management and Functional Managements
	Leadership in the central government	Ratio of women to men who hold senior positions in government
	Precarious employment	Ratio of women to men in the percentage of precarious jobs
	Wage gap	Ratio of women to men in hourly wage positions
	Length of career	Ratio of women to men in length of working career
 Education	Pension gap	Ratio of women to men in contributory retirement pensions
	Tertiary education	Ratio of women to men in tertiary education rate
	STEM education	Ratio of women to men in STEM educational programmes
	Dropout rate	Ratio of women to men in dropout rates
	Adult continuing education	Ratio of women to men in adult continuing education rates

Categories	Variable	Description
 Work-life balance	Unpaid work	Ratio of women to men spent on unpaid work
	Inactive due to homemaker role	Ratio of women to men who are inactive in the labour market due to homemaker role
	Rate of part-time work for work-life balance reasons	Ratio of women to men working part-time to take care of children and household
	Time spent on leisure activities	Ratio of women to men in time spent on leisure activities
 Health and well-being	Years in good health relative to life expectancy	Ratio of women to men in good health relative to life expectancy
	Perceived health and quality of life	Ratio of women to men with positive perception of health
	Health problems	Ratio of men to women with health problems
	Risk of poverty or social exclusion	Ratio of women to men at risk of poverty or social exclusion (AROPE indicator)
 Digitalisation	Information skills	Ratio of women to men with information skills
	Communication skills	Ratio of women to men with communication skills
	Problem-solving skills	Ratio of women to men with problem-solving skills
	Computer skills	Ratio of women to men with computer skills
	Daily Internet usage	Ratio of women to men who use the Internet daily
	Online shopping	Ratio of women to men in the number of people who have shopped online in last three months
	Specialists in digital professions	Ratio of women to men in terms of the number of employees who are ICT specialists



2.3

Methodology and construction

The ClosinGap Index is built from the female to male ratios of 28 key variables

METHODOLOGY

There are two basic concepts underlying the variables included in the ClosinGap Index:

The gap between men and women. The Index does not consider the level of each one of the variables, but only the difference between men and women (ratio of women to men).

Outcome variables. The Index includes outcome variables but does not take political, cultural or social customs into account. This allows for an objective analysis of gender parity.

In choosing the variables, priority has been given to those from public sources that are updated annually. For years in

which there are no data, in previous editions of the Index we had chosen to use the latest available data to ensure that the values were not biased due to lack of information, although in this edition all variables have been updated.

CONSTRUCTION OF THE INDEX

Step 1. Conversion to ratios

In order for the Index to capture differences between men and women rather than levels, all data entered are converted to female / male ratios. However, variables with negative connotations (precarious employment, drop-out rates, unpaid work, inactive homemakers, part-time work for work-life balance reasons, health problems and risk of poverty or social exclusion) are converted to male to female ratios.

Step 2. Data truncation

Because the Index seeks to measure gender parity, i.e. how close women are to achieving parity with men, it does not reward or penalise gaps that go in the other direction. For example, although there are more women than men with tertiary education, the ratio is truncated at 100 as the maximum value.

Step 3. Grouping of data and calculation of sub-indices (one per category)

Once converted to ratios and truncated, the data for the different variables are grouped into five sub-indices (one per category) using the Euclidean distance formula on a scale of 0 to 100, where 0 is the minimum parity and 100 the maximum parity.

Aggregation into sub-indices

$$\text{Sub-index}_i = 100 - \sqrt{\frac{(100 - x_{1i})^2 + (100 - x_{2i})^2 + \dots + (100 - x_{ni})^2}{n}}$$

Where x_1 = ratio M / H x 100 of variable 1, x_2 = ratio M / H x 100 of the variable 2, ..., x_n = ratio M / H x 100 of variable n.

Where i = category (employment, education, ...) and n = number of variables.

Step 4. Grouping the sub-indices and calculating the ClosinGap Index

Once the sub-indices are calculated (one per category), the data are grouped into a single index (the ClosinGap Index) using the Euclidean distance formula on a scale of 0 to 100, where 0 is the minimum parity and 100 the maximum parity.

Aggregation in the ClosinGap Index

$$\text{CG Index}_i = 100 - \sqrt{\frac{(100 - \text{Subindex}_1)^2 + \dots + (100 - \text{Subindex}_5)^2}{5}}$$

