

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

Gender Gap and Economic Policy

Trends and good practices
from the UNECE region



UNITED NATIONS

United Nations Economic Commission for Europe

GENDER GAP

AND

ECONOMIC POLICY

Trends and good practices from the ECE region



UNITED NATIONS

Geneva, 2009

NOTE

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

UNITED NATIONS PUBLICATION

2009

Foreword

Gender equality is among the key objectives of the United Nations endorsed by its member countries in particular through the Beijing Platform for Action and the Millennium Development Goals.

Non-discrimination based on gender is a human right. However, it also makes good economic sense as gender equality is a decisive factor (although not sufficiently recognized yet) for sustainable economic growth, based on the best use of human resources and talents of women and men. Furthermore, it has frequently been pointed out that diversity in the workforce, including gender equality, is a driver of innovation.

In spite of these insights, there has been uneven and sometimes slow progress in the ECE region towards fully recognizing the contribution of women to economic development. In particular, further efforts need to be made to enhance the compatibility of paid work and family responsibilities, which has strong repercussions for the growth of women's economic activity. Especially in the light of population ageing and the resulting increasing pressure on welfare systems (in particular pension schemes) and their sustainability in Europe, it is indispensable to better use women's human resources in the labour market while ensuring that career and family can be adequately combined. However, there are well-grounded concerns that these long-term considerations will be increasingly neglected by policy makers as priorities shift to short-term measures alleviating the immediate effects of the financial and economic crisis.

The approach to gender through economic lenses is relatively new. It requires better understanding of links between gender and economic policies, sharing good practices and involvement of economic players and policy makers, such as finance and/or economic ministers.

This publication is intended to facilitate this process. It takes stock of the longer-term progress in mainstreaming gender into various aspects of economic policies and presents good practices in areas such as employment, budgetary and fiscal policies, social protection, pensions and gender statistics. It also identifies major gaps in these policies, challenges and suggests actions to move forward.

The publication draws on the ECE economic work undertaken within the framework of the three regional reviews of the Beijing process. It responds to the interest of member countries expressed during recent sessions of the Commission, which discussed how gender equality could enhance competitiveness and growth (2007) and economic cohesion (2009).

I hope that this publication will be a useful contribution to the debate on gender aspects of economic policy in the region, which should involve not only economic policy makers but also representatives of the private sector as well as NGOs and researchers.



Jan Kubis
Executive Secretary
United Nations Economic Commission for Europe

Contents

	page
List of boxes	vi
Abbreviations.....	viii
Acknowledgements	ix
Overview	1
Chapter I - EMPLOYMENT	
Women’s employability in North America and Western Europe Jill Rubery.....	5
Women’s employability in countries of Eastern Europe, Central Asia and the Caucasus Ewa Ruminska-Zimny	25
Women’s self-employment and entrepreneurship in the region of the Economic Commission for Europe Gretchen Elias.....	43
Chapter II - PUBLIC EXPENDITURE AND SOCIAL PROTECTION	
Gender aspect of social security and pensions Silke Steinhilber.....	59
Public expenditure: a gender perspective on fiscal policy in Eastern Europe, Central Asia and the Caucasus..... Fabrizio Carmignani and Ewa Ruminska-Zimny	77
Chapter III - POVERTY AND TRAFFICKING IN WOMEN	
Economic causes of trafficking in women Larissa Kapitsa.....	91
Chapter IV - EMERGING ISSUES AND GENDER BUDGETS	
Emerging issues with focus on economic decision-making Diane Elson	103
Gender responsive budgets Elizabeth Villagomez	111
Chapter V - STATISTICS	
Challenges for gender statistics Angela Me	125
STATISTICAL ANNEX	137

List of boxes

	page
Box 1 Active labour market policies.....	9
Box 2 Make work pay policies	10
Box 3 Closing the gender pay gap.....	11
Box 4 Segregation	12
Box 5 Promoting part-time work	12
Box 6 Care leave policies	13
Box 7 Institutional innovations to promote gender mainstreaming of employment policies in EU Member States 1997-2002	17
Box 8 Wage equality in Romania.....	29
Box 9 Women's outward processing trade relationships	30
Box 10 Maternity leave or parental rights? Case of Poland.....	33
Box 11 Women as active participants of employment programmes in Bulgaria.....	33
Box 12 Programme for women's professional promotion in Slovenia	34
Box 13 The impact of EU equal opportunities policy on non-EU countries	35
Box 14 The impact of EU accession on gender related policy: the case of Bulgaria and Romania	36
Box 15 Improving coordination between gender equality and other policies	37
Box 16 Law enforcement mechanisms in Lithuania	38
Box 17 The impact of EU accession on progress in the legislative framework	38
Box 18 Problems connected to data on women's entrepreneurship	45
Box 19 ICTs working for women	46
Box 20 Eliminating the gender digital divide: the NGO experience	47
Box 21 United States Government policies in support of women entrepreneurs	48
Box 22 Support to women entrepreneurs in the United Kingdom	50
Box 23 Global Banking Alliance for Women – the business case	52
Box 24 Monetization of social assistance.....	61
Box 25 Targeting and means testing	62
Box 26 Support to larger families and pronatalist policies.....	63
Box 27 Unexpected results from equalization of entitlements	63
Box 28 Reducing redistributive elements in the pension formula in Hungary	66
Box 29 Caring credits	67
Box 30 Women's old-age poverty risks in Central Asia	70
Box 31 Simulation of the gender effect of the Polish pension reform	71
Box 33 Gender and macroeconomic policies	78
Box 34 Gender gap in education and socio-economic development	79
Box 35 Methodological framework and data sources.....	86
Box 36 Relationship between spending on education and closing the gender gap in employment.....	87
Box 37 Traditional gender discriminatory practices are back in some CIS countries.....	94
Box 38 Cross-border trade	95
Box 39 Trade in women: the scale of supply and demand in Europe.....	96

	page
Box 40 Global crime alliance – a growing threat to international security	97
Box 41 Migrants in labour-intensive sectors in Western Europe	99
Box 42 Making a commitment to combat trafficking	100
Box 43 International Working Group on Gender, Macroeconomics and International Economics	108
Box 44 Partnerships for gender budgeting	112
Box 45 Gender responsive budgeting in Gdańsk, Poland	115
Box 46 Nordic Council of Ministers Initiative on Mainstreaming a Gender Equality Perspective into the Budget :The Swedish Experience.....	116
Box 47 Gender Budgets in the Russian Federation	118
Box 48 Types of Statistics and Statistical Sources Needed for Gender-Responsive Budgets	121
Box 49 What ARE gender statistics	125
Box 50 ECE assessment of gender statistics programmes in Western Europe and North America	126
Box 51 ECE assessment of gender statistics programmes in Eastern Europe and CIS countries	128
Box 52 Checklist of good practices for gender mainstreaming in labour statistics.....	132

Abbreviations

CBO	Community-based organization
CEC	Commission of the European Communities
CEDAW	Convention on the Elimination of all Forms of Discrimination against Women
CEE	Central and Eastern Europe
CIS	Commonwealth of Independent States
DAW	Division for the Advancement of Women
EC	European Commission
EES	European Employment Strategy
ESCAP	Economic and Social Commission for Asia and the Pacific
ENP	European Neighbourhood Policy
EU	European Union
GDP	Gross domestic product
GNP	Gross national product
GRB	Gender responsive budgeting
ICFTU	International Confederation of Free Trade Unions
ILO	International Labour Organization
IOM	International Organization for Migration
MDG	Millennium Declaration Goal
NATO	North Atlantic Treaty Organization
NGO	Non-governmental organization
NSO	National statistical office
OECD	Organization for Economic Cooperation and Development
OSAGI	Office of the Special Adviser on Gender Issues
OSCE	Organization for Security and Cooperation in Europe
SEE	South-East Europe
SME	Small and medium-sized enterprise
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Childrens Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNIFEM	United Nations Development Fund for Women
WBA	Women's business association
WHO	World Health Organization

Acknowledgements

This publication was prepared by a team of ECE and outside experts, led and coordinated by Ewa Ruminska-Zimny, then ECE Senior Social Affairs Officer and Gender Focal Point.

The following experts contributed papers: Fabrizio Carmignani (ECE*), Gretchen Elias (ECE consultant), Diane Elson (University of Essex), Larissa Kapitsa (Moscow State Institute of International Relations), Angela Me (ECE*), Jill Rubery (Manchester University), Ewa Ruminska-Zimny (ECE*), Silke Steinhilber (independent expert) and Elizabeth Villagomez (Almera Estudios Economicos y Sociales).

The work was carried out under the auspices of the ECE Executive Secretary, both the current — Jan Kubis — and the former — Marek Belka.

The contribution of Ursula Hermelink in finalizing the publication is noted with appreciation as well as inputs provided by Lisa Warth and Olga Skorobogatova.

The Statistical Annex, based on the ECE Gender Database, was prepared under the supervision and responsibility of Jessica Gardner (ECE Statistical Division) with the help of Felirose Gutierrez.

* former ECE staff members

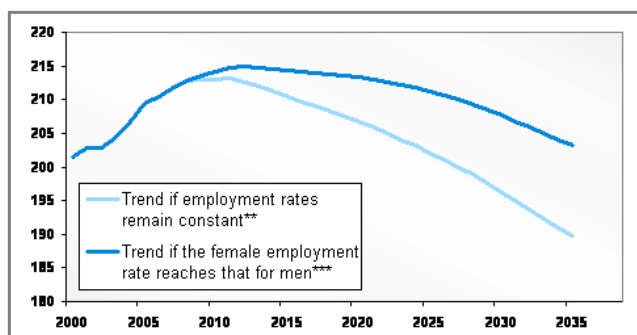
Overview

Gender equality has been a traditional domain of sociologists and political scientists. However, in recent years, economists have increasingly come to recognize that gender equality is also “smart economics”.

On the one hand, women are a major source of new labour in most European countries, which is important given declining fertility rates, ageing of society and the need to sustain pension and health systems.

- The average fertility rate in the ECE region has declined over the past two decades from 2.4 to 1.5 children per woman between 1980 and 2005.
- Over the same period, the old-age dependency ratio (population aged 65 and higher over the population aged 15 to 64) has increased in virtually all ECE countries. This process will accelerate during the coming decades when the falling fertility rates take full effect on the population in workforce and the baby-boom generations of the 1960s of many West European countries retire.
- Tapping into the unused reserve of economically “inactive” women and increasing the female employment rate could compensate in part for current demographic trends, as the projection for EU-27 countries in Figure 1 illustrates.

Figure 1. Active workforce in EU-27, in millions*



* Active workforce measured as total population aged 15-64 years multiplied by the employment rate.

** Assuming 2006 employment rate of women (57.2%)

*** Basis: male employment rate of 2006 (71.6%)

Data Source: Eurostat

On the other hand, women are a driving force behind economic growth in terms of quality inputs. They are well educated and bring new ideas, priorities and tastes in developing new products and services.

- Women in most countries make up 55 to 60 per cent of the graduates in tertiary education in the ECE region, with the highest share being observed in East European countries (see Annex).
- In the early 2000s, one quarter of the female labour force in the ECE region had tertiary education compared to only one fifth of the male labour force. The share of highly educated women in the workforce is the highest in Central and Eastern Europe, such as in Lithuania where more than half the women in the labour force have higher education (54 per cent) while for men this is the case for only 39 per cent.

Despite the importance of women as a source of new labour and their high education level, there persists a significant gender gap in the economies throughout the ECE region.

- Women’s economic activity rate ranges from 25 per cent in Turkey to 78 per cent in Iceland, with most countries reporting a gender gap of 10 to 20 percentage points.
- In all ECE countries women often find themselves in lower-paid jobs for which they are overqualified, while they are clearly underrepresented in higher positions, such as in the occupational group of legislators, senior officials and managers (see Figure 2).
- Vertical job segregation is also an issue within occupational groups: while 86 per cent of teachers in primary education in the ECE region are women, they represent 66 per cent in secondary and only 43 per cent in tertiary education.

This publication looks at this gender gap in the ECE region and at economic policies from a longer term perspective. It covers employment, public expenditure, welfare reforms, poverty, and trafficking as well as statistics and emerging issues. Each part describes the gender gap, shows where progress has been made and what challenges remain, addresses policy implications and highlights good practices.

EMPLOYMENT

Women's labour market participation in the ECE region has increased in recent years, however, problems regarding both quantity but especially the quality of women's jobs remain, especially in countries of Eastern Europe, Central Asia and the Caucasus. Entrepreneurship becomes an increasingly important source of female employment and needs policy support to improve women's access to finance, networks and markets.

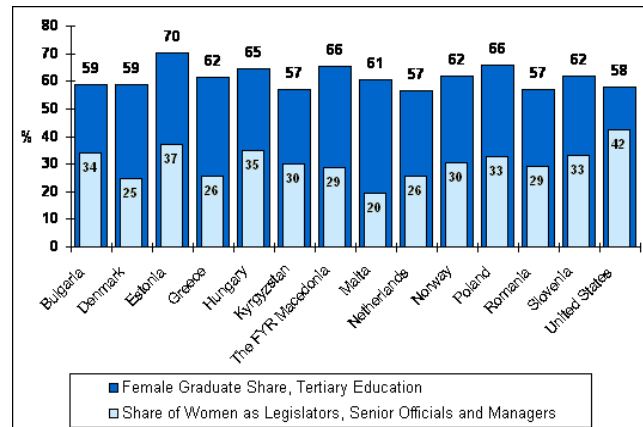
There has been a general upward trend in women's employability throughout the region during the last decade, however, female employment levels still have not reached the one of their male counterparts and severe problems remain both with respect to the quality of women's employment and their career opportunities. The majority of women still occupy lower-paid, part-time or other forms of unstable jobs at the lower end of the career ladder. Moreover labour market access remains problematic for many women, especially those trying to re-integrate into the labour market after maternity leave. Thus, the higher educational attainment of women in many countries is not yet reflected in women's job quality and therefore has yet to feed through to employment.

While Western Europe and North America have experienced a steady and continuous upward trend in women's employability (see *Rubery*), there had been serious setbacks in women's labour market positions in countries of Eastern Europe, Central Asia and the Caucasus during the years of GDP decline and restructuring in the early 1990s, with women experiencing disproportionate cuts in employment, loss of job security, increasing wage differentials and cuts in social benefits (see *Ruminska-Zimny*). Since 1995, the situation has improved in many countries, however female employment levels and conditions are still far from comparable to the West. Policy responses to address this problem were rather limited with gender equality being only a marginal concern in reform processes or other policy areas.

Due to the rising job uncertainty reflected in atypical working arrangements and increasing incidence of outsourcing, self-employment has become a more and more important avenue for women to provide steady income for themselves and their families (see *Elias*).

While being a dynamic factor of the economy, women's businesses tend to be smaller than men's and are more likely to be in low-growth sectors. This is a consequence

Figure 2. Education versus occupation in selected ECE countries, 2005



Data Source: Worldbank Edstats, ILO Laborsta

of the many barriers that women face, more than men, in starting and expanding their businesses, especially with respect to access to finance, information and networks, markets and training.

Nevertheless, the contribution of women entrepreneurs to growth, job creation and poverty alleviation is increasingly recognized throughout the region and policy measures to promote female self-employment in addressing the aforementioned barriers have increased during recent years. In Kyrgyzstan for example, the Women Entrepreneurs Support Association provides free legal consultations about property ownership and land rights to women interested in becoming self-employed, including people in remote areas.

PUBLIC EXPENDITURE AND SOCIAL PROTECTION

Public expenditure is a powerful instrument for promoting gender equality and improving women's economic situation, especially through spending on social protection and education. However, in the recent reforms of welfare systems in the ECE region, little attention has been paid to their impact on women.

Public expenditure has an important role in promoting gender equality, as spending tends to affect women and men differently. One area for which this is certainly the case is social protection. In many countries, women have been the forgotten partners of the social security and

pension reforms of the recent years. Family benefits and pensions are important for female (more than male) poverty reduction and income maintenance for families (see *Steinhilber*). However, family benefits are still insufficient in many countries and are traditionally among the first victims of spending cuts during economic downturns.

Concerning pension benefits, where linked to lifetime earnings, they are considerably lower for women reflecting the still significant gender pay gap in all ECE countries and women's earning losses stemming from absence from the labour market due to caring activities, thus feeding disadvantages in the labour market through to old-age pensions. A possible solution to this inequality is for example practised by Germany, where pension credits are given for periods spent out of employment in order to care for young children or other family members.

Another area in which fiscal policy affects women and men differently is in education expenditure (see *Carmignani and Ruminska-Zimny*). As econometric analysis shows, public spending on education seems to have a greater impact on female than on male employment growth and reduces the unemployment gap (measured as the female minus male unemployment rate, which is positive throughout the ECE region). Most of the effect on employment growth is driven by secondary education while the unemployment gap is affected by spending on both secondary and higher education. However, GDP per capita seems positively related to the unemployment gap suggesting that economic development in the ECE region seems to be gender biased.

POVERTY AND TRAFFICKING

Trafficking of women and children has increased significantly in the ECE region. This development is linked to the economic situation of women and increasing female poverty. International cooperation on this issue should be better coordinated and should address one of the primary economic causes of trafficking, namely poverty.

Another consequence of the difficult situation of women in many countries is the alarming rise in trafficking of women and children during recent years, which has mainly economic roots such as women's exposure

to economic and social hardship, job cuts and the feminization of poverty (see *Kapitsa*). Main "supplying" countries in the ECE region include the Russian Federation, Republic of Moldova, Ukraine, Albania, Central Asia, Romania and Lithuania, with the main receiving countries located in Western but increasingly also Central European states.

With trafficking having become a lucrative "business" organised through internationally operating crime networks, combating it calls for international cooperation and better coordination between all social partners, including governments, non/governmental organizations (NGOs), the academic community and law-enforcement agencies.

Special attention needs to be paid to removing the primary causes of illegal migration and prostitution, that is, on the alleviation of poverty in the sending countries. Furthermore, women's political participation as well as trafficking legislation of many countries and, most importantly, effective law enforcement need to be strengthened.

EMERGING ISSUES

Emerging issues in the context of closing the gender gap through economic policy include gender responsive budgets, gender equality in corporate social responsibility and the impact of strengthening women's position in economic decision-making.

In recent years, gender responsive budgeting (GRB) has emerged as a new tool for governments to improve gender equality (see *Elson*). Based on the insight that government revenues and expenditures do affect women and men differently, GRB involves a gender audit of existing and new patterns of taxation and spending, while taking into account also the unpaid economy, in particular care activities.

The economic rationale underlying GRB stems from the costs associated with neglecting the gender dimension of budgets: lower output, reduced development of people's capacities and ultimately diminished well-being (see *Villagómez*). An example of where GRB has already become standard is Sweden, where all ministries are expected to set gender equality objectives and targets within the programmes they proposed in

the budget bill and a report on the gender impact of the annual budget is annexed to the main budgetary documents.

With the realization that it makes business sense to promote equal opportunities, not least due to diversity considerations, gender awareness has found its way also into corporate social responsibility (see *Elson*). However, business awareness of the benefits of equal opportunities still needs deepening.

Yet another new research area has shown that women and men differ in the way they take economic decisions – in the case of Switzerland, there is evidence that the political empowerment of women has led to overall lower budget deficits in the different cantons.

Still, more research is needed with respect to gender-sensitive economic policy, to strengthen the understanding of the interaction between paid and unpaid work as well as the importance of promoting more equal sharing of this work between women and men. There is also a need to build networks of economists and researchers working on gender aspects of economic policies.