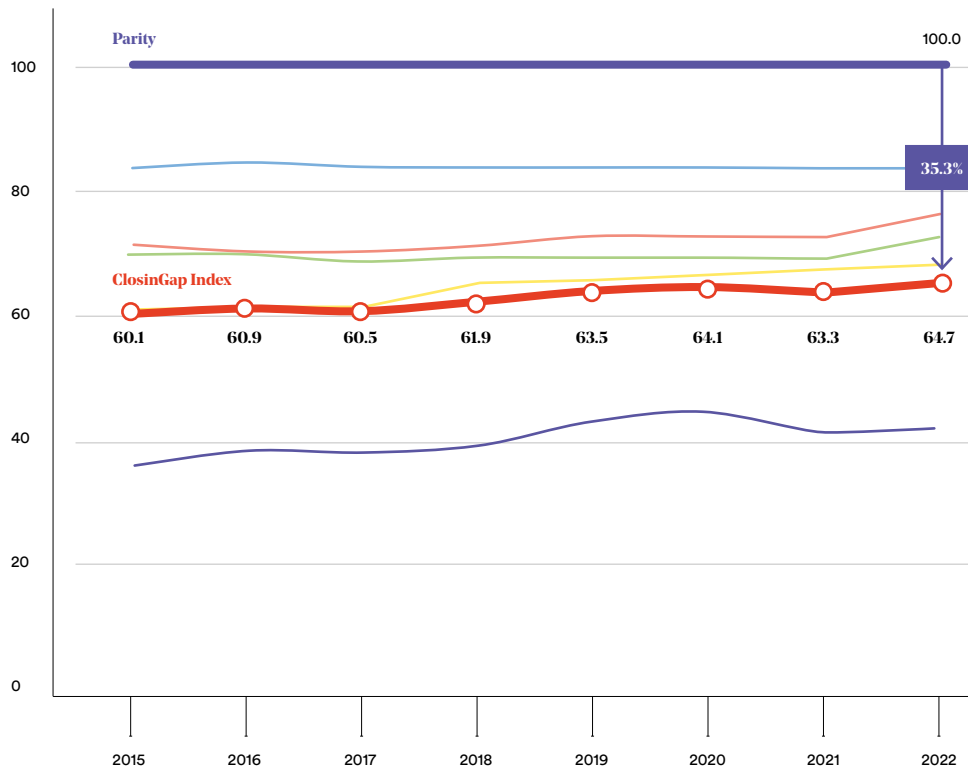


2.4

Key results and evolution

Figure 7. Evolution of the ClostinGap Index

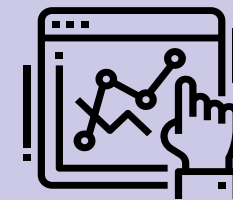
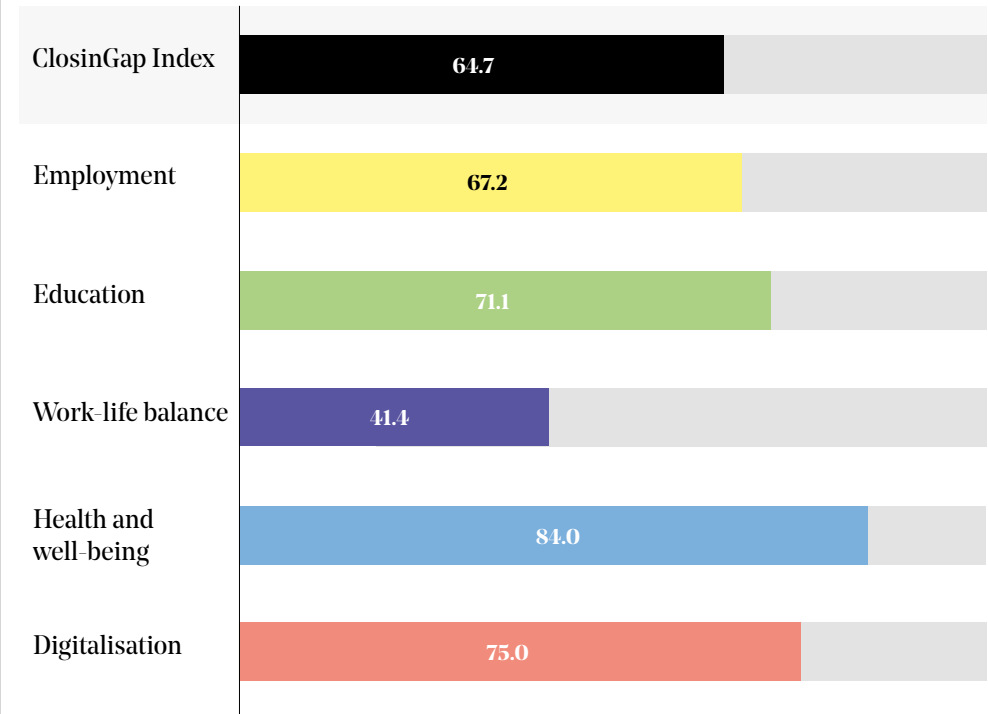
[parity = 100]



It would take **33 years to reach** gender parity in Spain if we were to continue making the same progress as in 2015-2022.

Figure 8. Disaggregation of the ClostinGap Index 2022

[parity = 100]



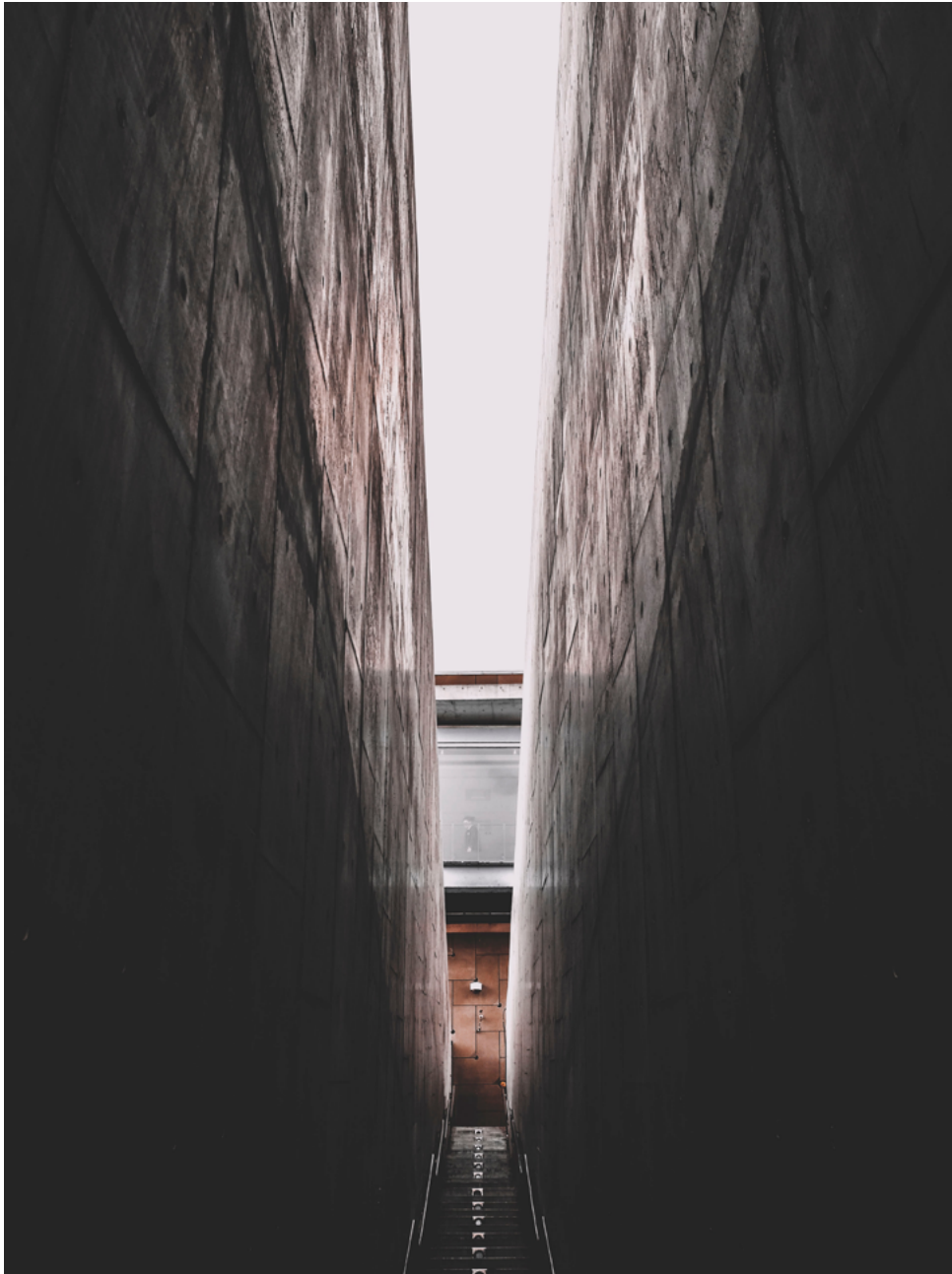
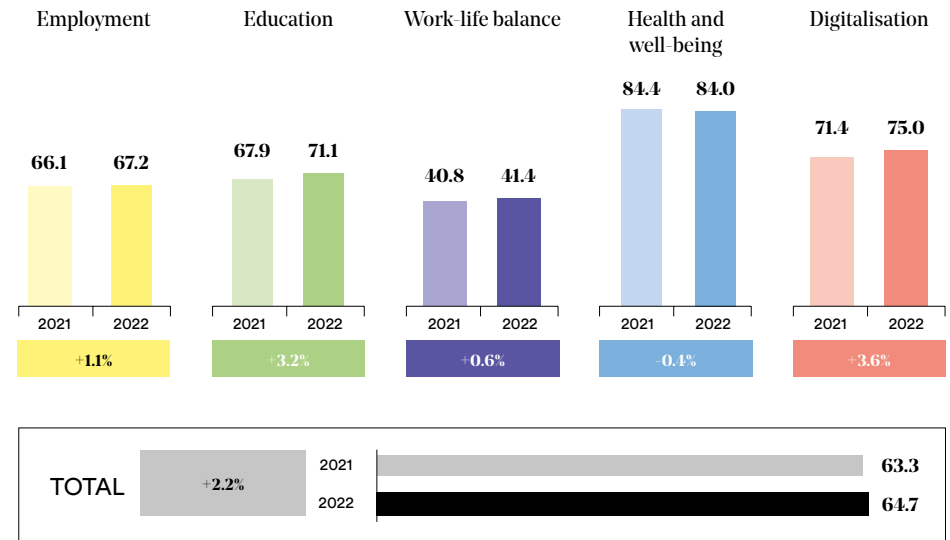
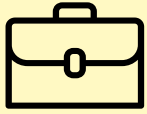


Figure 9. Evolution of the ClostinGap Index 2021 - 2022

[parity = 100] - Evolution in percentage points



The ClostinGap Index stands at 64.7%, leaving a 35.3% gender gap still to be closed.



Key results: Employment

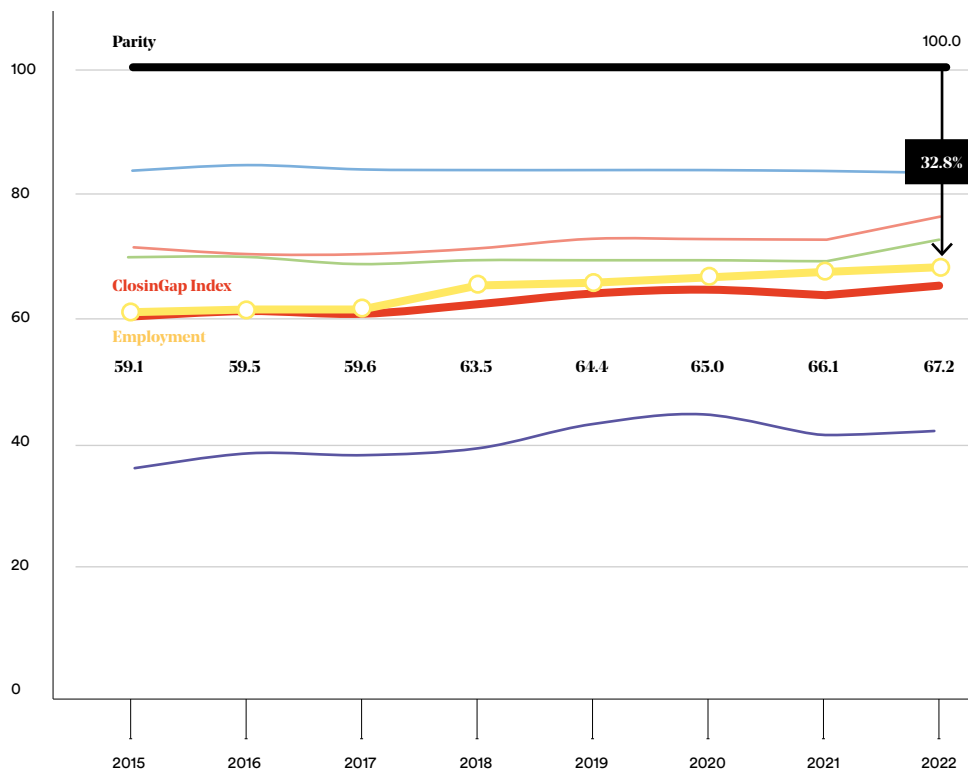
This category captures information for three key characteristics of women's economic and professional development: Participation in the labour market, participation in leadership and decision-making positions and the wage gap in employment and pensions.



In employment, the indicator stands at 67.2%, so there is still a 32.8% gender gap to be closed.

Figure 10. Evolution of the Employment category

[parity = 100]



Conclusions

- Employment parity **increased by 1.1%** compared to last year.
- This is due to two particularly relevant improvements that show a narrowing of the gap within the employment category: a **higher number of women in leadership positions in private enterprise** and a **smaller pension gap**.
- Despite this positive trend, **precarious employment declined to a lesser extent for women** than for men, which has a negative impact on the employment indicator.