ENGENDERING STATISTICS

Gender-disaggregated data are crucial for research and analysis, which in turn serve as a basis for adequate gender equality policies. Much still needs to be done to improve the quantity and quality of the data available in ECE countries.

Crucial for and underlying all research and discussions about gender and the economy are appropriate statistics that reflect the difference between the economic situation of men and women in ECE countries. While gender-disaggregated data is more and more available, it is often collected on an ad hoc basis, so more regular collection of standardized data is needed. Furthermore, new indicators especially with respect to the quality of employment (types of contracts, work conditions, flexibility of work time, etc) but also gender-disaggregated business statistics should be included in data collection. Of particular importance in the context of gender equality would be more data on the time use of individuals and a proper estimation of caring activities.

ECE supports the process of engendering statistics with its gender statistics website and database and technical support for member countries in the form for example, of workshops and advisory services. (see *Me*)

CONCLUDING REMARKS

As shown by all papers, women's economic potential remains largely untapped and economic policies have to become more gender sensitive in order to mobilize this potential.

A common theme is women's continued responsibilities in the domestic sphere. While gender division at work has evolved over the last decades, in that more and more women access the labour market, gender division of domestic labour has not, and the vast majority of women throughout the region are now faced by the combined burden of paid work and unpaid reproductive, caring and household work. This calls for the development of policies to reconcile work and family that do not only aim at encouraging women to participate in the labour market but also focus on men and their possible role in domestic work. So far, policy changes throughout the ECE region towards more actively involving men in gender equality programmes have been marginal at best.

These changes require adjustments in institutions. On the formal side, social protection and taxation legislation should be analysed with a gender perspective and where necessary revised. However, the feasibility and success of such actions crucially hinges on the change of informal institutions, that is, changes in attitudes and the general acceptance in society of women's rights to actively participate in the economy on equal footing with men.

As long as women are still treated as part of (male-headed) households instead of individuals (e.g. in social security systems) and gender equality issues are marginalized to e.g. a small department in the ministry of social affairs, women will continue to experience disadvantages in the economy. As a consequence, institutional changes from the "male breadwinner-female caregiver model" to a "dual earner-dual caregiver model" are necessary, both in formal institutions and in our heads. The latter probably remains the biggest challenge for the future with respect to gender and economic policy.

Chapter I

EMPLOYMENT

Women's employability in North America and Western Europe

Jill Rubery

INTRODUCTION

There has been a steady and continuous upward trend in women's employment in most countries. Women appear to have specific advantage in the era of the service economy and are outperforming men in education. More women are increasingly major financial contributors to couple households or acting as sole breadwinners in single person and lone parent households (Freeman 2001; Rubery et al. 2001; Harkness et al. 1997).

However, there is also a raft of evidence not only of continuing gender discrimination but also of its reappearance in new forms and guises. For some women access to the labour market remains the main problem, but for others it is the quality of employment and careers that is lacking. It is not just that women remain in segregated jobs and occupations but also that when they do move into new jobs or into male employment areas, new forms of segregation and disadvantage emerge as these jobs become associated with female labour (Reskin and Roos 1990; Crompton and Sanderson 1990).

Moreover, while women are becoming more economically independent and contributing more to family finances, they still suffer from unequal participation and pay in the labour market. Many women and their dependent children may be losing the "protection" of male earnings but have still not gained the access to well-paid employment necessary for their and their children's economic independence (Folbre 1994).

A central theme to all the issues of women's employability is women's continued responsibilities in the domestic sphere. Here there is little evidence of change in the gender division of labour per se, but more evidence of the use of either substitutes for domestic labour – in the form of goods and services – or of reductions in the

quantity of domestic labour required as a consequence of falling birth rates (but offset by rising elderly dependence ratios).

EMPLOYABILITY AND THE GENDERED LABOUR MARKET

Access to employment

Women constitute some 71 per cent of mobilizable labour resources in the OECD (OECD 2003: 78). Most mobilizable labour is found among the inactive (92 per cent) rather than unemployed (8 per cent). The main means by which the catch up is likely to be achieved is through the mobilization of inactive women, particularly in the Southern European countries (except for Portugal), the transition countries of Europe, and Turkey and Mexico. Women also provide the main reserves of additional educated labour even though women account for an even higher share of low-educated labour reserves.

It is also low employment rates among women immigrants that is primarily responsible for the perceived problem of low employment rates among immigrants. For example, at the OECD level, the average gap between nationals and non national employment rates was only 4 per cent for men but 8 per cent for women (OECD 2003: 86-89; see also CEC 2003: tables 61, 63).

Promoting access to employment for women requires policies to address both demand and supply-side obstacles.

Women's access to employment is still shaped by strong and even in some respects intensified, patterns of gender segregation. The intensification is associated with a growth of employment forms, such as part-time work, that

are specifically associated with women's employment, although the incidence of these forms varies between countries. Segregation protects women's employment by generating female-specific labour demand but also restricts access to better jobs.

While over recent decades it has been women's job areas that have expanded, in future women's employment may be vulnerable to new phases of restructuring. There is already evidence of major restructuring, downsizing and even outsourcing of female clerical work (for example call centres to India). Downsizing and job loss in male employment sectors such as car plants or shipyards are often treated as issues of major national importance, requiring programmes to assist in smoothing redundancy and redeployment (Rubery et al. 1999). In contrast, the rundown of female-dominated sectors such as clothing and textiles, and more recently financial services and banking, passes almost without comment.

Segregation not only shapes access to employment but also patterns of job loss. Indeed one dimension to segregation is the concentration of women in jobs that are more precarious or less subject to social protection (for example, when organized as temporary or fixed-term jobs). Women may be particularly prone to cycle between employment and periods of inactivity, fuelled by both problems of combining work and family and by the precarious nature of the jobs available to women returners (OECD 2003).

Access to employment is also a problem from the supply-side perspective. For women wage work is most likely to be combined with, rather than be a full substitute for, domestic work and care work. This combination of activities has a number of consequences; firstly it may lead to a greater risk of labour market quits at times when the care work becomes more intensive, unless there are arrangements in place such as leave entitlements and care facilities.

By becoming labour market outsiders, women face increased risks on re-entry as the jobs available to them may be lower paid, less secure (Walby and Olsen 2002; Waldfogel et al. 1998) and more segregated than those for women who manage to remain connected to the labour market. This is suggested by the higher level of segregation for women with children (see Table 1). However, if women select their initial occupation according to the opportunities it would offer for work-life balance if they were to have children, the effect would be to further reinforce segregation and gender pay inequalities.

Another consequence of women's combined carer and earner roles is that they are regarded as second income earners within the household. Household-based systems of either taxation or benefits create disincentives for second earners to enter or re-enter the labour market. These disincentive effects in practice tend to be much stronger for families in receipt of benefits means-tested by household- because of the high rate of benefit withdrawal in many of these systems (OECD 2003:119).

More households are affected by the disincentive effects of household-based taxation systems, but these may not be sufficiently strong to deter re-entry (Vermeulen et al. 1994). Of more significance may be the cost of childcare if this cost is considered as a charge against the second earner's wages. Such an approach may lead to households making "wrong" decisions with respect to the lifetime participation patterns as the cost of women withdrawing or not re-entering employment over their lifetime may be much larger than the short term costs of childcare (Joshi and Davies 1992, Rake 2000), but for individual households, faced with high marginal tax and care costs on the additional earner, the decision to provide the care at home may seem the only economic solution available.

Job quality

Our discussion of problems of access to employment has necessarily identified continuing problems of job quality. Differences in job quality both reduce the attachment of women to the labour market and reduce gender equality for those in work.

The persistence of gender inequalities in pay undermines the scope for women to become an equal or the main or even sole breadwinner in a household, whatever their individual preferences and choices. The designation of women as second income earners within the household and as primary carers fuels a process by which they become trapped within low paying sectors where either their skills are not acknowledged or valued or where they are underemployed relative to their talents and educational attainment.

The underdevelopment of women's talents is further identified by restrictions on access to training and lifelong learning – in part because women are less continuously in the labour market where such training is normally provided – and because there may be less access to training in women's jobs (OECD 2003: 243).

Table 1: Gender differences in the occupational distribution of employment by age, presence of children and education, 2000 (Relative Dissimilarity Indices *)

	By age **	By presence of children **	By education **
Austria	103	113	134
Belgium.....	100	111	171
Czech Republic	94	110	109
Denmark	92	..	119
Finland	93	..	115
France	95	110	135
Germany	100	115	125
Greece	100	117	195
Hungary	95	..	152
Iceland	92	..	156
Ireland	88	120	..
Italy	108	106	139
Luxembourg	95	119	217
Netherlands	99	116	182
Norway	91	..	134
Poland	92	..	149
Portugal	96	107	186
Slovakia	94	..	136
Spain	101	102	136
Sweden	90	102	138
Switzerland	99	96	120
United Kingdom	83	123	116
United States	86	124	183

Source: OECD Employment Outlook 2002:91

* Ratio of the dissimilarity indices (DI) for the two groups indicated below multiplied by 100. A relative index greater than 100 indicates greater occupational segregation by gender for the group in the numerator than for the group in the denominator. DIs have been calculated over the population of wage and salary employees based on 26 sub-major occupational groups of ISCO-88 (excluding the Armed Forces). For Sweden and Switzerland the dissimilarity indices are based on 9 major occupational groups – 1 digit level

** By age: ratio of DI for the age group 25 to 34 years to DI for the age group 35 to 64 years; by presence of children: ratio of DI for employees with children to DI for employees without children; by education: ratio of DI for employees with less than upper secondary education to DI for employees with a tertiary qualification

Recent evidence from OECD supports this latter proposition, as not only are women identified as a group that has less access to employer-provided training but also as a group that is not necessarily able to take up all the training on offer due to time constraints. These apply particularly to those working part-time.

The association of insecurity with women's jobs (particularly re-entry jobs and non standard employment), together with evidence of restricted access to training and lifelong learning,

means that promoting women's employability requires a great deal more than simply improved access to employment, regardless of the quality.

Improvement in job quality requires action on four fronts:

- better initial access to employment,
- better employment opportunities if returning to work from a break,
- more opportunities to remain in continuous employment or continuous attachment to the labour market even over the period of childbirth,
- better opportunities for vertical progression when in employment.

Improvement in initial access requires reductions in discrimination by employers, expanded subject and career choices by women (contingent of course on action to assist in initial access and in continuity of employment and career progression) and a re-evaluation of the skills and values of the jobs undertaken by women in the labour market.

Action on the second and third points above may need to be combined if, for example, it is easier to improve women's opportunities to retain access to quality employment by offering rights to reduced working hours in the job they held before taking a break than requiring women to quit the labour market and seek a new job if they wish to rebalance their wage and non wage work for a time.

Table 2 reveals the major differences between countries and between women with low and high education in their current tendencies to work continuously when mothers. These differences also manifest themselves in different propensities to work full or part-time; no one solution is therefore necessarily appropriate for all countries and certainly not all women wish to work part-time.

However, action may also be needed to change work cultures among men as long hours of work in full-time jobs create barriers both to women continuing in full-time work and to the creation of high quality part-time jobs, particularly if employers are relying on long hours of unpaid overtime by full-time professional and managerial staff.

To improve access to promotion at work it is necessary to act on a number of fronts: to create more promotion ladders within female dominated segments, which is part of the process of valuing women's skills more effectively to reduce discrimination against women in promotion systems and make promotion more attractive in itself to women; to reduce the clash between holding higher level jobs and participating in private and family life; and to expand the range of approaches and skills that are valued within managerial and higher level work.

Employability and the household system

Social inclusion

Women's employability is an increasingly important element in a social inclusion strategy. The four key reasons for this are as follows:

- Social inclusion has historically relied on the insertion of men into stable career jobs that provided family wages, but the labour market opportunities for men

Table 2. Continuity in employment status by gender, presence of children and educational attainment (1994-98)

5-year period (1994-98)	Women without children			Women with children		
	Continuously employed	Continuously full time	Continuously part-time	Continuously employed	Continuously full time	Continuously part-time
Less than upper secondary education						
Belgium	63	38	14	51	30	9
Denmark	62	47	6	39	31	1
France	63	48	7	47	35	5
Germany	72	50	6	52	19	20
Greece	47	35	1	37	27	0
Ireland	38	16	9	16	6	5
Italy	62	52	3	55	36	4
Netherlands	73	35	25	43	3	28
Portugal	65	54	1	60	54	1
Spain	38	32	2	26	16	3
United Kingdom	76	43	14	54	15	20
Unweighted Average	60	41	8	44	25	9
University/tertiary education						
Belgium	87	64	9	88	51	13
Denmark	78	64	4	83	64	5
France	79	60	8	70	49	6
Germany	89	60	9	61	28	16
Greece	67	44	4	69	37	6
Ireland	81	49	8	78	32	7
Italy	67	33	11	83	35	22
Netherlands	85	48	14	77	8	31
Portugal	90	64	10	94	67	5
Spain	55	43	2	70	53	3
United Kingdom	81	66	4	70	27	13
Unweighted Average	78	54	8	77	41	12

Source: OECD Employment Outlook 2002:84 (ECHP database).

Definition: Persons in each category, as a percentage of persons aged 20 to 50 years in the starting year, who have been employed at least one year during the period. An individual is classified as "employed full time" in a given year if he/she has worked at least 1560 hours (30 hours per week on average), "employed part time" if he/she has worked between 52 and 1560 hours (between 1 and 30 hours per week).

have become much more uncertain so that the risk factors of relying on one breadwinner have increased. Two earner families have much lower risks of poverty than one-earner families (Marx and Verbist 1998)

- Household and family structures have also become much more unstable so that people move between relationships and women are more likely to find themselves as the sole breadwinner either as single people or as lone parents
- Women's earnings have a more direct link to the welfare of children than do men's earnings; thus women's employability can help to reduce the risks of child poverty
- One of the main groups that is exposed to poverty and social exclusion is the elderly; this group includes a disproportionate share of women and it is women who are most vulnerable to poverty in old age as they are less likely to have good pension entitlements due to their shorter and less well paid employment careers.

The domestic division of labour and reconciliation at work

The main changes in the domestic division of labour have been associated with the reductions in fertility and the increased use of external services, both publicly provided services and services purchased from the market. There have been changes in men's involvement in family life, particularly in their involvement in the care of children (Women's Unit 2000), but the changes are relatively marginal and variable across countries. So too is the extent, and acceptability, of substitutes for female domestic labour.

Women's employability cannot be considered separately from their position in the family system and there needs to be recognition of the differences between countries in the organization of domestic life and the expectations of the level of domestic labour to be provided. However, it is important not to consider these differences as fixed cultural constraints on women's integration into employment.

Labour market opportunities may be one of the main catalysts for change on the domestic front. Similarly, the transfer of domestic work to the wage employment sector is one of the main sources of additional employment demand, particularly for female labour. These issues must therefore be considered in a dynamic perspective. While labour market opportunities may lead to some initial changes in the domestic sphere, there is less evidence that they are sufficient to induce full equality in the household. The domestic constraints may therefore re-emerge as a major constraint on women's upward career trajectories, where women may be faced with a choice between the so-called "mommy track" – that is a less high powered career but offering some time flexibility – or a male-type career that does not involve having children.

PROGRESS MADE

A range of policy approaches can be used to promote women's employability, including traditional gender-specific policies such as positive actions, equal opportunity and equal pay legislation, measures to assist reconciliation and gender mainstreaming measures,

Box 1 Active labour market policies

Austria. Equal opportunities for women and men is a horizontal objective of Austria's Public Employment Service (PES), informing all its programmes and objectives, including gender specific annual labour-market targets within each programme. In May 2000, gender mainstreaming was declared an official key PES strategy and a commitment was made that at least 50 per cent of participants in all co-financed promotion programmes with the European Social Fund would be women. Training on gender mainstreaming has been provided at all levels of the organization, with the participation of senior and junior management compulsory (EGGE Austria 2002c)

Netherlands. In 2002 a declaration of intent to help women return to work was signed by the Minister of Social Affairs and Employment and eight organizations, from the private and the public sector. The initial plan was to help 70,000 women returners by 2005 but by 2003 the target had been scaled back to 50,000 as it was more difficult than expected to match available jobs to the returners' time constraints (EGGE Netherlands 2002c, 2003a).

Poland. The Act on Employment Promotion and Labour market Institutions of April 2004 has a particular focus on active labour market measures, training institutions and incentives for employers to support financially the training of employees. These changes in employment policy orientation may have beneficial effects on gender equality as the process of adjustment to economic and political change in the 1990s left many women in inactivity or long term unemployment. (EGGSIE 2004a)

Box 2 Make work pay policies

Ireland. Initiatives to reform the taxation system since 1999 have individualized tax bands and applied rates of taxes to individuals regardless of marital status but these moves have been partially offset by the introduction in 1999 of a £3000 tax allowance for married couples with one full time worker in the home. This new tax allowance is contrary to a strategy of individualization and acts as an incentive for women to remain outside the labour market (EGGE Ireland 2002c).

Belgium. The Belgian tax system reform has promoted gender equality in three main ways: firstly it has improved incentives and rewards for working for those on low wages, mainly women and particularly part-timers. Increased tax credits on low wages have raised the minimum taxable income to increase, and as this is an individual tax credit there are no disincentives to women participating in couple households. Reduced personal contributions to social security for low wage workers also provides an incentive to women's employment. Secondly it has adopted a tax neutral policy for different lifestyles, removing incentives and disincentives to marital status. Thirdly the reforms provided a new tax deduction for lone parents (EGGE Belgium 2002c).

The earned income tax credit (CIBRAP) will be replaced with the so-called 'employment bonus', implemented gradually during the period 2004-07. This will replace the existing system of social security contribution reductions for low-earners and the CIBRAP. The aim of this reform is to promote labour market participation by ensuring that even low earnings are substantially higher than any replacement income (EGGSIE 2004b).

United Kingdom. The Working Families Tax Credit scheme was introduced by the new Labour government in the late 1990s; it extended in-work benefits and also introduced allowances for childcare costs. The policy mainly has positive impacts on work incentives for lone parents and for the first earner in households but there are perverse incentives for the participation of married women. The scheme has subsequently been reformed so that all couples are now eligible but this extends the potential inactivity traps to married women without children (EGGE UK 2001a).

United States. There are two elements to the make work pay strategy in the United States; the reform of the welfare system for lone mothers AFDC, replaced by TANF in the 1990s and the Earned Income Tax Credit (EITC) which provides an annual tax credit for those on low earnings (Brewer 2000). Although TANF can be paid to couple households the majority of claimants are female lone mothers and they can only receive welfare payments for a maximum of 5 years; the aim is to minimize welfare dependency, not promote employment per se. Complex poverty traps operate due to other payments in kind such as Medicaid and food stamps and the EITC is only paid annually and therefore is less able to smooth a path to the labour market. The focus is more on pushing women off welfare than providing employment-friendly benefits.

where specific gender issues are integrated into wider policies. There is commitment to the latter type in principle within European Union countries, as gender mainstreaming has been adopted within the common European Employment Strategy.

European countries vary in both the strength and form of their equality legislation – with in particular variations in the extent of positive action – but EU legislation and EU policymaking, through the European employment strategy, provides an overall framework within which gender specific policies and gender mainstreaming are enacted.¹

In Canada gender mainstreaming has been adopted at federal government level following the launch of Canada's Federal Plan for Gender Equality in 1995 and has also been adopted by the provinces, but under varying institutional mechanisms (Status of Women Canada 2001).

However, the notion of gender mainstreaming has not been adopted in the United States where the focus remains on gender-specific action, such as positive action and individual litigation. Gender equality is linked to the civil rights legislation of the 1960s and there are requirements for companies seeking federal contracts to ensure they are compliant with the legislation by taking positive actions where appropriate (Rubery et al. 1996). While government in the United States has not endorsed gender mainstreaming, there is widespread awareness that some of the major employment policy issues in the United States such as welfare reform or the campaign for living wage ordinances have strong impacts on gender equality.

¹ Many of the examples given here are taken from the work of the European Commission's expert group on gender and employment. This expert group is funded by the European Commission but the views expressed are those of the experts themselves and not of the European Commission. References in this paper to specific reports give year of publication, date and country.

Access to employment

Active labour market policies. In response to concerns over high unemployment rates and lower employment rates than in the United States, the European Union and its Member States have placed considerable emphasis on promoting the re-entry of the unemployed into work through active labour market programmes (ALMP).

Promotion of women's employment through ALPM requires access for the inactive, rights of access to childcare for scheme participants and measures to ensure that women are not marginalized or segregated into traditional female job areas, as a result of discriminatory attitudes of employers or scheme providers.

There is evidence of some recognition of these issues in some European countries. For example Germany, France, Austria, Greece, have set targets or quotas for the inclusion of women in ALMPs and several have extended childcare for participants in programmes (for example Austria, Belgium, United Kingdom, Germany). There have also been measures taken – for example in Portugal and Sweden – to give priority to the underrepresented sex in ALMPs for particular occupations.

Tax and benefit policy. Employment-friendly tax and benefit policy or make work pay policies are increasingly seen as vital to employment policy agendas.

The United States has also been active in developing welfare to work policies, primarily aimed at reducing welfare dependency rather than at boosting employment rates. In the United States most welfare dependants are women as aid was traditionally limited to lone parents, while in Europe welfare has been available to all types of households and the main concern is to move long term male unemployed into work, along with lone parents in some countries.

The United States example (Box 2) illustrates that there is only a fine line between policies that are facilitating and promoting women's employment and others that are primarily aimed at reducing state support for children even in the absence of two parents. Policies that provide incentives for men to work may have perverse impacts on the second earner, namely women, as they face high marginal tax or benefit withdrawal rates under household-based tax or benefit systems. Disincentives are strong if childcare costs are deemed the responsibility of the second earner; Sweden, however, takes childcare costs into account in adjusting the marginal rate of tax faced by people entering the labour market.

Box 3 Closing the gender pay gap

France. For private sector companies, a new law in 2001 introduced "a specific obligation to negotiate on occupational equality between women and men" at company and sector level every three years. The law also aims at creating an "obligation to mainstream occupational equality between women and men in all compulsory negotiations" in companies (pay, working time, right to expression) and in sectors (pay, grading, vocational training). (EGGE France 2002c). In France the gender pay gap has effectively remained stable, decreasing from 13 per cent in 1995 to 12 per cent in 2005.

Sweden. The Swedish Equal Opportunities Act requires employers to promote gender equality actively. All employers must inspect and analyse wages and other terms of employment for comparable groups of women and men on an annual basis and provide a plan for eliminating any unjustified wage gaps over a three-year time horizon. The employers have to give the union information on all employees' wages. The Act now also reverses the burden of proof so the employer now has to prove that no discrimination by gender has occurred (EGGE Sweden 2002a). In spite of these efforts the gender pay gap has increased from 15 per cent in 1995 to 19 per cent in 2006 (Annex, Table 2).

Germany. In Germany public sector trade unions have been challenging the job evaluation and assessment schemes embedded in collective agreements on the basis that they tend to favour male-dominated job-values and a male employment biography (for example better terms for those on leave for national service than for maternity). The trade unions set up an "upgrading commission" to develop concrete proposals for gender fair job evaluation, and a new classification/grading system has been proposed. The government has agreed in principle to negotiate public sector pay on a gender neutral basis but the task is complicated by the involvement of all levels of government – federal, regional and local – at a time of declining public finance (EGGE Germany 2002a). The pay gap is relatively high in Germany: it was 22 per cent in 2005 compared to 15 per cent in the EU on average.

Job quality

Lifelong learning. There appears to be little action within European lifelong learning policies to take into account the specific needs of women as the focus is primarily on training for those in employment or unemployed and

Box 4 Segregation

Finland. In 2001, the Ministry of Education set up a committee on "Equal labour markets" with the objective of drawing up short and long-term plans for measures to influence school and university students' choices of sectors and courses and to draw up a plan for measures to influence the culture of workplaces such that the minority sex is both comfortable and is able to realize advancement opportunities (EGGE Finland 2002c). In the 2006-2007 academic year, female students dominated health and welfare subjects (84 per cent) and were underrepresented in science, engineering, manufacturing, and construction fields of studies (see Annex, Table 4).

not the inactive. Moreover, those employed in part-time or temporary jobs appear less likely to receive training (OECD 2003).

Pay gaps. Women's access to employment is restricted in part by the continued discrimination in pay which serves to reinforce the traditional gender division of labour in the household. Closing the gender pay gap is not just an issue of social justice but also a means of promoting women's employability.

In the United States women's earnings are more dispersed (Blau and Kahn 1992), such that many women are among the working poor but there are also more women with high earnings, above those of their male partners (Freeman 2001). However, over recent years some women, particularly those in the public sector, have benefited from the spread of living wage ordinances that significantly improve the minimum level of pay (Figart 2004). Canada has also, primarily at the province level, undertaken major pay equity reviews, particularly of public sector wages.

Segregation. While gender segregation can both promote and inhibit women's access to employment, dependent upon sectoral trends, it certainly acts to confine women to low quality employment.

Segregation may result both in the undervaluation of women's jobs and the confinement of women to jobs that fail to make use of their abilities and talents. The relatively high pay attached to women's jobs in the Scandinavian countries has offset some of the disadvantages of segregation but the problems of vertical gender segregation and of women's concentration in the public sector have proved more intractable. Box 4 provides an example from Finland on policies aimed at these problems.

Adaptability and working time policies. One controversial dimension of job quality is the opportunity to work part-time. Some argue that part-time opportunities are necessary to promote women's employment while

Box 5 Promoting part-time work

Denmark. Part-time jobs in Denmark have been decreasing and today most part-timers are either students or seniors in partial retirement. The Minister of Employment is proposing to allow for an employee and an employer to agree to provide part time work opportunities for an employee, without reference to collective agreements. This measure is argued to be gender neutral as it could allow the spread of part time work to areas dominated by men and give men, particularly those close to retirement, opportunities to work part-time. However, it could also increase the percentage of women working part-time, as women in the male-dominated labour market would have more access to part time work (EGGE Denmark 2002c). The statistics for Denmark shows that although more women work part-time than men, the gap is narrowing. In the last ten years the share of women in part-time employment decreased by 1.7 per cent while the share of men increased by 1.8 per cent.

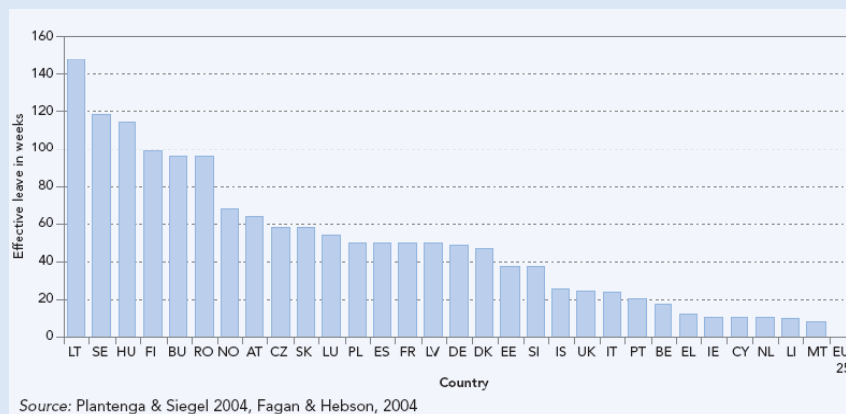
Spain. The Royal Decree Law 2001, aimed at promoting stable employment, introduced social security rebates for indefinite contracts with specific measures for women. Both have particular effects on the situation of women. Unemployed women 16-45 offered an indefinite contract are allowed a 25 per cent social security rebate for 24 months with higher rebates for older women and for unemployed women in occupations where they are underrepresented. The rebate can reach 100 per cent for long term unemployed mothers of children up to 2 years old and for substitution contracts for maternity leave. Part-time employment on indefinite contracts is also subject to the social security rebates under the conditions just mentioned above (EGGE Spain 2002c). However, the growth of part-time employment even for women has been quite slow rising by 2004 only to 17.9 per cent of women employed compared to 16.5 per cent in 1995 but there has been an acceleration in the share between 2004 and 2005 to 24.2 per cent (CEC 2006).

Box 6 Care leave policies

Denmark. There is a policy to employ persons for up to six months to care for disabled or very sick dependants. Men and women will be able to take leave from their normal job and enter employment as a carer. It may be anticipated that women will use the arrangement more than men, which could negatively affect gender equality (EGGE Denmark 2002c).

Austria. Austria has introduced a childcare benefit that can be claimed regardless of employment status previous to the birth of the child in contrast to the traditional social insurance benefit, dependent upon social security contributions and employment status. Childcare benefit can be claimed for up to 36 months, until the child's third birthday (or 30 months if only one parent claims the benefit). Under the previous system claimants could work part time while receiving 50 per cent of parental leave benefit, an option popular among parents who wanted to equally share childcare work but the new system does not provide for such a "half & half" option. (EGGE Austria 2002c)

Effective parental leave in weeks (weighted by level of payment) in EU-25



others see the growth of part-time work as promoting gender segregation and low quality employment. Box 5 provides examples of policies to stimulate part-time jobs in Denmark and to promote more stable employment, both full and part-time, in Spain.

Reconciliation

Flexible work time. Flexible working hours can allow the demands of family and work life to be juggled.

Several European countries are promoting such solutions but there are variations between countries in whether the system is voluntary or statutory and whether it provides paid or unpaid leave. In Sweden it is possible to take the paid parental benefit which allows for reduced hours working in amounts of one eighth or 12.5 per cent, thereby making it possible to reduce time spent at work by one hour a day and still be reimbursed

through the parental benefit scheme (EGGE Sweden 2003a). In the United Kingdom a right to request flexible working hours has been introduced for parents of young children. Employers are obliged to give the request serious consideration and to give reasons for refusal (EGGE UK 2003a).

Leave. Maternity, paternity and parental leave systems are vital for reconciliation.

Women in the United States of America, with its very limited maternity leave rights – namely 12 weeks of unpaid leave with employers of less than 50 excluded – are thereby disadvantaged. Canada has much longer entitlements – up to 35 weeks for either parent – and is introducing compassionate care benefits including six weeks for care of a dying family member. The impact of longer leave schemes is not, however, uncontroversial as they may reduce women's attachment to the labour market and reinforce their career roles. Box 6 provides

examples from Austria and Denmark and shows the diversity in the parental leave arrangements in the EU-25.

Care. Since the Lisbon summit in 2000, European countries have been under pressure to increase their childcare provision as it has been recognized that achieving higher female employment rates is unlikely to be successful without provision of a more extensive childcare infrastructure. Since 2000 there have been fairly widespread commitments made to improve childcare facilities in most European countries although many of the increased places have yet to come on stream and there has been comparatively little attention paid to the affordability of childcare (Rubery 2002). In contrast, the Government is not by and large involved in childcare policies in the United States.

Gender division of labour. Few measures have been adopted to change fathers' involvement in domestic work. In some countries paternity leave has been extended or dedicated leave for men or the second partner introduced, providing incentives for both parents to take leave. Portugal has espoused a wider policy, promoting a general duty and right of all persons to provide care but has not supported this with concrete policies (EGGE Portugal 2002c).

GAPS AND CHALLENGES

While we have identified some examples of gender mainstreaming and the design of policies to promote greater gender equality, these are offset by the more frequent observation of a lack of gender mainstreaming and the promotion of policies that will have at best ambiguous and at worse negative impacts on gender equality. A two-stranded approach is required as specific policies for women are still needed to overcome specific disadvantages on the labour market or in the household system but specific policies alone are insufficient as our examples of the gaps in gender mainstreaming of general employment policies will demonstrate.

Access to employment

Active labour market policies. Active labour market policies have been opened up to the inactive in some countries but in others, for example the United Kingdom and Ireland, access is still restricted to those claiming benefits (Rubery et al. 2001), resulting in an under-representation of women who are not in work but want to work, many of whom come from inactivity. Nor is the setting of targets for women's representation within

active labour market policies itself sufficient to promote gender equality: for example in France women are underrepresented in the programmes that are "closest to the market" and found more in schemes that do not involve employers (Rubery et al. 2001).

In Germany the share of women in the active labour market programme is below the target (EGGE Germany 2003a). A comprehensive package of reforms since 2002 and the 'Hartz IV' reform can change the situation as they have specific gender impact issues. The mothers who qualify for 'ALG II' stand to benefit most from the reform, which includes some who were previously defined as 'inactive' rather than 'job seekers'. This group will benefit from a combination of better access to childcare, training and other active labour market measures, as well as higher levels of social assistance for those previously defined as 'inactive' (EGGSIE 2004b).

Make work pay policies. The OECD has recognized that employment-friendly tax and benefit policies may create disincentives for some groups. Thus "income testing will increase effective marginal tax rates over the range of income in which benefits are withdrawn. [...] there may be groups, presumably in the lower half of the income distribution, who would receive lower returns from additional work effort than corresponding income groups in countries with higher aggregate levels of taxation" (OECD 2003: 117).

Married women will be one group that faces lower returns from working, particularly in household-based in-work benefit systems. "In both the United Kingdom and the United States, tax credits appear to be an effective means of encouraging entry or a return to employment by lone parents families and households where no-one works. But there is also evidence of the perverse effect that is expected among two-earner households with regard to the labour supply of spouses" (OECD 2003:118).

As in-work benefits become more popular it is vital that these are constructed as individual not household entitlements as these result in even higher rates of marginal tax than household income tax. Even in taxation some problems still remain: for example Germany has yet to reform its income splitting system that does provide a significant disincentive for women to enter the labour market when in couple households.

Job quality

Lifelong learning. Over recent years it has been widely accepted that the education of girls should be given as

high a priority as that of boys.

Girls have begun both to outperform boys and to invest more in their education, through higher participation in universities. This equality in education has yet to be followed through into employment. Changes are needed in work organization and career structures to ensure the full utilization and development of women's skills, as university training is only the start of the development of the knowledge economy.

If changes are not made, skilled female labour may not be retained both because of problems of managing work and family and because of unchanging dominant male workplace cultures. Lifelong learning programmes need to focus on updating skills of those outside as well as inside the labour force.

Pay gap. Closing the gender pay gap requires policies aimed at changing the overall wage structure (Rubery et al. 2002).

Women are by far the main beneficiaries of the introduction of national minimum wages in both the United Kingdom and Ireland, yet there is no gender mainstreaming of minimum wage policies and indeed general encouragement to widen differentials even though women dominate among the low paid. There is a need perhaps in Europe to consider developing campaigns around living wages as in the United States if the gender pay gap is to be closed particularly for the lowest paid women.

Even specific gender pay policies are rather sparse and many countries still hide behind a call for further research and have yet to develop effective policies to close the gap. Action is required to change employer and in some cases trade unions' behaviour and actions with respect to pay policies but employment policies are primarily concerned with the supply-side of the labour market and little is being done to reshape the organization of work and pay.

Segregation. New policies to promote part-time work could also result in an intensification of segregation in the labour market. Policies to promote the development of so-called mini-jobs in Germany have resulted in 20 per cent of women's employment being located in these job areas (EGGE Germany 2003s).

Policies to promote desegregation tend to be disconnected from more general policies addressing skill shortages. Few European countries, in addressing problems of skill shortage in, for example, IT, consider women as a possible source of additional labour supply.

Where positive action policies do exist to promote women's involvement in IT these are seen as gender specific mainstream policies to address skill shortages in most countries, although Germany has developed some policies to promote women's involvement in IT (EGGE Germany 2001a).

Adaptability and working time/flex security policies. To offset some of the disadvantages for women of working part-time, some countries have stressed not only the opportunity or right to work part-time but have also included rights to return to work full-time or at least to negotiate a return to full-time work (for example the Netherlands and Austria).

More also needs to be done to improve the security of part-time and non standard employment; women in part-time and low paid jobs have a higher tendency to make transitions between employment and unemployment or inactivity (OECD 2003).

Reconciliation

Flexible working time. Workers who make requests to work flexibly need protection from less favourable treatment in promotion and careers. In some countries the long hours of work expected of full-timers make it more difficult for employers to grant requests for part-time work, without problems of equality between full- and part-timers becoming an issue. Changes to time arrangements should not simply be treated therefore as an individualized issue.

Leave. The danger of extended leave arrangements is that there may in practice be a reduction rather than a cementing of mothers' links to the labour market especially for women with insecure employment status (OECD 2003:115). These effects may be modified in countries such as Denmark and Sweden where long leaves are but one "part of a comprehensive family-friendly policy that helps mothers to combine family and work" (OECD 2003: 133). Leave for care of other dependants is also a double-edged policy and gender differences may intensify if women mainly take up the option.

Care facilities. Although childcare facilities are spreading, not all childcare facilitates women's employment as it is organized on a too spasmodic and part-time basis. Furthermore, childcare is not necessarily affordable. Here there is a need to extend the Swedish approach where childcare is included in the calculation of marginal tax rates for individuals entering the labour market.

Gender division of labour. Unless men participate more in domestic responsibilities it is unlikely that gender inequality in the labour market can be resolved. Employment policy now recognizes the importance of women's contribution to achieving a high employment rate but there is little recognition of the need to change men's behaviour inside and outside employment if we are to move to a full dual earner/dual caregiver society.

To conclude, equal opportunities and women's employability have clearly taken on a higher profile in many EU countries, reflecting the importance of women's employment to the general European Employment Strategy (EES). At a nation state level, there is increasing recognition that women will continue to demand entry to employment and that programmes will be needed to support and improve such access.

Employment policy cannot be narrowly conceived but needs to be linked into social and family arrangements, including childcare. It is primarily in the United States where this link is not made despite high rates of female participation, induced in part by the absence of alternatives to wage income as the main means of support; childcare is treated as a solely private responsibility of parents and not as an area of public intervention.

Even in European societies, there are still many shortcomings in policy viewed from a gender perspective. One problem is whether a more gender-equal society is to be achieved through women changing their behaviour to meet male norms or through changes in the ways in which men operate in the labour market. There are already wide variations between EU Member States in the extent to which women work continuously in the labour market and the importance of part-time work in women's employment trajectories (see Table 2).

Employment policies are still not being interrogated for their gender impact let alone designed with gender equality objectives in mind. Gender equality tends to be promoted where it fits with the overall goal of employment policy – for example a higher employment rate – and not where there may be conflict, for example actions to improve the quality of part-time work. Few policies are designed to change the behaviour of employers; instead policy focuses on changing the characteristics and behaviour of workers and removing obstacles to employment participation in tax and benefit systems. A final problem is that policy reversals are frequent, associated with changes in government.