Key results: Education

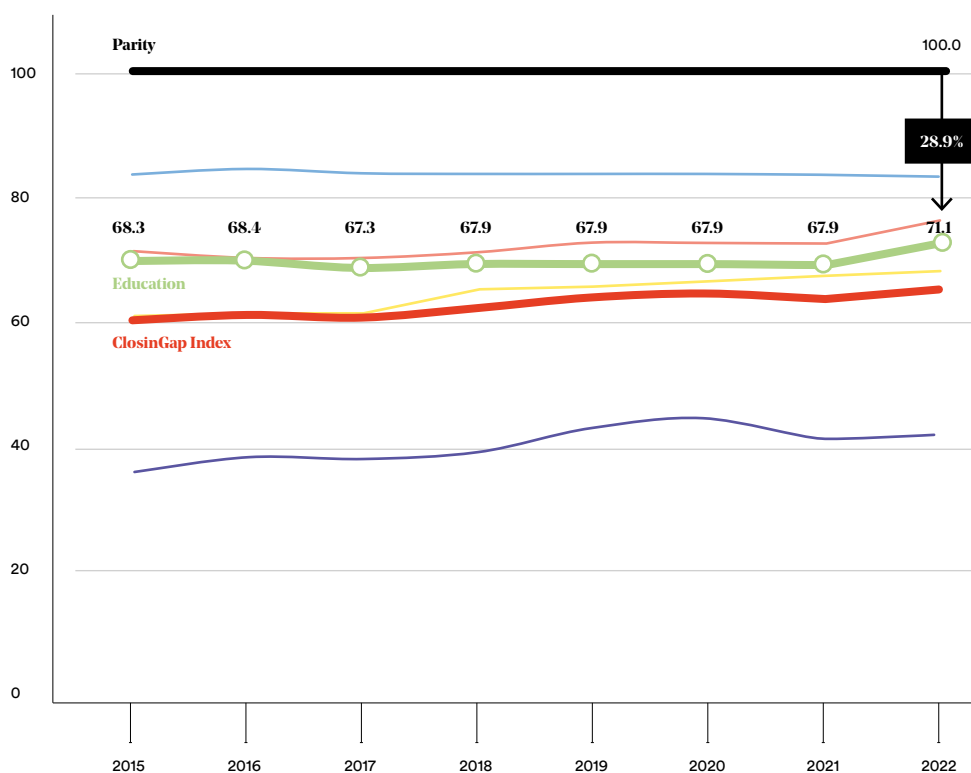
Education is a key determining factor in the personal, social, professional and economic development of men and women. This category mainly considers school drop-out rates, higher education rates and students in STEM programmes.



In education, the indicator stands at 71.1%, so there is still a 28.9% gender gap to be closed.

Figure 11. Evolution of the Education category

[parity = 100]



Conclusions

- The gender gap in education **has improved** compared to previous years, **reducing the divide** to less than 30%.
- This is because the values of variables such as **school dropout rates, tertiary education rates and adult continuing education** have reached and exceeded parity with more positive results for women in all cases.
- The variable that still needs to be improved is women's **access to careers in Science, Technology, Engineering and Mathematics (STEM)**. This variable has improved compared to previous years but there is still a gap of more than 50% for women.



Key results: Work-life balance

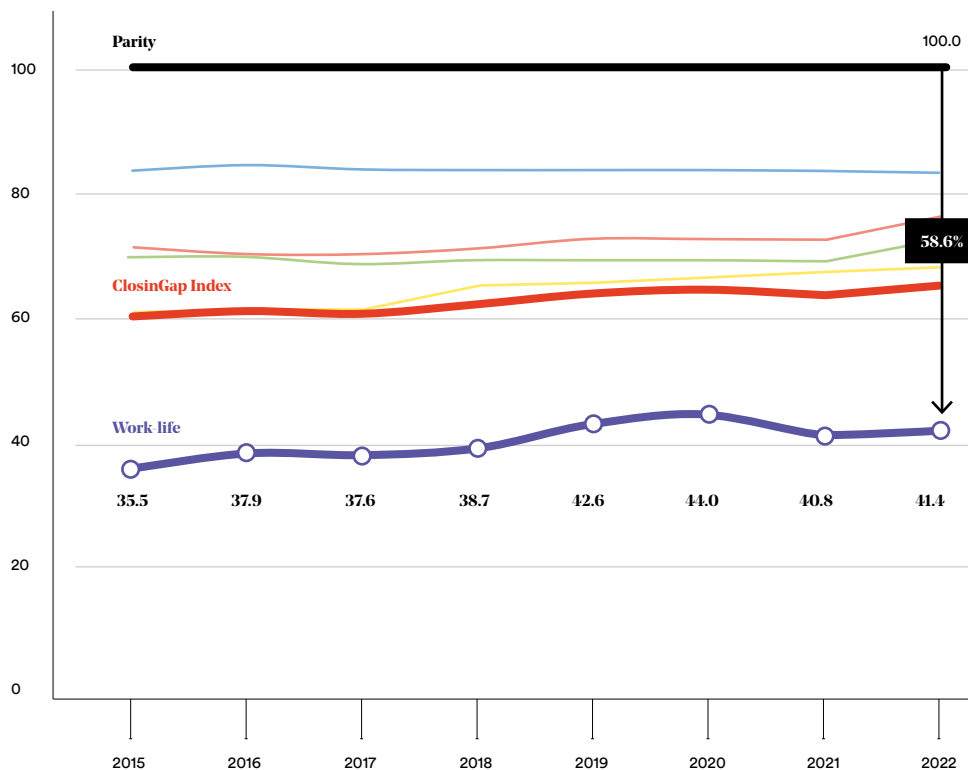
Work-life balance is a key determinant in the personal, social, professional and economic development of men and women. It is one of the aspects that has held women back from professional and economic progress for many years (and continues to do so), aside from the implications for health and well-being.



In work-life balance, the indicator stands at 41.4%, so there is still a 58.6% gender gap to be closed.

Figure 12. Evolution of the Work-Life Balance category

[parity = 100]



Conclusions

- The sub-indicator **increased by 0.6 percentage points** compared to last year. However, it is still the category with the largest gap, **in excess of 50%**.
- Despite improvements, the **work-life balance index has not yet returned to pre-pandemic levels**. The variable of partiality for work-life balance reasons declined sharply due to COVID-19 and to date has not managed to recover.
- Moreover, the time devoted to leisure activities was down slightly for both genders, but **more so for women**, who already had less time for leisure activities than men, on average.