INSTITUTIONAL ENVIRONMENT

To promote women's employability new and more integrated policy approaches are needed. Gender mainstreaming introduces gender equality into the process of design, implementation and evaluation of all policies with relevance to employability, thereby providing an opportunity to discard or modify policies with negative effects before implementation and to develop a more proactive approach to gender equality within the overall strategic framework. A gender mainstreaming perspective could, in principle, provide a transformatory perspective on policy and on the organization of society (Rees 1998; Council of Europe 1998) by promoting a more "joined up" or holistic approach to government policy.

The mainstreaming of gender should, according to the EES, operate alongside and be integrated with the gender-specific policies required to offset specific areas of disadvantage in the labour market. Since 1999 all EU Member States have been required to gender mainstream all policies included in National Action Plans for employment, a requirement that still applies, if in a less visible form, in the 2003-2006 phase of the EES. Some EU countries had their own dynamic of gender mainstreaming in process before 1999 but in many cases the EU has been important in kickstarting a process or in providing recommendations that more should be done to develop gender mainstreaming policies and capacities.

The development of gender mainstreaming as a tool of employment policy can be divided into three dimensions: the establishment of institutional arrangements through which gender mainstreaming can be introduced into policy processes; the development of gender-specific targets, supported by increased information on gender differences in starting points and policy outcomes; the development of tools and methods for assessing the predicted and actual gender outcome of policies.

GENDER MAINSTREAMING CONNECTED TO THE EES AND TO OTHER PRESSURES

Gender mainstreaming initiatives have preceded and have been independent of the European Employment Strategy: for example in Canada it is supported and promoted by the organization Status of Women that provides expertise and strategic advice to the Federal government on issues of women and gender equality (Status of Women Canada 2001). Some Nordic countries had well-established gender mainstreaming prior to

the launch of the EES – for example Denmark was mainstreaming its public employment service through equality consultants as early as 1981 (EGGE Denmark 2001a) and Sweden has been mainstreaming gender into all ministerial policy since 1994 (EGGE Sweden 2001a).

However, most EU Member States started out in 1997 with at best a weak and often a non-existent base for gender mainstreaming. By 2001 almost all had put in place some formal mechanism for gender mainstreaming of employment or government policy more generally (see Box 7).

Box 7 Institutional innovations to promote gender mainstreaming of employment policies in EU Member States 1997-2002

The following innovations have been introduced by EU Member States:

- ◆ Ministries with authority in gender mainstreaming
- ◆ Interministerial committees, steering committees/ work groups or committees at the office of the presidency
- ◆ Departments/units/taskforces with specific competence/evaluation and monitoring duties
- ◆ Parity/equality advisors on key committees/ ministries/mechanisms for gender analysis of the budget
- ◆ New equal opportunities acts requiring mainstreaming/drawing up of national strategies or plans for equality;
- ◆ Mainstreaming or gender assessment in individual ministries/public services;
- ◆ Methodologies or guidelines for gender mainstreaming of government policies or employment policies;
- ◆ Gender assessment of all new pieces of legislation

Source: Rubery et al. 2001

Greece and Italy together with Ireland, countries which in the 1990s had rather weak traditions of equal opportunities policies and also low female employment rates, had all developed new gender mainstreaming initiatives by 2001. In Greece and Italy action was also spurred on by the Council of Minister recommendations to strengthen mechanisms for gender mainstreaming (EGGE Greece 2001a; EGGE Italy 2001a). The assessment of developments since that date is more problematic as less has been included, certainly in the

2003 round of National Action Plans, on developments in the institutions of gender mainstreaming. Moreover, progress is by no means a linear development; as we discuss further below, commitments to gender mainstreaming are highly contingent on the political programme of the government in power.

This list provides a flavour of the range and diversity of institutional developments. It does not take fully into account more local or social partnership initiatives or those sponsored by the European structural funds where gender mainstreaming is required for funding. Certainly Ireland made a much clearer commitment to gender mainstream its National Employment Development Plan linked to the structural funds than the NAP itself (EGGE Ireland 2001a).

Gender mainstreaming may be more marked at the regional or local level: mainstreaming in the devolved governments of Scotland, Northern Ireland and Wales is more advanced than in the central United Kingdom government (EGGE UK 2000a, 2001a). In France the social partners are playing a major role with a new law making bargaining on occupational equality compulsory (see Box 3).

In comparing the development of gender mainstreaming processes, there are severe difficulties in distinguishing both between the rhetoric and reality of gender mainstreaming and between what are general statements of intent, including future commitments to new initiatives, and actual real policy change. Implementation of new approaches to policymaking take time and evaluations of the impact of recent commitments to gender mainstreaming are premature, not just because of volatile political conditions but also because many policies have not yet been implemented.

Gender targets and gender statistics

Until the EU set a specific target for women's employment at the Lisbon summit – of 60 per cent by 2010 – there was very limited evidence that EU Member States were adopting specific gender targets in relation to employment policy.

Since 2000, however, there is an evidence of some progress. By 2004, most EU Member States had their own national employment targets for women in place. France, Spain, Cyprus and Malta had implicit targets of reducing the gender employment gap through setting higher targets for the national female employment rate than for the overall employment rate, although these targets were not identified as direct objectives. However,

in some countries, for example in Greece, national employment targets both overall and for women have disappeared from the National Action Plans. Targets can also lead to complacency with some Member States using the fact that they have met the Lisbon target as a reason for not focusing on gender issues, even when women's volume of employment is much lower than men's due to part-time work (EGGE UK 2003a). Another setback is a weak commitment to closing the gender pay gap, with France being the only country which had set explicit objectives (EGGSIE 2004a).

Gender-disaggregated statistics is the most successful area, with quantitative targets in place for almost all countries. Table 4 presents a comprehensive overview of the gender mainstreaming within the employment targets among EU-25 members).

The EU-wide target has made Member States more sensitive to gender-specific performance analysis. A similar impact can be seen with respect to the setting of childcare targets, first at the Lisbon summit in 2000 and then in more specific terms at the 2002 Barcelona summit to reach a coverage of one third for children up to 3 and 90 per cent for children from 3 to 6 by 2010.

Childcare actions are now integrated systematically in the NAPs on employment. Where other targets related to gender have been set, these again have been quite closely related to specific suggestions in the employment action plans guidelines: for example several Member States set targets or quotas for women's representation in ALMPs, following the advice that women's representation should be proportional to their share of unemployment.

Some improvements in the provision of data disaggregated by gender can be observed, a necessary first step in the process of designing, implementing and evaluating data by gender impact. However, the provision and use of such data remains patchy, both in the NAPs and by national statistical offices.

Gender evaluations of policies

Perhaps the weakest element of gender mainstreaming has been the evaluation of policies from a gender perspective. Despite some development of tools and checklists, primarily to assist in structural funds project appraisal (Rubery and Fagan 2000), very few examples can be found of systematic gender-sensitive analysis of policy programmes.

Table 3 provides a checklist developed by the EC's Expert Group on Gender and Employment for their analysis of the NAPs and which formed part of a training session within DG Employment on gender mainstreaming. For such an approach to be effective, governments need to engage in a process of critical evaluation of their policy from a gender perspective. However, even within Member States such scrutiny is only likely to take place behind closed doors. It is essential therefore for there to be some public or independent way of scrutinizing public policy.

AREAS FOR FURTHER ACTION

Interest in the development of women's employability has certainly increased in Europe over the last decade with the widespread recognition, at the level of formal policy pronouncements, that women's employment has a significant role to play in both EU and Member State employment policies and strategies. However, there is still a need for further progress in meeting the challenges of women's employability and developing a policy framework which both contributes to the productivity and economic success of the region and promotes gender equality.

Progress is particularly required on the following agendas:

The development of a gender-sensitive approach to employment promotion strategies that recognizes the specific position of women in the economy, by legitimizing the claims of the inactive as well as the unemployed for assistance in labour market re-entry and by taking more steps to facilitate women's continuity of employment over the lifecycle.

The promotion of job quality along with access to employment as continuing gender pay gaps, barriers to careers associated with horizontal and vertical segregation and poor quality part-time work are all obstacles to progress to gender equality in the home and in the labour market.

The development of policies to reconcile work and family life that provide for rights to care but avoid reinforcing gender divisions, by focusing on changes in male behaviour and male work norms and on sharing of caring responsibilities.

The development and promotion of gender mainstreaming of employment policy, defined broadly to encompass the full range of institutional transformations required to support the emergence of the dual earner, dual caregiver society.

While this agenda is ambitious and would move the policy approach on beyond that which has so far been incorporated in the European Employment Strategy, the experience post Beijing proves that it pays to be ambitious. Without the agreement on gender mainstreaming in Beijing, the commitment to both equal opportunities and to gender mainstreaming would undoubtedly have been less strong. There is now a need to renew commitments to ensure that these fragile beginnings of gender mainstreaming of employment policy become firmly established and further developed in the employment policymaking field at international and national level.

Table 3. Checklist for Gender Impact Assessment of Employment Policies

Policy area	Eligibility/access criteria and/or policy orientation		Integrated policy approach	Budgets/finance	Areas of likely weakness and possible remedies	Monitoring and evaluation
	Positive	Negative				
Active labour market policies	Returners; Spouses of the unemployed	Benefit claimants	Childcare provision required Attention to segregation as well as employment effects. Need to preserve the right to care as well as rights to work.	Women to have equal or greater access to training and skills development programmes	Discrimination by private sector firms; specific attention paid to ensuring equitably represented on programmes involving private firm placements.	Longitudinal monitoring of outcomes required.
Training and lifelong learning	Unemployed and inactive; those on atypical contracts.	Full-time permanent employees. Unemployed benefit claimants.	Childcare facilities for those both inside and outside the labour market. Attention to segregation in subjects chosen and to new and expanding sectors where opportunity for gender equality strong.	Financial incentives to ensure employers include those on atypical contracts etc in training programmes	Discrimination by private sector firms in both hiring and training. Changes to working culture required in some male dominated sectors.	Monitoring by subject as well as by programme required. Evaluation of impact of education, training on initial and longer term employment prospects. Monitoring of access to further training also necessary.
Tax and benefit policies	Individual basis; citizenship rather than employment record	Household basis; means testing	Provisions for costs of childcare. Making work pay to be addressed by ensuring equal pay in the labour market and not just through household tax and benefit systems.	Tax credits/ allowances for cost of childcare. Spouses of benefit claimants to be allowed a reasonable independent income.	Potential conflicts between gender equality and poverty/ social inclusion programmes e.g. access to income and resources in work benefit systems	Monitoring not only of employment participation but also of individual access to income and resources required.
Entrepreneurship	Inactive as well as unemployed, employed; cooperatives as well as independent self employed	Benefit claimants; prior access to finance/ credit	Need to provide access not only to finance but also to training, technical advice, childcare etc. Attention needs to be paid to gender segregation in areas of start ups.	Need to ensure women-only measures receive fair share of budget and/or that women receive fair share within mainstreamed programmes	Attention needs to be paid to fragility of start ups; women may be in more competitive areas, face more constraints in start ups.	Monitoring not only of enter into self employment but also of duration of start ups and long term profitability of women's start up companies required.
The information society	Wide range of jobs; school students	Focused on technical job area and post higher education entrants	Need to address male techno culture in education system and in work system. Need to pay attention to job design to expand range of types of jobs within IT area.	Need to consider linking budgets and financial incentives to meeting specific targets on female recruitment	Both gender segregation in education and in work cultures may be resistant to change. May require positive action policies and more opportunities for women to shape the information society.	Monitoring of women's participation in education, training and in jobs associated with IT required. Particular attention should be paid to evaluating positive actions, e.g. women only training programmes etc.

Policy area	Eligibility/access criteria and/or policy orientation		Integrated policy approach	Budgets/finance	Areas of likely weakness and possible remedies	Monitoring and evaluation
	Positive	Negative				
Working time, flexibility and reconciliation policies	Targeted at men as well as women; family friendly working time for all; all forms of flexible work provided with some level of security/ employment rights	Promotion of women only working time and leave arrangements. Exclusion of those in marginal/ flexible jobs	Leave arrangements need to be paid and need to consider specific entitlements for men to encourage participation. General working time reduction or flexibility programmes need to be devised, not specific programmes aimed primarily at women. Need to improve rights for those on atypical working time contracts.	Budget needs to provide for paid leave. Incentives needed for general working time changes, for the provision of security and to encourage changes to domestic division of labour.	Resistance by private sector to employee driven flexibility, especially if applied to men as well as women. Protection for those taking leave or reducing hours required and specific incentives needed for employers to participate in scheme. Security provision may reduce some forms of flexible work in the short term but may have longer term more positive effects	Monitoring by gender of access to and participation in working time and reconciliation measures compatible with a better work-life balance. Impact of participation on subsequent career options also needs to be evaluated. Careful monitoring of policies offering flexibility in return for security or reduced working hours required; possible increase in personal and family stress needs to be considered.

Source: Rubery and Fagan 2000

Table 4. Gender Mainstreaming within the employment guidelines (excluding G6)

	Evidence of gender mainstreaming within guideline	Gender targets *	Gender disaggregated statistics	Gender policy analysis/ evaluation
Cyprus	G1, G5		G1, G4	G1, G5
Czech Republic				
Estonia		G4	G1, G7	
Hungary			G3, G5	G3
Latvia			G3, G4, G5	G3, G5
Lithuania	G3, G5, G7, G10	G3	G1, G3, G4, G5, G7	G3, G7
Malta	G1, G3, G5, G7, G10		G1, G2, G3, G4, G5	G1, G7, G8, G9, G10
Poland	G3	G2		G3
Slovenia	G1	(G1), G2	G1	
Slovakia	G5		G1, G5, G7, G10	
Belgium				G5
Denmark			G1, G7	
Germany	G2, G3	G1	G1, G3, G4, G5, G7, G10	G2, G3
Greece	G1, G3, G8		G1, G4, G5	
Spain	G2, G3, G7, G9	G2	G1	G2, G7, G9
France		G4	G1, G3, G4, G5, G7, G8	
Ireland	G1, G4, G5, G7, G8		G4, G8	G1, G4, G5, G7, G8
Italy	G2		G3, G10	
Luxembourg	G2, G4	G8	G1, G5, G8	G2, G4
Netherlands				G3, G7
Austria	G3, G9		G1, G4, G5	G9
Portugal	G8	G4, G7, G8	G1, G2, G3, G4, G5, G7	G1, G3, G7, G8
Sweden	G1, G2, G4, G5, G8, G10	G2, G4, G8, G10	G1, G2, G3, G4, G5, G7, G8, G9, 10	G1, G2, G4, G5, G8, G10
United Kingdom	G2, GG5, G8	G1, G2, G5	G1, G2, G5, G7	G1, G2, G4

* () qualitative target only

Guidelines**:

- 1: Active and preventative measures for the unemployed and inactive.
- 2: Job Creation and Entrepreneurship.
- 3: Address Change and Promote Adaptability and Mobility in the Labour Market.
- 4: Promote Development of Human Capital and Lifelong Learning.
- 5: Increase Labour Supply and Promote Active Ageing.
- 6: Equal Opportunities for women and men
- 7: Non-discrimination
- 8: Make Work Pay
- 9: Transform undeclared work into regular employment
- 10: Address Regional Employment Disparities

** These guidelines were used for the EES for the years 2003 and 2004 only. They replaced the guidelines based on four pillars, including an equal opportunity pillar 1998-2002 and they have been replaced by new guidelines from 2005 where there is no longer a specific gender equality guideline. Note the table does not refer to gender mainstreaming of guideline 6 as this is concerned directly with gender equality issues.

Source: EGGSI: EU Expert Group on Gender, Social Inclusion and Employment (2004a). Gender Mainstreaming and the European Employment Strategy. European Commission

References

- Blau, F. D. and Kahn, L. M. (1992) "The gender earnings gap: learning from international comparisons", *American Economic Review*, 82 (2): 533-538.
- Brewer, M. (2000) "Comparing in-work benefits and financial work incentives for low-income families in the US and the UK" Institute for Fiscal Studies WP 00/16.
- CEC (Commission of the European Communities) 2003 Employment in Europe (2003) Office for the official publications of the European Communities, Luxembourg.
- CEC (Commission of the European Communities) 2006 Employment in Europe (2006) Office for the official publications of the European Communities, Luxembourg.
- Council of Europe (1998), Gender mainstreaming: conceptual framework, methodology and presentation of good practices, Final Report of Activities of the Group of Specialists on Mainstreaming, EG-S-MS (98) 2, Strasbourg.
- Crompton, R. and Sanderson, K. (1990) *Gendered Jobs and Social Change*, London: Unwin Hyman.
- EGGSIE: EU Expert Group on Gender, Social Inclusion and Employment. (2004a). *Gender Mainstreaming and the European Employment Strategy*. European Commission.
- EGGSIE: EU Expert Group on Gender, Social Inclusion and Employment. (2004b). 'Making work pay' debates from a gender perspective: a comparative review of some recent policy reforms in thirty European countries. European Commission.
- EGGSIE: EU Expert Group on Gender, Social Inclusion and Employment. 2005. *Reconciliation of work and private: A comparative review of thirty European countries*. European Commission.
- EGGE (EC expert group on gender and employment) for reports see: <http://www.mbs.ac.uk/ewerc-egge> (a,b,c used to indicate first, second, third reports on website by country expert by year).
- Folbre, N. (1994) *Who pays for the kids?*, London: Routledge.
- Figart, D. ed. (2004) *Living Wage Movements: Global Perspectives*. London: Routledge, 2004.
- Freeman, R. (2001) Contribution to debate on Employment and its Legal Context in D. Marsden ed. *Labour Law and Social Insurance in the New Economy: a Debate on the Supiot Report*, Centre for Economic Performance LSE.
- Harkness, S., Machin, S. and Waldfogel, J. (1997) Evaluating the pin money hypothesis: The relationship between women's labour market activity, family income and poverty in Britain, *Journal of Population Economics*, Vol. 10, No. 2, 137-158.
- Joshi, H. and Davies, H. (1992) "Mothers' human capital and childcare in Britain." *National Institute Economic Review* November, 50-62.
- Marx, I. and Verbist, G. (1998) "Low-Paid Work and Poverty: A Cross-Country Perspective" in S. Bazen, M. Gregory and W. Salverda, *Low-Wage Employment in Europe* Cheltenham: Edward Elgar: 63 – 86.
- OECD (2002) *Employment Outlook*, Paris: OECD.
- OECD (2003) *Employment Outlook*, Paris: OECD.
- Rake, K. (2000) *Women's incomes over the lifetime*, The Women's Unit, Cabinet Office, The Stationery Office.
- Rees, T. (1998) *Mainstreaming Equality in the European Union, Education, Training and Labour Market Policies*. London: Routledge.
- Reskin, B. F. and Roos, P.A. (1990) *Job Queues, Gender Queues: Explaining Women's Inroads into Male Occupations*, Philadelphia: Temple University Press.
- Rubery, J. (2002) "Gender Mainstreaming and gender equality in the EU: the impact of the EU employment strategy" *Industrial Relations Journal*, 33 (5).
- Rubery, J. and Fagan, C. (2000) *Gender Impact Assessment and European Employment Policy* European Expert Group on Gender and Employment Report to the Equal Opportunities Unit, DG Employment.
- Rubery, J., Fagan, C. and Maier, F. (1996) "Occupational Segregation: Discrimination and Equal Opportunity" in Schmid, G., O'Reilly, J. and Schömann, K. (eds), *International Handbook of Labour Market Policy and Evaluation*, Cheltenham: Edward Elgar.
- Rubery, J., Smith, M., and Fagan, C. (1999) *Women's Employment in Europe: trends and prospects*. London: Routledge.
- Rubery, J., Grimshaw, D., and Smith, M. and Figueiredo, H. (2001) *Gender Equality and the European Employment Strategy: an Evaluation of the NAPs for Employment 2001*, European Expert Group on Gender and Employment Report to the Equal Opportunities Unit, DG Employment.
- Rubery, J., Grimshaw, D., and Figueiredo, H (2003) *The Gender Pay Gap and Gender Mainstreaming Pay Policy in EU Member States* European Expert Group on Gender and Employment Report to the Equal Opportunities Unit, DG Employment.
- Rubery, J. *Gender Mainstreaming and Women's Employability in EU countries*, Background paper prepared for the Regional Symposium on Mainstreaming Gender in to Economic Policies, organised by ECE and DAW/OSAGI, Geneva January 2004.
- Status of Women Canada (2001) *Canadian Experience in Gender Mainstreaming Status of Women Canada-Gender-Based Analysis Directorate*.
- Vermeulen, H., Dex, S., Callan, T., Dankmeyer, B., Gustafsson, S., Schmaus, G., and Vlasblom, D. (1994) *Tax systems and married women's labour force participation: a seven country comparison*. ESRC Research Centre on Micro-Social Change in Britain, Working paper, University of Essex.
- Walby, S. and Olsen, W. (2002). *The impact of women's position in the labour market on pay and implications for UK productivity*, report to the Women and Equality Unit. Department of Trade and Industry.
- Waldfogel, J. Higuchi, Y. and Masahiro, A. (1998) *Maternity Leave Policies and Women's Employment after Childbirth: Evidence from the United States, Britain and Japan*. CASEpaper3., London: London School of Economics Centre for Analysis of Social Exclusion.
- Women's Unit. (2000) *Women and Men in the UK: Facts and Figures* Women and Equality Unit, Department of Trade and Industry, HM Government.

Women's employability in countries of Eastern Europe, Central Asia and the Caucasus

Ewa Ruminska-Zimny

INTRODUCTION

Since 1995 women's employability in Eastern and Central Europe, Central Asia and the Caucasus has improved. However, this improvement has to be seen in the context of the serious setbacks in these women's positions in the labour market in all countries during the early 1990s, as they suffered disproportionate cuts in employment related to GDP decline and restructuring, loss of job security, increasing wage differentials and cuts in social benefits, including those provided through the workplace.

Although the development of the private sector has created new job opportunities, discriminatory practices, especially by private employers, have increased and women have less access to self-employment and entrepreneurship. The impact of labour market changes on women has differed by country.

This paper looks at the progress and setbacks in women's employability in the context of the trends of the last two decades, as well as the gaps, challenges and changes in the institutional environment and in policy. It also identifies areas for further action to improve women's employability. It draws on the work of ECE² and addresses the problems of the transition economies, which include the new EU members from Eastern Europe.

Countries which have recently joined the EU are thus clustered together with other transition countries, as this paper looks retrospectively on the changes of women's position on the labour market. The newest EU members have many similarities in the trends of the last two decades and the impact of transition processes. The prospect of new EU member countries is however different, as EU membership and the requirement to comply with the *acquis* have created pressure for a positive change.

The EU provides impetus for gender-sensitive development in its neighbourhood countries. Neighbourhood policy is a concept in EU external relations aimed at promoting stability and good governance in the neighbourhood to the East and South of the European Union borders. Neighbouring countries can benefit from EU policy on equality between men and women through Neighbourhood Policy mechanisms.

PROGRESS AND SETBACKS

The worsening labour market conditions have seriously affected women's employability as reflected in the trends in women's employment, wage gap, and non-standard employment arrangements, such as part-time or informal work. Combined with women's starting point as a "secondary" source of labour, and the unequal division of reproductive work, these trends point to the increasingly precarious nature of women's labour market status.

Pre-existing gender inequalities in the labour market were characterized by a high vertical and horizontal concentration of women's jobs in sectors with lower pay and less prestige, such as light industries and public services. Women were persistently underrepresented among senior officials and managers (vertical discrimination) and were underpaid for the same type of work (horizontal discrimination) which can be seen in the Annex (Tables 2 and 5). Since the introduction of a market system and the dismantling of former labour and social welfare regimes, the impact of these inequalities has intensified and new ones have emerged.

A. Access to employment

The transition processes have dramatically changed the situation on the labour market. The command economy was characterized by job security at the expense of efficiency in the allocation of labour and resources. Consequently, the transition toward market economy

² <http://www.unece.org/gender>

inevitably resulted in a sharp fall of GDP, shifts in production and labour allocation. As a result, during the 1990s access to employment drastically deteriorated for men and women in all countries of Eastern Europe, Central Asia and the Caucasus. In many countries however, women were more affected by job cuts than men, especially in the early 1990s (UNIFEM, 2006). Sex-disaggregated employment data for this period are not available but ECE estimates, presented in Table 1, show that in most countries (apart from Romania and Slovenia) women suffered a higher decline in employment than men. For example, by 1994, the cumulative employment in Latvia had fallen by 11.8 per cent for men and 31 per cent for women.

Several studies confirm that women lost their position in formal employment more than men, especially at the early stages of the transition process. According to the ILO (2002), women were the first to be fired, their status eroded while combining job and children became more difficult due to the lack of affordable and social services and child care facilities.

In the mid-1990s, the trends in men's and women's employment were mixed. Some countries demonstrated continuation of asymmetric cuts in women's employment (Czech Republic, Hungary, Lithuania), in others, such as Slovakia, they started getting back to work at a higher rate than men (Table 1). This period remained a time of decline in half the countries of Eastern and Central Europe. Trends in participation rates and employment also suggest that many women became discouraged workers and withdrew from the labour force.

In the late 1990s, the trends in men's and women's employability reversed in many countries. Total employment in transition countries grew, with the employment of women growing faster than that of men in Estonia, Hungary and Slovenia (Table 2). Thus the gender employment gap started to narrow at least in some countries.

However, the improvement in female employment needs more research to assess the shifts in the labour market from a gender perspective. The relative improvement in women's employability, which can be observed in most countries of Eastern Europe, Central Asia and the Caucasus starting from the late 1990s, may reflect an acceleration of structural changes in industry, where men's jobs are no longer protected, as opposed to the initial phase of this process, which affected feminized light industries or clerical positions. The improvement in women's employability, however, reflects also most likely a greater willingness on the part of women to accept worse jobs or jobs for which they are overqualified in order to remain employed.

B. Job quality

The decline in job quality is confirmed by trends in sectoral changes in women's employment, with women moving towards sectors with lower wages, by the rise in atypical work arrangements and by the persistence of vertical segregation and wage gaps. The persistent asymmetries in the labour market have also been identified in the 2006 Report of the European Commission on equality between men and women.

Table 1: Changes in the labour force and employment in selected East European economies, by sex, 1985-1997
(Cumulative changes, per cent)

	Labour force				Employment			
	1985-1994		1994-1997		1985-1994		1994-1997	
	Male	Female	Male	Female	Male	Female	Male	Female
Bulgaria	..	..	-2.0	-1.8	..	..	5.2	5.5
Czech Republic	1.2	-5.6	..	..	-2.6	-10.3	0.9	-1.9
Estonia	4.5	-21.5	-7.5	-5.5	-3.1	-27.8	-10.2	-6.8
Hungary	-20.0	-30.1	-3.1	-7.1	-29.4	-36.6	-0.6	-5.5
Latvia	..	..	..	..	-11.8	-31.0	-8.6	-8.5
Lithuania	..	..	..	..	-5.8	-13.6	-1.0	-11.6
Poland	-3.7	-11.7	0.8	-1.3	-16.3	-25.8	4.9	1.9
Romania	9.1	16.1	0.1	-2.5	0.8	6.0	2.2	0.1
Slovakia	..	..	1.1	4.1	..	..	3.7	5.6
Slovenia	-12.1	-12.6	3.2	3.2	-20.5	-20.0	6.2	4.8
Russian Federation	2.4	-13.7	-3.3	-3.5	-6.1	-20.5	-7.4	-7.3

Source: *Economic Survey of Europe, 2003, No 1, p.200*

Table 2: Growth of GDP and female and male employment in selected East European economies, 1998-2005 (Per cent)

		1998	1999	2000	2001	2002	2003	2004	2005
Bulgaria	Real GDP growth	10	0	9.1	8.3	0	7.7	7.1	6.7
	Employment Growth, Female	:	:	:	1.5	0	5.4	2.0 ^(f)	0.8 ^(f)
	Employment Growth, Male	:	:	:	-2	0.7	7.1	2.4 ^(f)	2.2 ^(f)
Czech Republic	Real GDP growth	0	2.4	2.3	4.5	2.2	2.1	4.2	6
	Employment Growth, Female	:	-3	-0.1	0.3	0.1	-1.6	0.2	0.8
	Employment Growth, Male	:	-3.7	-0.2	0.6	0.9	-1.2	0.1	2.2
Estonia	Real GDP growth	4.2	0	12	7.1	10	9.1	5.6	13.2
	Employment Growth, Female	:	-3.6	-1.9	0.8	1.4	1.2	1.3	3.6
	Employment Growth, Male	:	-5.2	-1.1	0.9	1.1	1.6	-1.4	0.5
Hungary	Real GDP growth	5.7	5.4	7.7	4.8	4.5	4.3	4.2	4
	Employment Growth, Female	2.9	3.7	1.3	0.8	0.2	2.1	-0.8	0.1
	Employment Growth, Male	0.8	3.1	1.2	-0.2	-0.1	0.6	-0.6	-0.1
Latvia	Real GDP growth	5.6	0	10.5	9.5	4.3	8.3	11.5	10.3
	Employment Growth, Female	:	-2.2	-1.2	3.5	1.2	0.5	1.3	0.7
	Employment Growth, Male	:	-1.4	-4.5	1	3.3	1.6	0.9	2.3
Lithuania	Real GDP growth	6.3	0	5.9	5.6	5.3	15	4.3	12.5
	Employment Growth, Female	:	:	:	-3.2	1.6	2	-1.3	1.6
	Employment Growth, Male	:	:	:	-3.4	6.5	2.6	1	1.1
Poland	Real GDP growth	6.5	3	5.9	2.8	0	5.4	5.1	2.4
	Employment Growth, Female	1.7 ^(e)	-2.8 ^(e)	-1.7 ^(e)	-1.7 ^(e)	-2.4	-1.1 ^(e)	0.7	1.2
	Employment Growth, Male	0.8 ^(e)	-4.8 ^(e)	-1.4 ^(e)	-2.6 ^(e)	-3.4	-1.3 ^(e)	1.8	3.2
Romania	Real GDP growth	:	:	0	9.1	8.3	7.7	7.1	6.7
	Employment Growth, Female	:	:	2.8	-0.6	-4.5	-1.4 ^(f)	1.1 ^(f)	-0.9 ^(f)
	Employment Growth, Male	:	:	2.3	-0.9	-1.2	1.0 ^(f)	-0.5 ^(f)	1.2 ^(f)
Slovakia	Real GDP growth	3.1	0	0	3	5.9	2.8	5.4	5.1
	Employment Growth, Female	:	-1.7	-0.8	1.1	-1.4	1.8	-1.7	-0.1
	Employment Growth, Male	:	-3.5	-2.7	0.2	0.2	1.8	0.8	2.6
Slovenia	Real GDP growth	3.5	5.7	4.3	2.1	3	2.9	4.8	3.6
	Employment Growth, Female	:	:	0.9	-0.4	1.7	-1	1	0.5
	Employment Growth, Male	:	:	0.7	1.2	1.4	0.1	0.1	0.1

Source: Eurostat

(..) Not available (e) Estimate (f) Forecast

Sectoral changes in women's employment. Changes in the employment structure by sector suggest that women are losing ground in some dynamic sectors, such as market-related services, which are increasingly well paid (Table 3). Between 1995 and 2006, women's share in employment in financial intermediation, one of the most dynamic of the market-driven services, declined by as much as 9 percentage points in Slovakia and by 5-6 percentage points in the Russian Federation and Hungary. In contrast, the less well-paid services, such as public education and health, are becoming even more "feminized": the share of women in total employment in these sectors increased in almost all countries.

The comparison of wages in the financial sector and in health and social services underlines the impact of these sectoral changes in women's employment. In 2006 a regular wage in the health sector was generally around

the national average, or lower (only 76 per cent in the Russian Federation and 81 per cent in Slovakia), while in the financial sector it was far higher than the average national wage, ranging from 161 per cent in Croatia to 288 per cent in Romania (Table 3). Furthermore, jobs in education, health and social services are increasingly insecure due to their reliance on funding from public budgets and growing pressure to reform and streamline social service provision.

Informal and non-standard employment. Women tend to be overrepresented in these forms of employment, and this pattern emerges also in countries of Eastern Europe, Central Asia and the Caucasus. Employers often apply pressure, particularly on women, to informalize the working arrangements in order to avoid paying benefits. Studies on the informal sector reveal practices such as arbitrarily imposed overtime hours and irregular payment

Table 3: Changes of women's share in employment by selected activities and wages as per cent of average national wages in selected European economies and the Russian Federation

	Share of women in employment as percent of all employed in each sector of activity						Wages as percent of average national wages, 2004		
	Financial Intermediation		Education		Health and Social Services		Financial Intermediation	Education	Health and Social Services
	1995	2006	1995	2006	1995	2006			
Croatia	75*	71	74*	77	77*	78	161**	104**	118**
Czech Republic	67	63	74	75	80	80	207**	96**	94**
Estonia	59	77	80	83	84	87	180	85	96
Hungary	71	65	75	78	76	78	236	112	89
Latvia	66*	71	79*	82	82*	86	261	95	99
Poland	69	71	74	77	82	80	182**	104**	97**
Romania	62	68	69	74	76	77	288**	115**	90**
Slovakia	72	63	77	76	80	81	204	82	81
Russian Federation	71***	66	81***	81	82***	81	262	66	76

* data from 1996 ** data from 2005 *** data from 1997

Source: calculated based on LABOURSTA, ILO

of wages, punishments for going too often to the toilet during working time or forcing women to sign undated letters of resignation enabling the employer to fire them without paying maternity leave should they become pregnant.³

Two major forms of informal activity are secondary jobs to supplement poorly paid formal sector jobs, common among people employed in the feminized public services, such as health and education, and subcontracting arrangements in the garment or textile industries also dominated by women. Another form of informal employment commonly undertaken by women is work as subcontracted agents in small-scale border or "suitcase" trade.

Data on the informal economy are scarce, but available information indicates that informal employment is becoming an important employment strategy for women (ILO, 2002). This trend is troubling because informal employment, especially the jobs most likely to be filled by women, is typically poorly paid and often lacks social benefits. In the St. Petersburg region in the Russian Federation, informal economic activity is estimated to account for roughly 20 per cent of GDP and to employ about 1.5 million people. Women make up the bulk of employees among informal enterprises

in education, health, culture (86 per cent), catering and services (85 cent), and retail (69 per cent).⁴ This pattern of concentrating women's jobs at the lower end of the informal job market replicates trends in the formal economy (Box 9).

Part-time employment. This type of employment is on the rise across the region and exists in both the formal and the informal sector. Although sometimes viewed as an opportunity for increasing worker flexibility, part-time employment also tends to be poorly paid and to lack social benefits. Not surprisingly, labour force surveys suggest that workers would prefer full-time work, but accept part-time jobs because of a lack of full-time job options. Although this tendency has diminished in recent years, women are much more likely than men to be employed part-time in all transition economies. For example in Poland 13 per cent of all women employed were working part-time in 2006 compared to only 7.1 per cent of men (Figure 1). This may reflect traditional family stereotypes and lack of affordable childcare facilities.

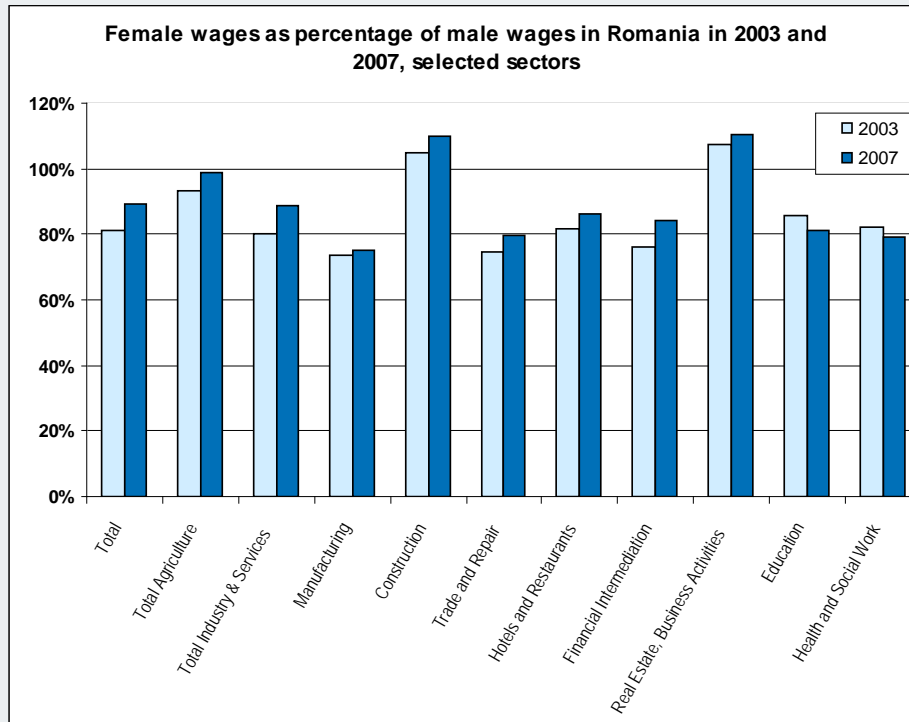
Vertical segregation. Despite their similar level of education, vertical segregation places women in positions of lower status and with fewer promotion opportunities than men.

³ Musiolek, 2002, Barendt et al (2005)

⁴ Velichko (2002)

Box 8 Wage equality in Romania

Gender wage inequality persists in Romania despite the fact that women tend to have higher levels of education. On average, women's wages were 11 per cent lower than those of men in 2007 with the wage gap differing substantially by sector. Significant discrepancies still exist in manufacturing, trade and repair, education, health and social work. Yet there are some sectors where women's higher education does seem to pay off, notably in real estates and business activities, where women are underrepresented in numbers (according to LABORSTA data, they make up about 40 per cent of the employed in this sector) but earn on average more than men. Overall, between 2003 and 2007, the wage gap has narrowed slightly.



Source: calculated from the data of LABORSTA, ILO

In most transition countries, the share of female students in tertiary education is higher than the share of men (Annex, Table 4). Yet women work in less dynamic and lower paid positions. In all transition countries, women's share among legislators, senior officials and managers was low in 2006, around 30 per cent on average, and has virtually not changed since 1995. It ranged from 25 per cent in Serbia to maximum 41 per cent in Latvia. At the same time women are overrepresented among clerks, secretaries and cashiers: 80 per cent in Lithuania, 90 per cent in Russian Federation, 82 per cent in the Republic of Moldova, and 74 per cent in Kyrgyzstan (Annex, Table 2).