Key results: Health and well-being

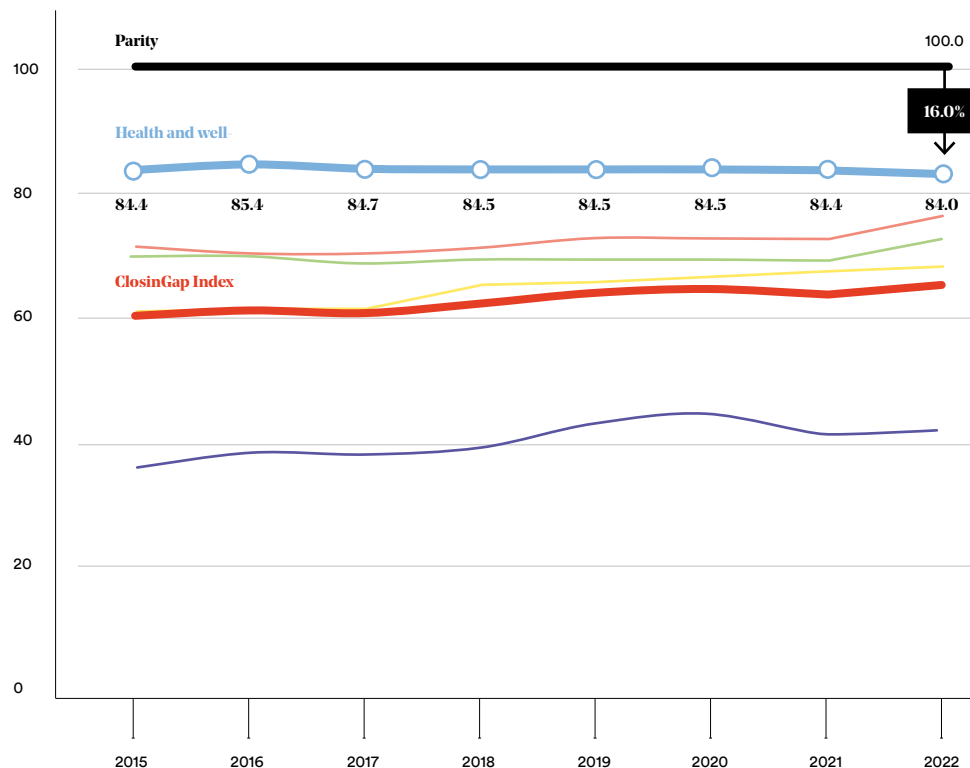
This category provides an overview of the differences between men and women in health and well-being, key aspects for the personal, social, professional and economic development of men and women. Includes variables on health status outlook, risk of social exclusion and health problems.



In health and well-being, the indicator stands at 84%, so there is still a 16% gender gap to be closed.

Figure 13. Evolution of the Health & Well-being category

[parity = 100]



Conclusions

- Health is the area where we see the greatest parity, with a gender gap of approximately 16% to be closed. However, the evolution of this indicator shows that the **trend is not favourable for women**.
- The decline is mainly due to two variables: the **risk of poverty or exclusion**, which continues to worsen progressively and the current data show that it has worsened to a greater extent for women; and **years in good health relative to life expectancy** for women versus men, which has also deteriorated in comparison to previous years.

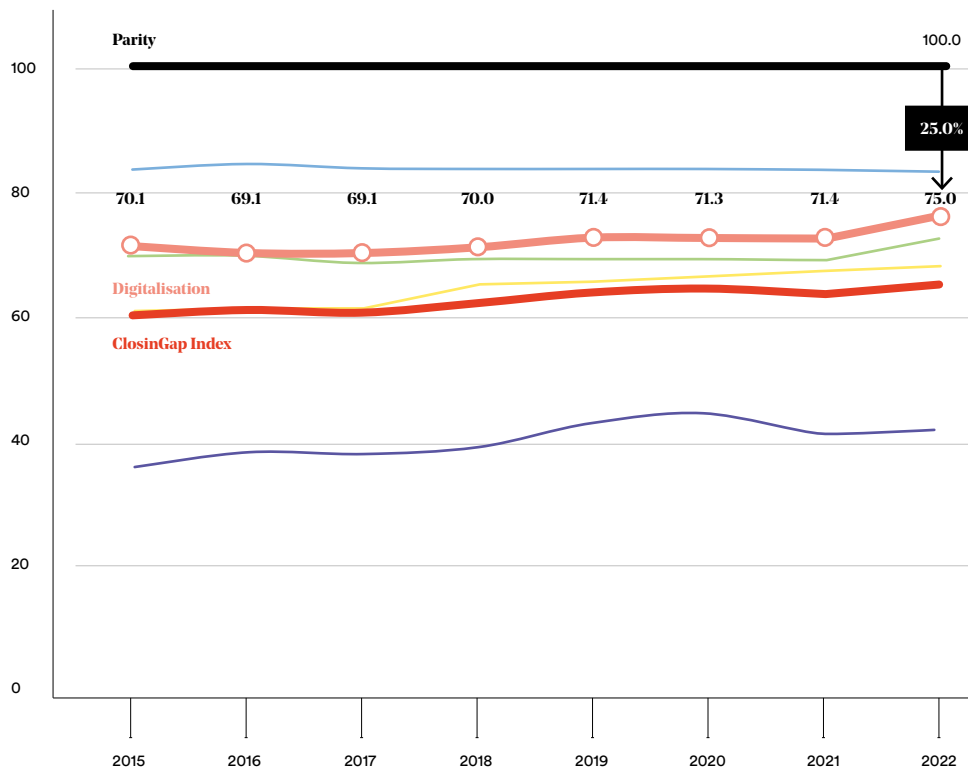


Key results: Digitalisation

This category provides an overview of the differences between men and women in digital skills and jobs, key aspects for the personal, social, professional and economic development of men and women. Variables related to digital skills and people employed in digital professions are considered.

Figure 14. Evolution of the Digitalisation category

[parity = 100]



In digitalisation, the indicator stands at 75%, leaving a gender gap of only 25% to be closed.

Conclusions

- The digitalisation indicator **has improved** over previous years, reaching its **highest value** since the index was created.
- The **Internet shopping** variable, which is included in the digitalisation indicator, **reached parity** this year. Moreover, the **computer skills variable has also improved significantly**, so that only 5% of the gap remains to be closed.
- The **ratio** between male and female **digital professionals is improving for women**, although there is still more than a 60% gap to be closed.

03

Economic Impact

3.1

How does the gender gap impact the economy?



Figure 15. The gender gap has a direct impact on GDP through three key elements of the labour market

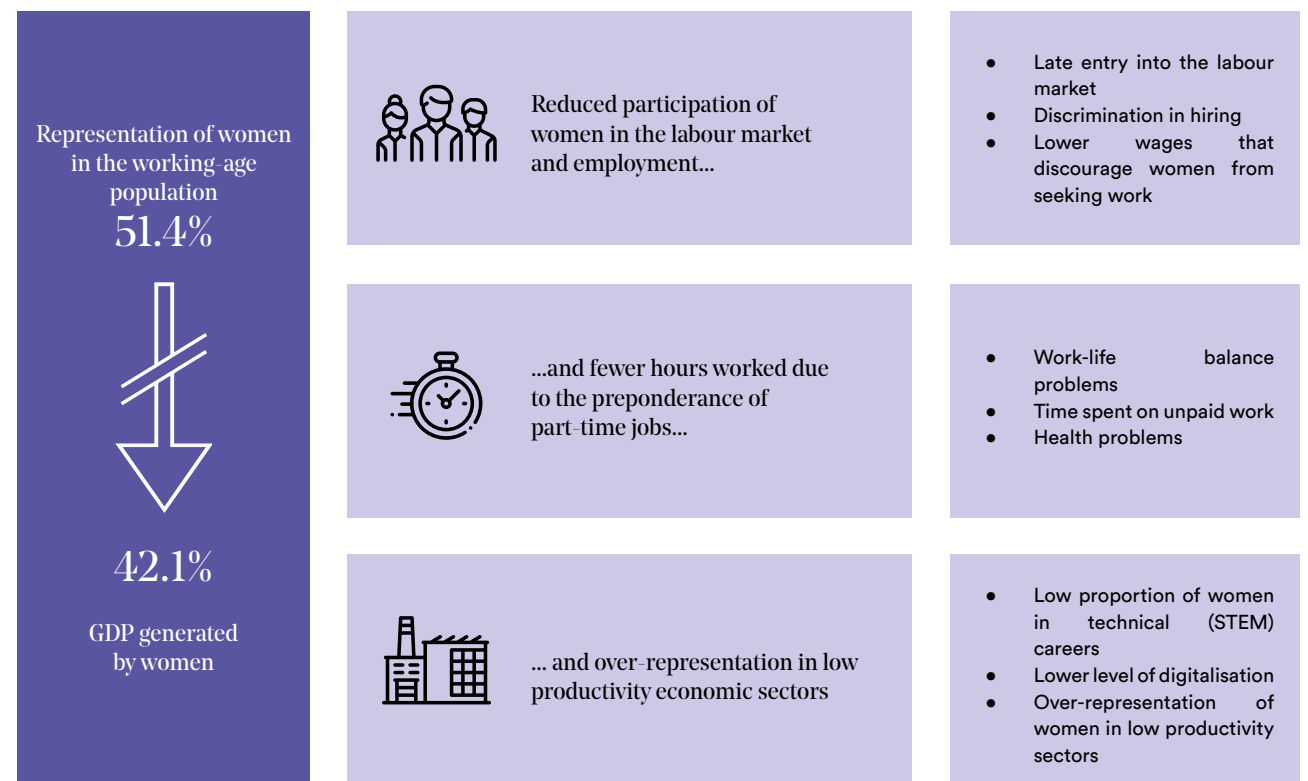
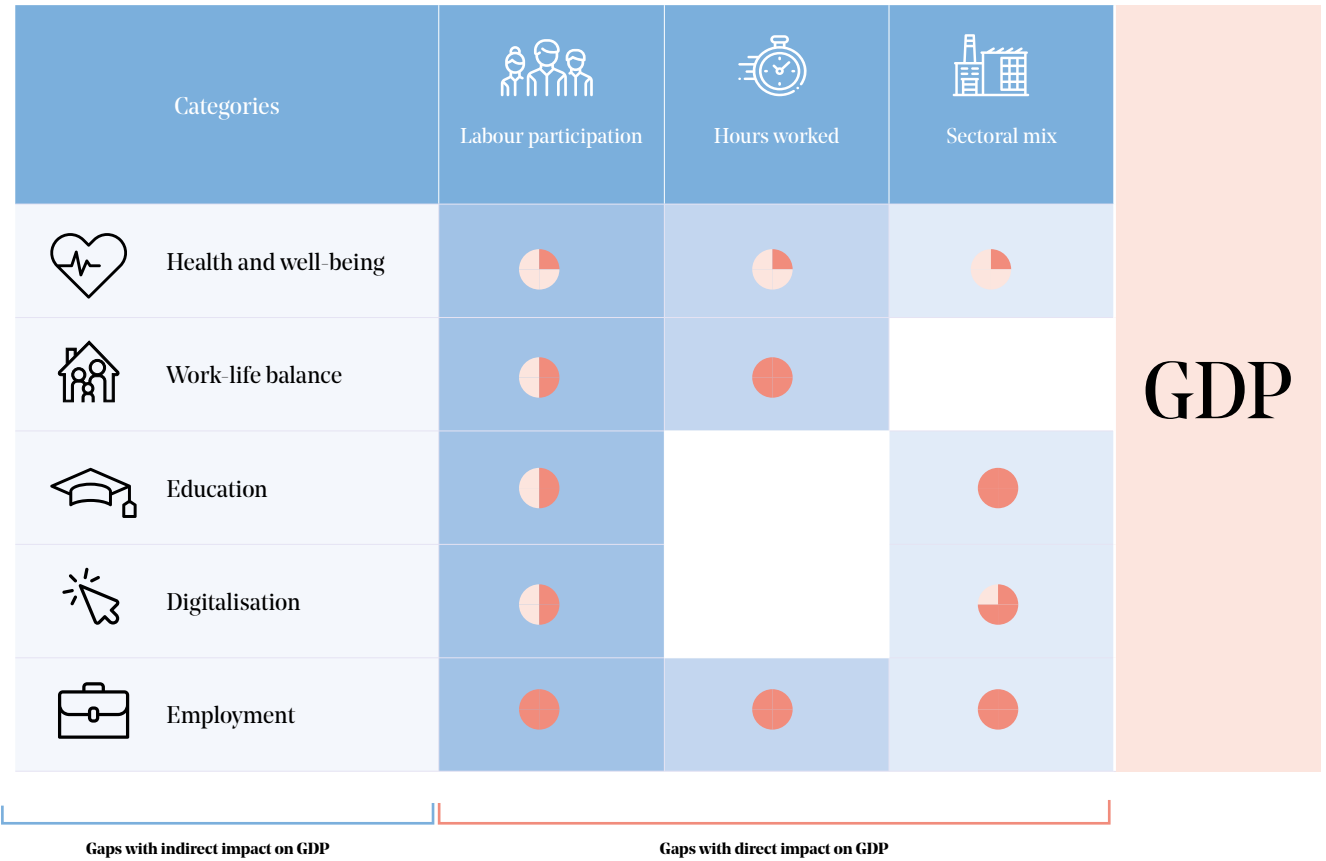