Vertical gender segregation can be illustrated by the situation in the Czech Republic (Figure 2). The left panel illustrates the share of women in the nine occupational

groups⁵ in 2007. Not surprisingly, with roughly 25 per cent, women are clearly underrepresented in the group of plant and machine operators (group 8), while being overrepresented in the group of clerks (75 per cent, group 4) or in elementary occupations (60 per cent, group 9). Concerning the group of legislators, senior officials and managers, a share of just below 30 per cent does not seem too bad at first, however, as the right panel of Figure 2 shows, disaggregating the numbers to several subgroups reveals a pattern of concentration of women in the less prestigious jobs within an occupational group (unfortunately, data is only available for 2000). Within the managerial group (1a-d), women were not

⁵ Occupational groups are defined according to the international Standard Classification of occupations (ISCO-88).

present among directors and chief executives in 2000, and their share among managers did not exceed 32 per cent. For teaching professionals (2a-d), the picture was even more striking. In higher education establishments only 33 per cent of professionals were women, while in secondary education 70 per cent of teachers were female, which rocketed to 89 per cent in primary and pre-primary education.

The example of the Russian Federation shows that even within the higher education sector, a striking segregation between “female” and “male” jobs exist (Figure 3). Rather than being full professors, women are more likely to be senior lecturers or lecturers and assistants. With regard to administration, the higher the position, the lower the share of women, down to only 8 per cent in the position of rectors of higher education institutions.

The civil service in the Russian Federation is another striking example of vertical segregation. While women considerably outnumber men among civil servants, they are concentrated on the lower rungs of the administrative ladder with most top management positions being occupied by men, i.e., women account for 88 per cent of junior employees and only 12 per cent of top managers.⁶ Furthermore, in virtually all transition countries the share of women is increasing in the public sector, which is

Box 9 Women’s outward processing trade relationships

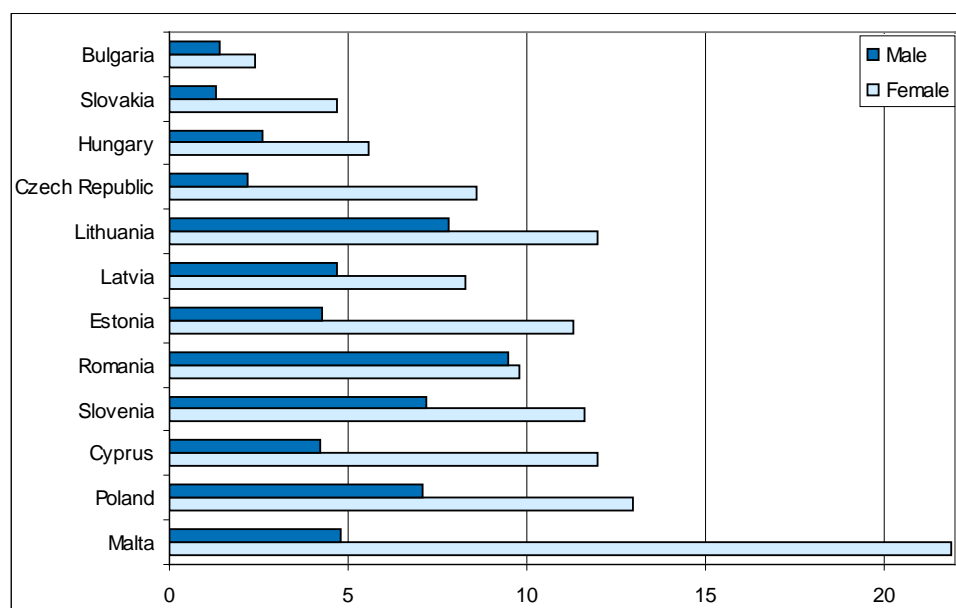
Informal subcontracting arrangements with West European companies in the textile or garment industries have become common, particularly in South-East Europe. As part of the “Outward Processing Trade” or subcontracting relationship, raw materials or intermediary products in apparel, sportswear and footwear, are exported from Germany or Italy to Bulgaria or Romania, where they are partially processed by low-paid workers, and re-imported as intermediary products for high-paid German or Italian workers to finish. The subcontracted worker, generally a woman, works in her home or an informal sweatshop, is remunerated on a “piecework” basis, and is treated as an independent contractor with no obligation for the EU-based company to provide benefits, social protection or job security.

Source: Musiolek (2004)

characterized by much lower salaries and a higher risk of unemployment than in the private sector.

The gender pay gap is also an indicator of labour market segregation, as it shows whether women are on average paid less than men. It is calculated as the difference between average earnings of male employees and female employees as a percentage of earnings of male

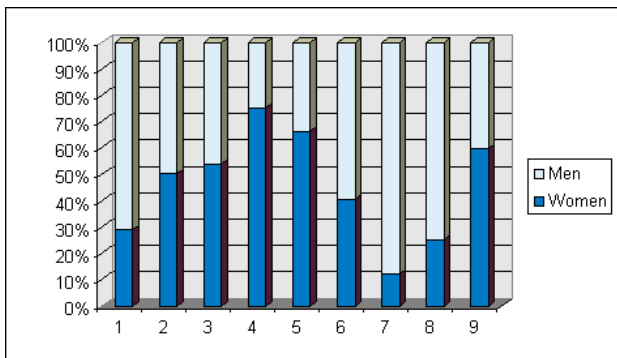
Figure 1 Share of men and women in part-time employment in new EU members, 2006 (per cent)



Source: ECE Gender Statistics

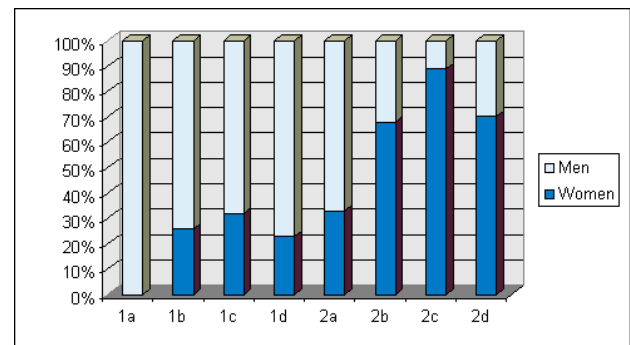
⁶ Mezentseva and Kapustin (2005)

Figure 2: Vertical segregation of labour in selected occupations in the Czech Republic, 2007



1 – Legislators, senior officials and managers; 2 – Professionals; 3 – Technicians and associate professionals; 4 – Clerks; 5 – Service Workers and shop and market sales workers; 6 – Skilled agricultural and fishery workers; 7 – Craft and related trade workers; 8 – Plant and machine operators and assemblers; 9 – Elementary occupations

Source: calculated based on ECE gender statistics database.



1a – Directors and chief executives; 1b – Production and operations managers; 1c – Other specialist managers; 1d – Managers of small enterprises; 2a – College, university and higher education teaching professionals; 2b – secondary education teaching professionals; 2c – primary and pre-primary education teaching professionals; 2d – special education teaching professionals.

employees. This indicator is not fully comparable across countries, due to differences in methodologies for collecting data and calculating the pay gap.

However, the available data clearly indicate some interesting points. Firstly, the gender pay gap is a problem for all countries of the ECE region, both developed and developing. In transition countries, the best situation is in Slovenia, where the gender pay gap is 8 per cent (compared for example to 15 per cent in EU-27). The gender pay gap seems to be the highest in the Russian Federation (35.5 per cent) and in the countries in Central Asia and the Caucasus, where it ranges from 33.4 to 56.8 per cent.

The gender pay gap within countries demonstrates mixed trends over time. A comparison between 1995 and 2005 shows that in some countries, the gender pay gap is narrowing (Hungary, Lithuania, Romania, Slovenia, Armenia), while in others it persists (Estonia, Albania, Croatia, Belarus, Republic of Moldova, Kazakhstan) or even widens (Ukraine, Georgia, Tajikistan, and Kyrgyzstan).

However, the trend showing a narrowing pay gap merits further analysis. It may be related to greater parity of wages in occupations that are already low-paid and dominated by women, such as clerical positions. In contrast, the gender wage gap has grown in well-paid, high-status occupations. In the Czech Republic, according to a 2003 study, the gender wage gap has widened primarily among university-educated workers,

with the largest gap in the highest salary bracket, where women earn only 55 per cent of men's salaries.⁷

C. Reconciliation

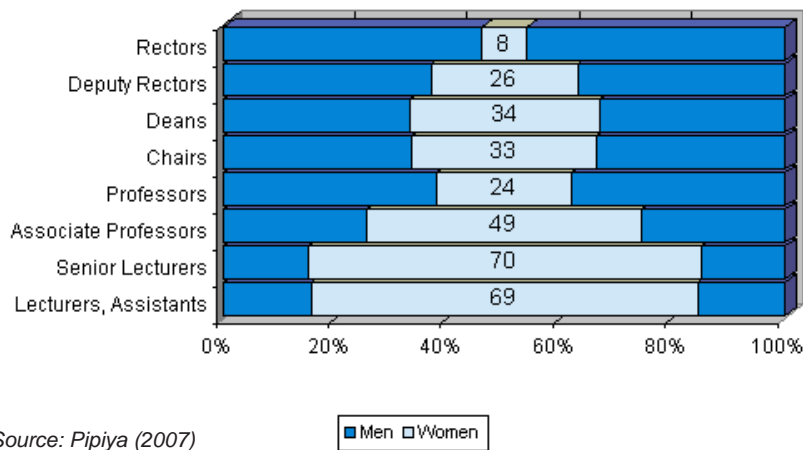
The shift to a market economy has been accompanied by a dismantling of many of the measures that guaranteed job security and helped to reconcile work with family responsibilities. As a result, reconciling work and family has become a problem for most women.

Discrimination. To facilitate enterprise flexibility, regulations on dismissal and social benefits have been relaxed. Women are among those most affected by the erosion of employment protection measures. Current employment protection legislation is often poorly enforced due to institutional weaknesses. The consequences are growing job insecurity, deteriorating employment conditions, and a rise in employer discrimination against women, who are perceived as "more expensive" workers. In the Russian Federation, one survey found that, in 1997, women comprised 32 per cent of total hires but 60 per cent of dismissals for workforce reduction. In 2000, these figures were 32 per cent and 50 per cent, respectively.⁸

⁷ Markosová-Tominová (2003)

⁸ Tchetvernina (2001)

Figure 3 Distribution of administration and teaching staff of higher education institutions by gender (government sector) in the Russian Federation in 2005/2006 (per cent)



Overt gender-based discrimination in the hiring process has also become common as employers wish to avoid the cost of maternity leave and other social benefits more often associated with women workers. Typically job advertisements specify the gender of the applicant, interviewers ask questions about a woman's marital or family status, and some women applicants are even required to have a pregnancy test. Combined with the lack of family support services, policies, such as existed in Hungary, permitting employers to dismiss workers unconditionally after 30 days of absence contribute to job insecurity for working mothers in particular.⁹

The erosion of social benefits, in particular the systematic scaling-back of social services, including those provided through the workplace, and family benefits in all countries of Eastern Europe, Central Asia and the Caucasus, has made it much harder to reconcile full-time employment with family responsibilities. With these cuts, family responsibilities are a growing burden for women both in terms of time and money. Most countries, with few exceptions such as Slovenia, privatized their formerly public kindergartens. As a result, the cost of childcare has soared so that few families can afford it. In Poland, kindergarten fees for two children represent roughly 37 per cent of the average net wage and as much as 74 per cent of the minimum wage.¹⁰

Resurgence of traditional views and attitudes. In a number of countries there is evidence that labour market policies have included measures intended to reduce the labour force by encouraging so-called secondary workers to drop out of the labour market. Such measures have often explicitly targeted women. Examples include generous "pro-natalist" maternity and parental leave benefits such as those in Belarus, Ukraine and Poland.¹¹ However, the situation in Poland has recently started to improve (Box 10).

GAPS AND CHALLENGES

Policy responses to address the decline in women's employability were very limited and had major gaps and challenges. There are, however, good practices from some countries (Box 11). The main challenge is to effectively mainstream gender into active labour market policies and public employment services that are generally weak at a time when there are mixed views on the importance of gender aspects in employment strategy.

A. Access to employment

Beginning in 1990, the countries of Central and Eastern Europe, Central Asia and the Caucasus were confronted with a massive increase in unemployment, which their

⁹ ILO (1998)

¹⁰ Loehman et al (2004)

¹¹ Lohmann and Seibert, eds. (2003)

Box 10 Maternity leave or parental rights? Case of Poland

In Poland, before 1995, only the mother had the right to take parental leave. Since 1995 until the end of 2001, only one of the parents – the father or the mother – was able to take advantage of a parental leave. Since 1 January 2002, the three-month parental leave may be taken by the mother or the father or by both parents or by child's guardians (if they have been working long enough to acquire the rights to such a leave).

Before 2001 women not only had the right to a maternity leave but also were obliged to take it. Since May 2001 (when the Labour Code was amended) a woman can get back to work earlier and can let the father (employee) use the rest of this leave and take care of the baby. The title of this Part VIII of the Labour Code was changed as well from "Protection of women's labour" to "Employee's parental rights". Finally, in 2006, the maternity leave that parents are entitled to was extended from 16 to 18 weeks.

Sources: *Polish Report on the Implementation of the Beijing Platform for Action, 2004 and Fraczkak et al (2007)*

labour market policies and institutions were unequipped to handle. Overwhelmed by the tasks, most countries did not incorporate gender-related issues into their labour market strategies. The bulk of most national employment funds still goes to income support to the unemployed, leaving few resources for active labour market policies (ALMPs) and public employment services (PES), which suffer from poor design and ineffective targeting. There is also little coordination between labour market policy and other areas such as privatization, small and medium-sized enterprises (SMEs), education and social policy. The most effective systems are in Central and Eastern Europe, Croatia and Slovenia. In the countries for Eastern Europe, Central Asia and the Caucasus these institutions are quite weak and as a consequence underused.¹²

The extent to which labour market policies explicitly address women's employability varies across the region. Some countries, such as Poland, the Russian

Federation and Slovenia, do target women in their ALMPs (see Box 12). In Poland, women are included in special policies targeted at groups that find it particularly difficult to get jobs. One of these policies is a demand-side initiative that provides subsidies to employers who hire registered job seekers or people from other target groups. Some countries, such as the Czech Republic, have formally acknowledged gender inequality in their national action plans or employment strategies, but it is rarely accompanied by corresponding plans for implementation.

Concern about gender equality is also seen in some countries in Central Asia and the Caucasus. In Kazakhstan and Kyrgyzstan, improving women's employability is included in national plans for employment strategies. There are also pilot programmes supporting women's self-employment through micro-credit schemes and other measures.

Box 11 Women as active participants of employment programmes in Bulgaria

The Ministry of Labour and Social Policy of Bulgaria includes in the National Action Plans on Employment a number of programmes and projects focused on equal opportunities for men and women.

Women participate actively in these programmes and measures, related to employment and training. In 2006, about 160,000 women enjoyed job mediation assistance by the National Employment Agency (56 per cent of all participants). Out of these, 56,390 have worked under the programme "From Social Assistance to Employment". Furthermore, 617 women were involved in the programme "Assistance for Retirement" targeting the problem of insufficient service credits to qualify for retirement, and 615 women have started their own businesses, using credits from Guarantee Fund for Microcredits (data from 2003).

Over 300 women participated in the special programmes designed for women "Back to Work" and "Stimulating the individual economic activities of women, related to child care". Women participate very actively in training courses – 23,969 women were enrolled in training programmes in 2003 and 12,315 graduated from professional qualification programmes.

Sources: *Bulgarian Employment Agency data and Report on the Implementation of the Beijing Platform for Action*

¹² Nesporova (2002), Nesporova and Cazes (2007)

Box 12 Programme for women's professional promotion in Slovenia

The programme for women's professional promotion was launched and financed by the Ministries of Labour, Family and Social Affairs, Commerce, and Small Business and Tourism, as well as the Employment Bureau, and is implemented by JAPTI, the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments.

The ultimate aim of the Programme is to improve women's employability and improve gender equality at the workplace and in society. Its services target specific groups of women: women entering the labour market for the first time, especially young women with low or inadequate education, or those who are interested in self-employment, women returning to the labour market, self-employed women, and women with growing companies.

In coordination with the national business association, the programme provides an information centre for women. The centre can be accessed by phone, in person or online and offers information and guidance related to job seeking, self-employment and economic issues. It also provides training and co-financing for activities and projects addressing women's employability at the local and regional levels, including motivational workshops and training in areas such as handicraft production, farm tourism and computer literacy.

Source: Kisselyova (2004) and JAPTI website <http://www.japti.si/home>

In general however, programmes addressing women's employability are few. Furthermore, as funding for ALMPs is limited, programmes for women are often the first to be cut or scaled back in difficult times.

B. Job quality

Faced with massive unemployment, countries focused on limiting the number of unemployed and paid scant attention to job quality. Their policies were usually little coordinated with reforms in education, including adult education. The former system of adult education financed by the State budget collapsed. In most countries the newly emerging market-based system of lifelong learning is expensive and there is no established system to control its quality. Another problem is the concentration of adult education, such as language courses or computer classes, in large cities leaving rural areas and small towns behind.

There is also a question of who should take a lead in initiating policies to improve the quality of women's jobs. In most of Western Europe the public sector is the mainstay of women's quality employment and provides a model for the private sector. Public sector employment in the countries of Eastern Europe, Central Asia and the Caucasus, on the other hand, is underpaid and insecure, with employees often seeking secondary earnings in the informal sector.

Generally, transition countries do not address the negative aspects of part-time and other forms of atypical work contracts. It is assumed that flexibility is an integral part of the market economy and the gender dimension is largely neglected. Moreover, the lack of information on the changes in the quality of women's jobs makes

it harder to include this problem in policies addressing women's employability.

The main challenges are therefore to raise awareness of the problems related to the quality of women's jobs among all stakeholders including governments and the private sector. There are good practices in North America and Western Europe in lifelong learning, closing the pay gap, addressing the segregation of women's jobs and removing the "glass ceiling", as well as policies facilitating the move between part-time and full-time jobs, that are worth emulating.

C. Reconciliation

Most countries of Eastern Europe, Central Asia and the Caucasus have engaged over the past decade in social security reforms, including family benefits and pensions. Although social security is the key to reconciling workplace with family responsibilities, gender equality has only been a marginal concern in the reform process. Furthermore, "special protection" measures for pregnant women and mothers without well-enforced anti-discrimination measures can be counterproductive and intensify employer discrimination against women. The consequences of the lack of gender sensibility in social security reforms have been discussed in a number of countries, mostly at the initiative of NGOs.¹³

The main challenge is to make the measures more gender-sensitive, and to combine them with more consistent and uniform enforcement of anti-discrimination legislation, as

¹³ See also S. Steinhilber, *Gender Aspects of Social Security and Pensions*, in this publication

well as with measures promoting a more equal division of family responsibilities. One good practice illustrating a more gender-sensitive approach comes from Estonia, which in 2001 implemented a policy of identifying and publicizing the top 30 "family-friendly" companies in the country.¹⁴

In general, neither job creation nor gender equality goals are well integrated into other policy areas, such as taxation, education and social policy. In many countries, the educational system does not adequately provide students with the skills needed on the current labour market. Macroeconomic, industrial and investment policies, often designed to attract foreign investment and foreign businesses, do little to counter the perception that labour standards in these countries are more lax.