Figure 16. All gaps directly or indirectly affect GDP through the labour market

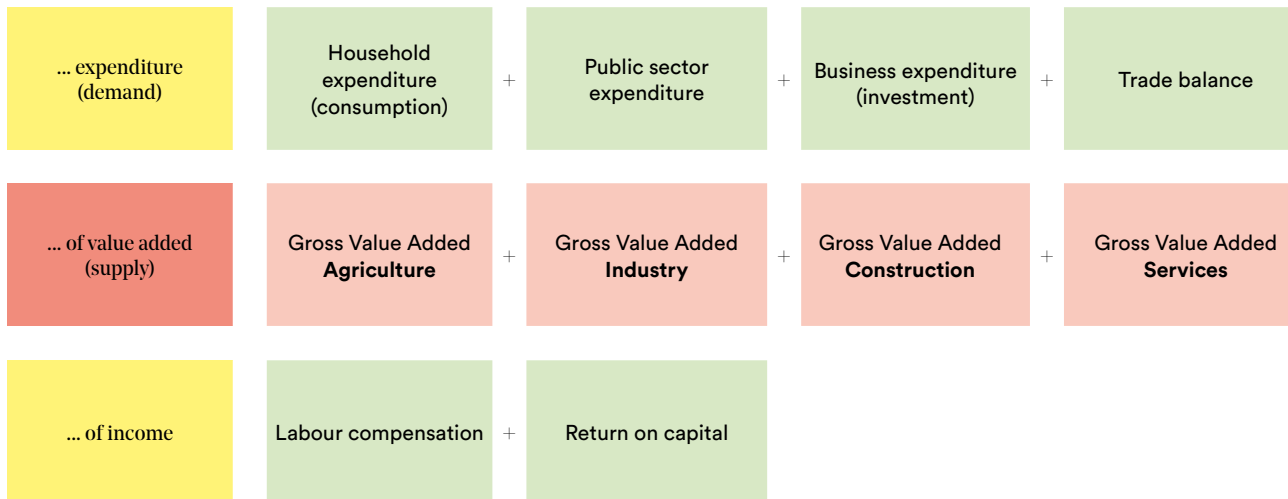


3.2

Method for calculating economic impact of the gaps

This approach involves analysing the impact on GDP from the supply side, which is the one most commonly used by institutions.

THE METHOD...





In order to quantify the economic impact of gender gaps, we break down the GDP generated by men and women starting from some basic assumptions.

GDP breakdown

In order to quantify the economic impact of gender gaps, we break down the GDP generated by men and women taking into account:



Assumptions

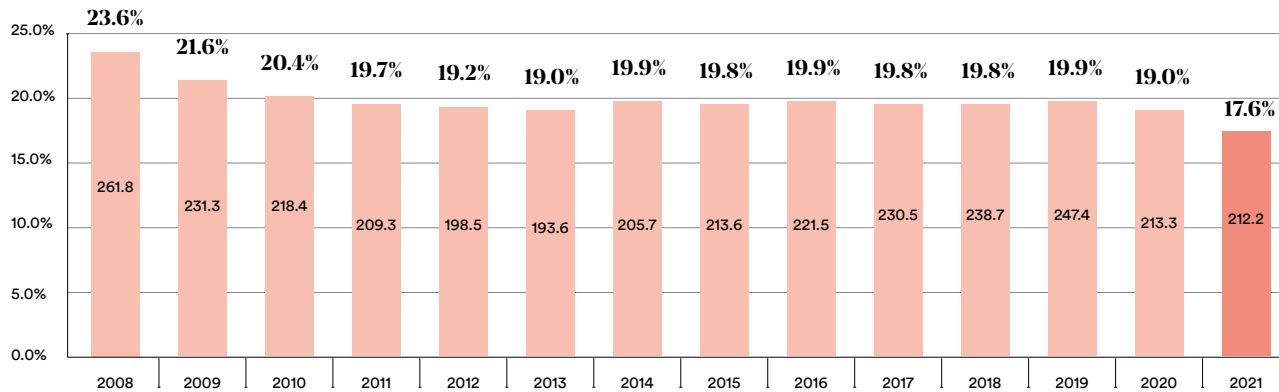
- Men and women have the same labour productivity per full-time equivalent employee in each sector.
- The difference in average productivity derives from differences in the composition of male and female employment in the different sectors.
- Neither the presence of men in the labour market, nor the number of hours worked, nor the productivity are reduced due to higher female participation.
- Any negative effect on productivity due to higher labour supply is excluded.
- The model does not include second-order effects from increased female labour market participation (such as higher female consumption).

3.3

Key results

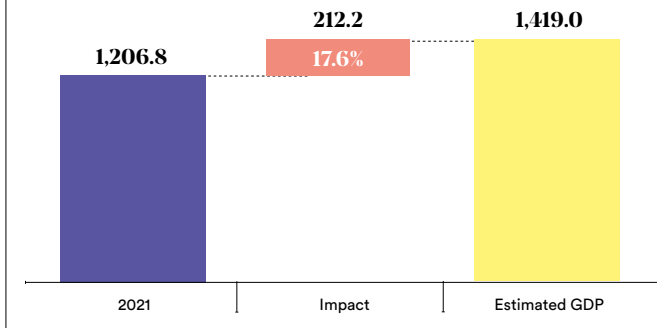
What is the GDP associated with closing the gender gap in Spain in 2021?

Figure 17. Impact of closing the gender gap on GDP
[% , billions of €]



The opportunity cost of closing the gender gap by 2021 is equivalent to a 17.6% increase in Spanish GDP.

Figure 18. Opportunity cost of the gender gap in 2021.
[billions of €]



Conclusions

- The opportunity cost has decreased thanks to an **increase in labour market participation by women** compared to 2020.
- The GDP associated with the gaps in the participation rate, employment rate, hours worked and breakdown of employment by sector is **€212,179 million**, which is equivalent to a 17.6% increase in GDP in 2021.
- The opportunity cost of closing the gap in terms of equivalent female employment is 2.5 million full-time jobs.

Figure 19. Breakdown of the impact of closing the gender gap on GDP

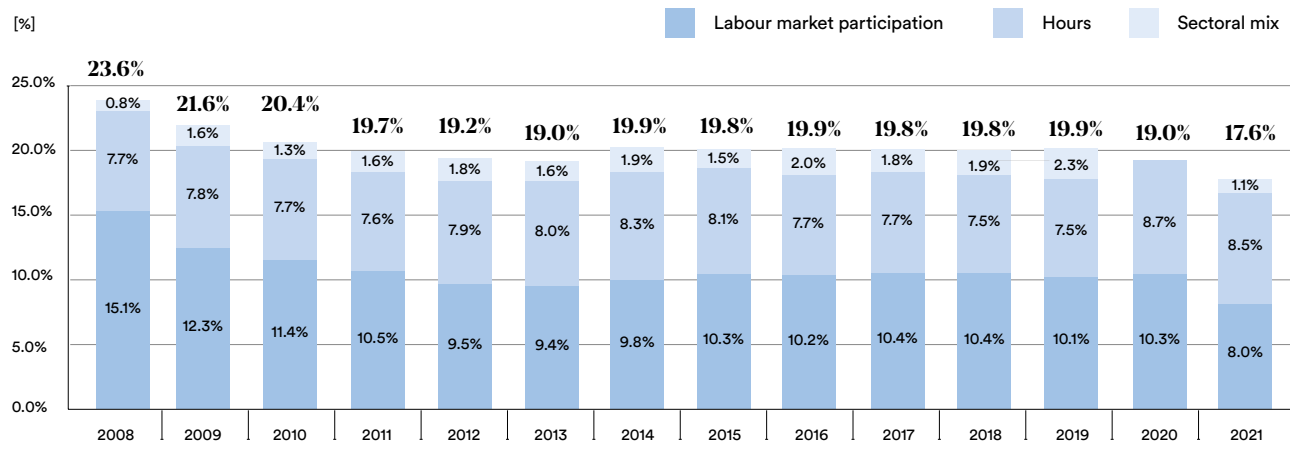
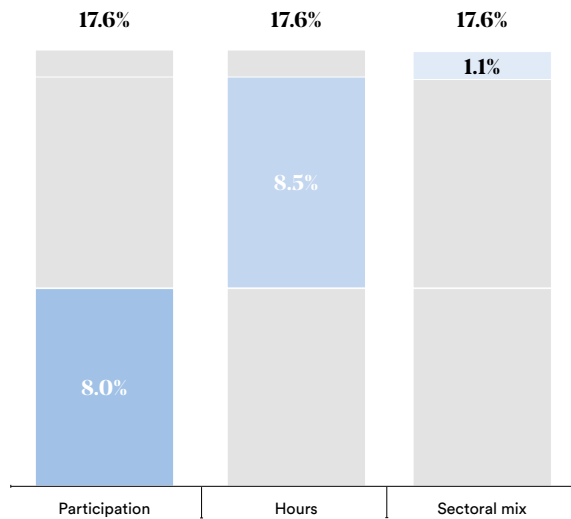


Figure 20. Breakdown of the impact on GDP of closing the gender gap in 2021



Conclusions

- There has been a substantial improvement in the number of women who have joined the labour market compared to 2020, especially in the participation rate. If women's participation in the labour market was equal to men's, Spanish GDP would increase by 8%.
- Women work fewer hours than men due to the fact that they are more likely to work part-time jobs, which has been exacerbated by the pandemic. If women worked the same number of hours as their male counterparts, GDP in 2021 would be 8.5% higher.
- Although the productivity gap improved last year, it has worsened again this year, as there were proportionately more women in sectors where productivity had declined and fewer women in sectors where productivity had risen.



We must join forces to close the gender gap and drive economic growth. In conclusion, it is essential to boost female talent in the labour market as a driver of economic recovery.







ClosinGap

ABOUT

We are a cluster of companies that was formed in September 2018 and that works together to drive economic growth from a gender equality perspective. At present, there are 11 organisations - Merck, Repsol, MAPFRE, Mahou San Miguel y Solán de Cabras, BMW Group, PwC, CaixaBank, Grupo Social ONCE, KREAB, Fundación CEOE and Telefónica - that contribute to equity, development and economic growth by generating rigorous data to identify the opportunity cost of the different gender gaps for the economy and society. We also share good practices, taking advantage of synergies between participating entities and key players in the European political landscape, designing new initiatives that can be led by the private sector, promoting public policies and making contributions to keep the equality debate on the agenda.

Third edition of the ClosinGap Index on the opportunity cost of gender inequality in the Spanish economy

The ClosinGap Index, developed by PwC, is a benchmark tool that measures parity in five main categories - Employment, Education, Work-Life Balance, Digitalisation and Health & Well-being - through a detailed analysis of 28 key variables for the personal and professional development of a society. This analysis makes it possible to assess the causes of the situations of inequality faced by women and men in order to identify areas for improvement where efforts can be intensified in support of social transformation towards greater equality of opportunities. In this edition we note that the gap has improved, decreasing from 36.7% to 35.3%.



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