INSTITUTIONAL ENVIRONMENT

Since 1995, countries have improved their legislative framework for gender equality and adopted new laws. The most significant progress has been made during the accession process by the new members of the European Union. Employment policies in the EU incorporate a gender perspective and the 2004 review of the Lisbon Strategy¹⁵ affirmed the need to take urgent measures to promote employment, the quality of employment and social inclusion of women. It also expresses concerns about the continuing disparities between women and men, particularly with regard to the pay gap, access to

employment, segregation on the employment market, and access to post-university education, lifelong training, new technologies and the information society and calls on the Member States to undertake measures which would guarantee women better opportunities on the labour market.

The EU policy of equality between men and women provides impetus for neighbouring countries through European Neighbourhood Policy instruments (Box 13).

In most countries, civil society has taken the lead in raising awareness and lobbying for measures addressing women's employability.

A. Equality legislation and institutions

While most countries in the region have some form of anti-discrimination and equal opportunity legislation, few have effective mechanisms to monitor and enforce it. Similarly, nearly every country now has a national body that is responsible for policies related to gender or women's issues and for coordinating the mainstreaming of gender equality into all policy areas. In Central Asia and the Caucasus, they were established in the late 1990s. Yet, many struggle to have an impact on decision-making, because of a lack of money and political commitment. Furthermore, as they are often departments of women and family within ministries of social affairs, they are vulnerable to being politically marginalized and viewed as having narrow mandates related primarily to

Box 13 The impact of EU equal opportunities policy on non-EU countries

The gender equality policies of the European Union have encouraged a rapid change in the countries in the process of accession (see Box 14) and promote gender equality through EU external relations.

In 2004, the Commission presented its Strategy Paper on The European Neighbourhood Policy (ENP) to strengthen the Union's relations with the countries that do not currently have the perspective of membership of the EU.

Under the ENP, the partners benefit from the prospect of closer economic integration with the EU, in return for concrete progress demonstrating shared values and effective implementation of political, economic and institutional reforms, including in aligning legislation with the acquis. The ENP Action plans include the requirement to continuing efforts to ensure the equality of men and women in society and economic life. Among the countries of the ECE region, Armenia, Azerbaijan, Georgia and Moldova have already made commitments to gender equality as a part of their ENP Action Plans.

As part of its report on implementation, in December 2006 the European Commission made proposals on how to further improve this policy, which are summarized in the document "Strengthening the ENP". Suggestions include to strengthen civil society organizations aiming at, e.g., women's rights in the partner countries.

Source: *European Neighbourhood policy documents*, available at http://ec.europa.eu/world/enp/documents_en.htm

¹⁴ Human Development Report.Estonia, UNDP 2001

¹⁵ European Parliament resolution on the future of the Lisbon Strategy from the point of view of the gender perspective (2004/2219(INI))

Box 14 The impact of EU accession on gender related policy: the case of Bulgaria and Romania

In the EU, the equal opportunities approach has risen since the agreement at the Luxembourg summit in 1997 to include strengthening equal opportunities between women and men as the fourth pillar of the employment guidelines, and the inclusion of a new guideline on gender mainstreaming in 1999. The European employment strategy is based on the "open method of coordination" which allows Member States to develop policy programmes appropriate to their particular situation but according to agreed common guidelines.

Further impetus for equal opportunities was provided by two commitments made at the 2000 Lisbon summit: first to include a specific target for the female EU employment rate of 60% by 2010, and second to require Member States to expand childcare provisions.

Countries that joined the EU made progress toward equality between women and men, as they were required to ensure strict enforcement of legislation and to put in place adequate administrative and judicial systems. Monitoring the transposition, implementation and enforcement of the EU gender equality legislation is an EU priority for future enlargement processes.

The EU accession has prompted Romania and Bulgaria to comply with the *acquis communautaire* of the EU on such issues as equal treatment, equal pay, access to work and training, social security, working conditions for pregnant women, parental leave and burden of proof in a discrimination case.

Romania adopted the Law on Prevention of All Forms of Discrimination and passed the Law on Equal Opportunities for Women and Men. Legislators later amended the Constitution to include a guarantee of equal opportunities for men and women. In Bulgaria, the new Labour Code and the Law on Protection Against Discrimination protect women employees. In July 2006 the Council of Ministers of Bulgaria adopted a Decision for approval of the Draft Law on Equal Opportunities for Women and Men, submitted by the Minister of Labour and Social Policy.

The table below illustrates some changes in the Bulgarian and Romanian legislation aimed at convergence with EU directives. Despite progress, both countries still need to make improvements in gender and employment legislation to comply fully with EU legislation.

EU Directives	Bulgaria	Romania
<i>Equality between women and men and non-discrimination based on sex</i> Community Act, Articles 2, 3 and 13; Title XI in Treaty of Amsterdam	Law on Protection Against Discrimination DV ^a No. 86/30.09.2003 New Labour Code DV No. 52/18.06.2004	New Constitution 429/2003, Articles 4(2),38 (4) MO ^a No. 758/29.10.2003 Law 48/2002 on the Prevention and Sanction of all Forms of Discrimination MO No. 69/30.01/2002 Law 501/2004 amending Law 202/2002 MO No. 329/16.04.2004
<i>Equal treatment regarding access to employment, vocational training, promotion and working conditions</i> European Parliament Directive 2002/73/EC	New Labour Code Supplementary Provisions No. 1 and 7 DV No. 52/18.06.2004	Law 202/2002 MO No. 301/08.05.2002 Law 53/2004 amending Labour Code MO No. 72/05.02.2003
<i>Equal pay</i> Council Directive 79/7/EEC of 19 Dec. 1978	Labour Code, Article 234 DV No. 25/03.16.2001	Law 202/2002 MO 301/08.05.2002
<i>8. Parental leave</i> Council Directive 96/34/EC of 3 June 1996	New Labour Code, Articles 163-166, 167 DV No. 52/18.06.2004	Law 25/2004 MO 214/11.03.2004 Law 202/2002 MO 301/08.05.2002

^a Durzavhen Vestnik (DV) and Monitorul Oficial (MO) are the Bulgarian and Romanian official bulletins on bills and legislation, respectively.

Source: Grozav (2005)

supporting women's roles as mothers. Most progress has been made by the acceded countries (Box 14).

Relatively few countries have passed additional gender-specific anti-discrimination or equal opportunity legislation. Lithuania's 1999 Law on Equal Opportunities was the first of its kind in Central and Eastern Europe (see Box 15). Where such measures do exist, they are often vague, lack clear implementation mechanisms and are therefore poorly enforced. Often mechanisms for ensuring compliance are removed by Parliament. A case in point is Estonia's 2002 Gender Equality Bill, whose implementation is overseen by a commission that can only make recommendations instead of by an ombudsman whose decisions are legally binding and who has the authority to fine the discriminating party, as originally proposed.¹⁶ A common argument is that specific legislation against gender-based discrimination is redundant because there is already more generic anti-discrimination legislation. In the Russian Federation, a similar draft law was discussed in the Duma for several years before being passed in 2003.

B. Equality legislation in the labour market

Employment protection clauses in labour legislation and separate equal opportunity legislation provide legal guarantees for gender equality in labour markets. Current labour legislation in the region rarely uses overtly discriminatory language against women, but the clauses intended to guarantee gender equality are often weak and poorly enforced. For example, Bulgaria's Labour Code spells out the right to "equal pay for equal work." However, in 1992, the clause extending this right to work of *equal value* was eliminated as incompatible with free market principles (although both the United States and Canada have developed pay equity policies based on this concept of "equal value"). In 2001, the *equal value* wording was reinstated, but the Government has taken few concrete steps to enforce this measure.

At the same time, special measures designed to protect women in their roles as mothers (generous maternity and parental leave benefits, etc.) remain on the books. Although seldom enforced, these types of special protections contribute to employers' perceptions of women as "more costly" to employ. Women also suffer from the general poor enforcement of labour laws that results in exploitation, particularly in informal,

Box 15 Improving coordination between gender equality and other policies

To better coordinate gender equality and other policy areas nationwide and to change the perception that gender is an isolated issue unrelated to other policy areas, formal structures and processes for dialogue and cooperation across government institutions can be adopted. Such structures can take various forms.

One example is the permanent Inter-Institutional Commission on Issues of Equal Opportunities for Women and Men, established by the Lithuanian Government in 2000. It is made up of representatives from all government ministries as well as several departments. Its mission is to coordinate the implementation of gender mainstreaming and measures promoting gender equality in the activities of all national institutions. This body exists in addition to the Labour Market and Equal Opportunities Division within the Ministry of Social Security and Labour.

Source: Kanopiene (2006)

non-standard employment arrangements. There are, however, some good practices (Box 16).

Countries across the region are revising their legislation in accordance with international standards for addressing gender equality. In particular the new members of the European Union are doing so within the context of harmonizing their legal frameworks with EU laws (Box 17).

C. The role of civil society

NGOs, women's business associations and other civil society groups have taken an active role in promoting women's employability as lobbyists and advocates as well as direct service providers. Many of them work directly with the most disadvantaged women (including poor women, rural women and home-based workers), providing training and supporting self-employment opportunities. Some trade unions have also begun to put the needs of women and informal workers on their policy agendas.

Regional networks and coalitions play an important role in fostering regional dialogue on women's employability. The KARAT Coalition, established in 1995, consists of NGOs and individuals from 18 countries in Central and Eastern Europe, the Baltic States, Central Asia and the Caucasus. It monitors the implementation of international agreements and lobbies for gender equality including in the area of economic justice. In 2003, it completed a series of analyses on the impact of EU accession on

¹⁶ From the Estonian Women's Studies and Resource Centre 2002 newsletter, online at www.enut.ee

Box 16 Law enforcement mechanisms in Lithuania

Concrete mechanisms for monitoring and enforcing are critical to ensure the effectiveness of gender equality legislation. Locating these mechanisms within the existing machineries for gender equality can make these institutions more effective too. Lithuania has adopted the Scandinavian approach by setting up an Office of Equal Opportunities Ombudsman. As an independent government institution responsible for monitoring and enforcing Lithuania's Law on Equal Opportunities, the Ombudsman investigates cases of discrimination and imposes penalties. By 2003, 218 complaints had been brought before the Ombudsperson and 53 investigations had been conducted on its own initiative. In 2000, out of the 25 cases that had been brought before the Ombudsman, 22 were related to discrimination in employment.

Source: Kanopiene (2006), *First Periodic Report on the implementation of CEDAW in Lithuania (2004)*, Mackeviciute (2005)

women's labour market status in Central Europe with policy recommendations on how to improve women's employability.¹⁷

The chapter on Central and Eastern Europe of the International Confederation of Free Trade Unions (ICFTU/CEE) has established a women's network to facilitate regional dialogue and cooperation among female trade union members on women's employment and social status. One of its priorities is to address the growing casualization of labour relations and its impact on women.¹⁸ Another regional network actively promoting actions addressing women's employability is the Network of East West Women, based in Gdansk (Poland), which has members from over 25 countries in Eastern Europe, Central Asia and the Caucasus.

National and local NGOs. Within individual countries, a wide range of women's NGOs concentrate on women's employability. Many have also initiated independent research on women's socioeconomic and labour market status in their countries and region. The Bulgarian Gender Research Foundation has conducted research on the gender implications of privatization and women's situation in the labour market. A coalition of NGOs in Serbia and Montenegro conducted research on women's status in the economy and the labour market, entitled

"Economic Empowerment for Women." Their final report included recommendations for the establishment of a labour commission for equal employment opportunities, the creation of a provision in the labour code prohibiting gender-based discrimination, and the definition of mechanisms for implementing and enforcing this provision within State employment bureaux.¹⁹

The need for statistics. One of the points that is frequently raised by NGOs across the ECE region is the need for reliable gender-disaggregated statistics, especially from parts of Europe where gender-sensitive indicators are less available, such as the South-East, and on issues which are not conventionally included in data collection efforts, for example on domestic, unpaid, and informal work.²⁰

The need for dialogue. Given that policy aimed at improving women's employability concerns many different players, such as policymaking institutions, NGOs and academics, there is a strong need for an effective dialogue between them. Often there is not enough exchange between the three, although their aims might be similar, and as a consequence the potential for effective improvements in women's labour market

Box 17 The impact of EU accession on progress in the legislative framework

In 2001, the Czech Labour Code was amended to include specific guarantees of equal treatment of women and men at work and in the hiring process. In 2002, the Lithuanian Parliament amended the Law on Equal Opportunities for Men and Women to allow temporary "positive discrimination" in the form of affirmative action for women and to prohibit employers from asking applicants about age, marital status, private life, or family plans. The accession countries were also required to report on the implementation and monitoring of such legislation in the context of compliance with EU-wide strategies such as the Lisbon Strategy and the European Employment Strategy (in particular the fourth pillar on gender equality). The changes in the legislation in new member countries could have a positive impact also on non-accession countries, many of which are also introducing laws on equal opportunities, or specific language about gender equality into labour legislation. However, they often have fewer resources and less political will to fully implement these measures.

Source: Marksová-Tominová (2003) and Steinhilber (2002).

¹⁷ The project was called "Gender and economic justice in European accession and integration" and was funded by UNIFEM.

¹⁸ ICFTU, November 2002 newsletter.

¹⁹ Zakic in ECE 2004

²⁰ See A.Me, *Challenges for Gender Statistics*, in this publication

position is often not fully used. Finally, more dialogue between interest groups seeking to establish effective policy and between women themselves would improve women's employability and job quality.²¹

AREAS FOR FURTHER ACTION

Promoting women's employability is a priority in all countries of Eastern Europe, Central Asia and the Caucasus to meet the commitments of the Beijing Platform for Action and the conclusions of the five- and ten-year reviews of its implementation.

A review of the situation indicates that efforts to improve women's employability are restricted by the limited capacity to enforce and implement norms and policies and by the poor coordination among policymakers, with labour market policies showing little interest in gender concerns.

A. Establishing an effective legislative framework

The following actions could be considered:

- In some countries, it may be necessary to *strengthen the actual scope and content of policies and legislative frameworks*. Revisions of vague or insufficient worker protection or anti-discrimination legislation, as well as the passage of specific legislation guaranteeing equal opportunities for women and men, may be needed;
- Such legislation is most effective when it is accompanied by *concrete mechanisms for enforcing it*. Whereas in many countries the national machinery on gender equality has only consultative or advisory status, these bodies need the power to enact measures addressing gender inequality and to enforce compliance with anti-discrimination legislation;
- *Formal mechanisms for national coordination* between gender equality and labour market policies and other policy areas are also essential. Gender- and labour-related concerns need to be addressed by other government ministries and in the context of national policy discussions about issues such as attracting foreign business and investment and education reform. Better coordination is essential to ensure that the resulting policies preserve labour

standards even while making the business climate more favourable for foreign companies, and create an education system that prepares women and men adequately for the demands of today's labour market.

B. Mainstreaming gender into labour market policies and their implementation

The following actions could be considered:

- Active labour market policies should include *specific measures that are targeted explicitly at women* and that address the needs of the female labour force, for instance training for women in non-traditional and "high-growth" sectors, training and job counselling programmes that address gender-specific barriers (for example by providing childcare), and programmes that target particularly vulnerable women (for example, rural women, older women, who are more likely to have outdated skills, and women returning to the workforce after maternity leave);
- The gender sensitivity of specific labour market policies should be reviewed, especially regarding the issue of balancing work and family. This applies particularly to parental and family leave benefits, which are currently perceived as an "exclusively female" domain in many countries – if not de jure, then de facto. Measures to promote a "family-friendly" workplace and gender sensitivity in employers' personnel policies also improve the gender sensitivity of the labour market;
- *Statistical data* about women's and men's current status on the labour market and the nature of the barriers to their employment opportunities are fundamental to the development and implementation of policies to improve women's employability. To be successful, many of the mechanisms and tools outlined in this chapter require both access to, and the ability to collect, relevant data. The collection and analysis of indicators measuring women's participation in ALMPs depend on the ability to collect reliable, gender-disaggregated data on a regular basis.

C. More inclusive labour market policies

The following actions could be considered:

- *Increased funding* for public employment services, particularly in countries of Eastern Europe, Central

²¹ Fodor (2002)

Asia and the Caucasus, so that they can respond to current needs but also address constraints outside the labour market that affect access to employment. For women this might entail the inclusion of strategies addressing the availability of childcare in active labour market policies and in PES. Another example is the lack of housing in areas with higher job growth, thus limiting labour mobility;

- *Monitoring and evaluation* of PES and ALMPs provide valuable information about the effectiveness of these programmes in general, and their ability to meet the needs of women in particular. Expanding the use of such monitoring and evaluation mechanisms would make policymakers and PES more responsive to the needs of the unemployed and, in particular, address the issue of differential participation in, and impact of, ALMPs (e.g. by women versus men);
- *Linkages between PES and other local institutions*, such as chambers of commerce, NGOs and trade unions, will improve knowledge about the needs of different unemployed or underemployed groups and expand opportunities for multi-stakeholder partnerships to address these needs. In areas where women are underrepresented among PES participants, alliances with women's NGOs may be particularly useful in improving these institutions' ability to target women;
- Addressing the issue of the *inclusivity* of labour market policy, especially regarding informal and non-standard work arrangements. In the current economic conditions, small-scale informal economic activity is frequently a survival strategy, especially for women. The policy debate largely focuses on the illegal aspects of the informal economy, while the key point is to address the needs of poor informal women entrepreneurs and workers, and to improve working conditions for part-time, non-standard and informal workers and expand their access to decent work;
- *Public awareness campaigns about labour standards* are another useful tool for raising the visibility of all workers, particularly women, in informal and other non-standard employment arrangements. Again, civil society can contribute to these activities.

References

- Barendt, Regina, Kerstin Ewald, Vanja Lesić, Katerina Milenkova, Bettina Musiolek, Danica Pop-Mitić, Bilge Seckin and Tim Zülch. 2005. *Workers' Voices: The Situation of Women in the Eastern European and Turkish Garment Industries*. Clean Clothes Campaign, Evangelische Akademie Meißen.
- Bulgaria, National Report, UN Questionnaire to Governments on Implementation of the Beijing Platform for Action (1995) and the Outcome of the Twenty-Third Special Session of the General Assembly (2000). Available at <http://www.un.org/womenwatch/daw/Review/english/responses.htm>
- Bulgarian Employment Agency. Information on Unemployment and Employment Promotion Measures. Bulletin 2006.
- Cazes, Sandrine, and Alena Nesporova. 2003. *Labour Markets in Transition: Balancing Flexibility and Security in Central and Eastern Europe*. Geneva, Switzerland: ILO.
- Chetvertina, Tatyana and Liana Lakunina. *Women and Labour Market Reform in Russia*.
- Esim, Simel. 2001. "Women's Informal Employment in Central and Eastern Europe." Prepared for UN Division for the Advancement of Women's Expert Group Meeting on "Empowerment of women throughout the lifecycle as a transformative strategy for poverty eradication." New Delhi, India, November 2001.
- European Chambers' Women Network. 2003. *Best Practice For Support Of Women Interests In European National And Regional Chamber Organizations*. Unpublished document. (Posted to KRUG/Poduzetna listserv 18 February 2003).
- European Commission. 2006. *Report on equality between women and men*, Luxemburg: European Communities
- European Parliament resolution on the future of the Lisbon Strategy from the point of view of the gender perspective (2004/2219(INI)), available at <http://www.europarl.europa.eu/webnp/webdav/site/myjahiasite/users/jriobot/public/Lisbon%20Strategy%202007/EP%20Resolution%20on%20gender%20perspective.doc>
- EUROSTAT. 2003. *Labour Force Survey Principal Results 2002: Acceding Countries*. Statistics in Focus, Theme 3: Population and Social Conditions. 16/2003.
- Fratczak E., M.Kulik, M.Malinowski and E.Slotwinska-Roslanowska. 2007. Paper from the conference RECOWE, Warsaw 2007 on Legal Regulations Pertaining to Children and Family in Poland
- Fodor, Eva 2002 "Introduction: Gender and the Experience of Poverty in Eastern Europe and Russia After 1989." *Communist and Post-Communist Studies* 35 (December): 369-382.
- Human Resources Development Canada. 2002. *Gender Equality in the Labour Market: Lessons Learned*. Evaluation and Data Development Directorate, HRDC.
- ILO. 2002. *Decent Work in the Informal Sector: CEE/CIS Region*. Geneva, International Labour Office.
- ILO. 1998. *Women in the World of Work: Women Workers' Rights in Hungary*. Budapest: ILO: Central and Eastern European Team.
- Kanopiene, Vida. 2006. *Equal Participation of Women and Men in Decision-Making Processes, with Particular Emphasis on Political Participation and Leadership*. Written Statement submitted to the Commission to the Status of Women, 50th Session, New York 2006
- Kisselyova Oxana. 2004. *Achievements, gaps and challenges in the implementation of the Beijing Platform for Action in Central and Eastern Europe and the Commonwealth of Independent States*, New York, UN DAW
- Kyrgyzstan, National Report, UN Questionnaire to Governments on Implementation of the Beijing Platform for Action (1995) and the Outcome of the Twenty-Third Special Session of the General Assembly (2000). Available at <http://www.un.org/womenwatch/daw/Review/english/responses.htm>
- Kwiatkowski, Eugeniusz, et al. 2001. *Labour Market Flexibility and Employment Security: Poland*. Employment Paper 2001/28. Geneva: ILO.
- Lithuania, National Report, UN Questionnaire to Governments on Implementation of the Beijing Platform for Action (1995) and the Outcome of the Twenty-Third Special Session of the General Assembly (2000). Available at <http://www.un.org/womenwatch/daw/Review/english/responses.htm>
- Lohmann, Kinga and Anita Seibert, eds. 2003. *Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in CEE: National Study: Poland*. Warsaw: KARAT Coalition.
- Mackeviciute, Ingrid. 2005. *Equal Opportunities for Women and Men – Monitoring Law and Practice in Lithuania*. New York: Open Society Institute – Network Women's Program.
- Marinova, Jivka, and Mariya Gencheva, eds. 2003. *Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in CEE: National Study: Bulgaria*. Sofia: Bulgarian Gender Research Foundation.
- Marksová-Tominová, Michaela, ed. 2003. *Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in CEE: National Study: Czech Republic*. Praha: Gender Studies, o.p.s.
- Mezentseva, E.B. and A.K.Kapustin. 2005. *Russia's Accession to the WTO: Assessment of Gender Implications*. Ottawa: Center for Trade Policy and Law.
- Musiolek, Bettina. 2002. *Decent Work in the Informal Sector: CEE/CIS Region*. Employment Paper 2002/7. Geneva: ILO.
- Musiolek, Bettina. 2004. *Made in...Eastern Europe: The new 'fashion colonies'*. Tübingen: Terres des Femmes e.V.
- National Human Development Report. 1999. Russian Federation. Moscow: UNDP.
- Nesporova, Alena and Sandrine Cazes. 2007. *Flexicurity: A Relevant Approach in Central and Eastern Europe*. Geneva: ILO.
- Nesporova, Alena. 2002. "Why Unemployment Remains So High In Central and Eastern Europe." *Employment Paper 2002/43*. Geneva: ILO.
- Nesporova, Alena. 1999. *Employment and Labour Market Policies in Transition Economies*. Geneva: Employment and Labour Market Policies Branch, ILO.

- O'Leary, Christopher, Alena Nesporova, and Alexander Samodorov. 2001. Manual on evaluation of labour market policies in transition economies. Geneva: ILO.
- Paci, Pierella. 2002. *Gender in Transition*. Washington DC: World Bank.
- Pipiya, Liudmila. 2007. *Gender Aspects in the Russian S&T – Statistical Trends*. Presentation for the INWES Regional Symposium on Women Scientists and Engineers in New EU Countries and Eastern Europe in Wroclaw, Poland, 2-4 July 2007. Available at <http://csds-ras.ru/publication/docs/pipiya/Wr-Pipiya.pdf>
- Poland, National Report, UN Questionnaire to Governments on Implementation of the Beijing Platform for Action (1995) and the Outcome of the Twenty-Third Special Session of the General Assembly (2000). Available at <http://www.un.org/womenwatch/daw/Review/english/responses.htm>
- Ruminska-Zimny, Ewa. 2002a. "Gender Aspects of Changes in the Labour Markets in Transition Economies, Issue Paper for Geneva, United Nations
- Ruminska-Zimny, Ewa. 2002b. "Women's Entrepreneurship and Labour Market Trends in Transition Countries." "Women's Entrepreneurship in Eastern Europe and CIS Countries". Series: Entrepreneurship and SMEs. Geneva: United Nations.
- Slovenia, National Report, UN Questionnaire to Governments on Implementation of the Beijing Platform for Action (1995) and the Outcome of the Twenty-Third Special Session of the General Assembly (2000). Available at <http://www.un.org/womenwatch/daw/Review/english/responses.htm>
- Steinhilber, Silke. 2002. *Women's Rights and Gender Equality in the EU Enlargement: An Opportunity for Progress*. WIDE Briefing Paper.
- Tchetvernina, Tatiana, et. al. 2001. "Labour Market Flexibility And Employment Security: Russian Federation." Employment Paper 2001/31. Geneva: ILO.
- UNDP. 1999. *National Mechanisms for Gender Equality and the Advancement of Women in Transition Countries (Central and Eastern Europe and the CIS)*. Paper prepared for the Regional Preparatory Meeting on the 2000 Review of Implementation of the Beijing Platform for Action, Geneva, 19-21 January 2000.
- UNDP. 2005. *Human Development Report: International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World*. New York: Oxford University Press.
- ECE. 2003. *Economic Survey of Europe 2003*. No. 1. Geneva and New York: United Nations.
- ECE. 2002. *Economic Survey of Europe 2002*. No. 1. Geneva and New York: United Nations.
- ECE. 1999. *Economic Survey of Europe 1999*. No. 1. Geneva and New York: United Nations.
- UNIFEM. 2006. *The Story Behind the Numbers: Women and Employment in Central and Eastern Europe and the Western Commonwealth of Independent States*, Bratislava: UNIFEM.
- Velichko, Liudmila I. And Gortenzia M. Romanenkova. 2002. "Skills Training For Decent Work In The Informal Sector Of The North-West Region Of Russia (St. Petersburg and the Leningrad Region)" ILO Working Paper on the Informal Economy InFocus Programme on Skills, Knowledge, and Employability. ILO: Geneva
- Verme, P. 1998. *Unemployment, Labour Policies, and Health in Transition: Evidence from Kazakhstan*. Helsinki: World Institute for Development Economics Research (UNU/WIDER).

Women's self-employment and entrepreneurship in the region of the Economic Commission for Europe

Gretchen Elias

INTRODUCTION

In the Beijing Platform for Action one of the means to improve women's employability in the context of increasing flexibilities in labour markets is fostering women's access to self-employment and entrepreneurship. More and more, the notion of lifetime job security that prevailed during much of the twentieth century is being replaced by an emphasis on flexibility, "outsourcing", and atypical working arrangements. In this uncertain environment, self-employment has become an increasingly important avenue for women and men to provide a steady income for themselves and their families. This is demonstrated by the rising rates of self-employment in the ECE region.

The self-employed are not a homogenous group. They range from informal micro-entrepreneurs who sell crafts from their homes or from a market stall to owners of small or medium-sized companies. Therefore, despite common concerns, the particular challenges they face vary according to factors such as their personal characteristics, the characteristics of their businesses, and their overall economic situations. Available data sources, unfortunately, are limited in their ability to differentiate adequately among different types of self-employment. This lack of detailed information on the self-employed and their businesses makes it difficult to target policies to those most in need of support. In particular, poor and informal micro-entrepreneurs, many of whom are women, are most likely to fall through the gaps in existing policy measures designed to support self-employment and entrepreneurship.

WOMEN AND SELF-EMPLOYMENT

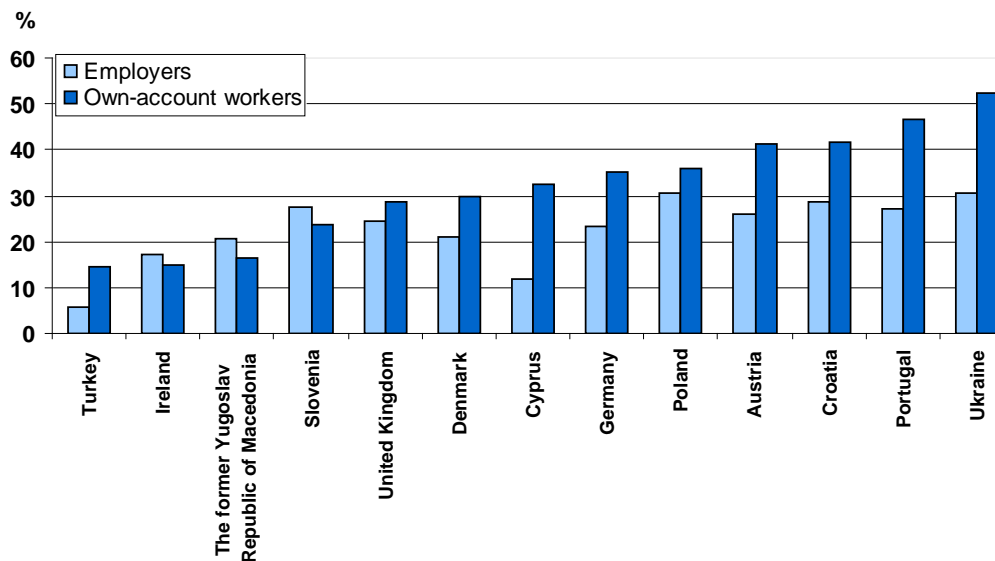
Across the 56-country ECE region, trends related to women's self-employment vary considerably but nevertheless have some common features. In some countries, women-owned enterprises have emerged as the most dynamic segment of the SME sector, including e.g. the United States and Canada, where the number of women-owned businesses grew substantially and

consistently outpaced the growth of men's businesses over the last decade (see section on Progress Made). Women's self-employment is increasing in many European Union countries as well, although at a less dramatic rate. In much of the EU, the percentage of men who are self-employed is more than *double* that of women (ECE 2002 and 2003; EUROSTAT data from 2006). In some countries, this discrepancy is even greater: in the United Kingdom and Sweden, for example, this ratio is around 2.6, in Ireland and Malta it even exceeds 5, that is, less than 16 per cent of all self-employed are women (EUROSTAT data from 2006). In the transition countries of Central and Eastern Europe, Central Asia and the Caucasus, where self-employment is often an important survival strategy for poor women (Welter et al. 2006), women are more strongly represented among the self-employed but they tend to be, more than in Western countries, micro-entrepreneurs with none or few employees (see Figure 1).

Still, challenges remain. Women's enterprises are likely to be *small or micro-enterprises*, and located in *low growth sectors*. Their enterprises thus typically operate at a subsistence level. In the EU, 70 per cent of self-employed women operate businesses that employ five or fewer people (Statistics in Focus 11/2002). Statistics Canada reports that the most common activities for self-employed Canadian women are in areas that are typically poorly paid and at the low end of the labour market, such as childcare, hairdressing, and sales. Self-employed women also have fewer benefits (Human Resources Development, Canada 2002) and typically earn less than either their salaried counterparts or self-employed men with the male-female earnings gap being actually larger among the self-employed than within the employee population. For example, in Canada only 17 per cent of self-employed women earn more than \$ 30,000, as compared to 42 per cent of self-employed men (Statistics Canada 2003).

Informal micro-enterprises operated by women play a critical role in the economic survival of poor families. This is particularly relevant in the transition countries

Figure 1 Females as per cent of total employers/own-account workers in selected ECE countries, 2006



Source: ECE Statistical Division Database (data for 2006)

Employers are those workers who hold a self-employment job and have continuously engaged one or more persons to work for them as employees. Own-account workers hold a self-employment job and have not engaged any employees on a continuous basis..

of Central and Eastern Europe, Central Asia and the Caucasus, where women's economic position has deteriorated due to the downsizing of the public sector, rising unemployment rates and greater job insecurity, and the dismantling of state social protection systems. These trends have pushed women out of the traditional labour market and forced them to seek other ways to support themselves and their families. In this context, self-employment in the informal sector has become crucial for family survival.

Promoting women's ability to expand their businesses beyond the subsistence level has important implications for *poverty alleviation*. It also has a positive impact on job creation and *economic growth*.

Barriers faced by self-employed women

Women's under-representation among the self-employed must be understood in the context of the barriers they face in starting and expanding their businesses. Chief among these barriers are difficulties in *accessing finance, information and networks, markets, and training*. To a certain extent, these difficulties are related to the *size and status* of small businesses. But these barriers tend to have disproportionate effects on women for two reasons: firstly, because their businesses are likely to

be micro-enterprises and located in the informal section, which creates particular challenges in accessing the resources they need for business survival and growth. Even more significant is the fact that for women, these barriers also have a *gender-specific* dimension because of the influence of past and current social and cultural norms and the structural inequalities created by these norms. Such inequalities not only intensify the effects of existing barriers on women, but also create additional, gender-specific barriers.

Access to finance

This is a problem shared by self-employed women across the region. At the same time, the causes of this problem are complex and can vary according to the context. One major structural barrier is women's lack of wealth or property ownership, which prevents them from acquiring the resources necessary to start a business. In particular, most women cannot provide the collateral required by most loan applications. This factor is particularly relevant in transition countries, due to the combined influence of traditional values regarding property ownership and the unequal distribution of assets during privatization. Women also tend to request smaller loan amounts that are more risky and costly for banks. They are also perceived as riskier loan applicants

because they are less likely to have prior business experience or extensive professional experience related to their business plan. Women's businesses also tend to be concentrated in low-growth sectors that are viewed as less attractive investments by lending institutions. This is particularly true for poor or rural women whose businesses often involve agriculture, handicrafts, or petty retail sales. A woman's particular experiences in accessing finance may depend on other factors as well, such as the strength of financial institutions in the area where she lives. Thus a woman with an informal enterprise raising livestock in rural Kazakhstan and a woman with a home-based micro-enterprise in a major city in the United States or Canada may face very different financing challenges.

Access to information and networks

Access to information and networks is a challenge for self-employed people and owners of small businesses in general, since they have less time and fewer resources than larger enterprises to devote to networking and to gathering and processing information (Box 18). Women face additional constraints in this regard because their family and household duties further limit the time they

have available for networking.

Women also typically lack access to traditional, male-dominated business networks. In particular, self-employed women with home-based businesses and women in rural areas are isolated from business networks and sources of information. Furthermore, some research indicates that women's and men's approach to networking may differ: women are more likely to keep their professional and personal networks separate, which may influence the effectiveness of these networks.²²

Access to markets

Access to markets is a challenge for self-employed people and owners of small businesses for reasons similar those described above. Women face particular challenges in accessing markets, again because they are typically more isolated and lack access to traditional business networks. In addition, women's businesses are often located in low growth sectors characterized by few barriers to entry and market saturation. In these circumstances, where capturing an adequate market share is especially problematic, the potential for business survival is low.

Box 18 Problems connected to data on women's entrepreneurship

The analysis of the role of gender in entrepreneurship requires the availability and comparability of data both at national and international level. However, to date, there is no internationally recognised definition for entrepreneurship leading to differences among countries on how indicators are collected and analysed. For example, in Lithuania, the Netherlands and the US, the category of "employers" includes own-account workers. In Bulgaria and Estonia, the category "own-account workers" also includes members of producers' cooperatives, while in Luxemburg data on employers, own-account workers and members of producers' cooperatives are not collected separately.

Moreover, statistics on self-employment do not always distinguish between persons with and without employees and whether or not they include the agricultural sector also varies according to the sources of the data and the purpose of the analysis. In the countries where a large part of the labour force is engaged in agriculture, the statistics on self-employment tend to overestimate entrepreneurship activities.

Finally, the frequency with which data on entrepreneurship is collected and the number and type of data sources vary considerably across countries.

For these reasons, there is an urgent need to coordinate the collection and dissemination of data on women's entrepreneurship and self-employment and to build expertise in countries that have little or no experience in the production of such statistics. Thus, many challenges still remain at national and international level to improve the availability, quality and comparability of data on women's and men's entrepreneurship.

Source: Giovannelli et al (2003)

²² The Economist, 25 October 2003, p. 8.

Access to training

Access to training is a critical need for self-employed women because they often lack formal training in business and management skills that are essential for business success (see Box 19). However, traditional training programmes may not meet their needs in terms of content or format. Because women's and men's learning styles may differ, women may benefit from programmes tailored to their needs. Additionally, to ensure their accessibility to women, programmes need to be offered in a format that accommodates potential conflicts with family and household duties, for example by providing child care or scheduling frequent, shorter trainings at convenient times.

THE ROLE OF SOCIAL AND CULTURAL NORMS

Many of the above barriers can be characterized as having both general and gender-specific components and as being relevant for self-employed men as well as women. For women, however, the implications are often intensified because of the additional influence of gender-specific barriers related to social and cultural norms. These barriers include gender-based discrimination, sex stereotyping that affects women's educational and occupational options and contributes to their concentration in low growth sectors and their limited business and management skills, and the unequal division of household and reproductive labour that limits women's ability to devote time to networking and other business-related activities. In addition, the psychological effects of gender differences in socialization may contribute to women being less assertive, self-confident, or willing to take risks, characteristics that are often associated with business success (Kantor 2002).

Key challenges

A key challenge facing policymakers concerns how to ensure that policy measures *effectively identify and reach self-employed women*, given the small size and relative isolation of their businesses. This challenge is particularly important given that those women most difficult to reach, such as poor micro-entrepreneurs in the informal sector, are likely to be those in most need of support.

A second, and equally important, policy challenge involves the need to develop strategies that *effectively address gender-specific barriers faced by self-employed women* in the broader context of social and cultural norms. This requires mainstreaming gender perspective

Box 19 ICTs working for women

The United States Government provides valuable online gateways to information and services. <http://www.women-21.gov> is a one-stop online resource for information, online programmes and networking opportunities to alert women entrepreneurs to the constant changes in the business world. <http://www.onlinewbc.gov> provides answers for women seeking to start businesses. <http://www.womenbiz.gov> provides valuable information for women business owners seeking to enter the federal procurement market. And <http://www.nwbc.gov> provides factual information, research and links to many more government and business association links, both in the United States and internationally.

into structures, institutions, and policies related to self-employment and SMEs. At the same time there may be a need to develop special programmes addressing the gendered nature of the constraints facing self-employed women, and that provide services and access to resources in a gender-sensitive format.

PROGRESS MADE

Overview by subregion

Efforts to support women's self-employment and entrepreneurship have been very uneven across the ECE region. The United States, Canada, and some EU countries have developed relatively extensive support structures for self-employed women, often involving partnerships across the public, private, and non-profit sectors. In the European Union as a whole, women's self-employment is generally addressed at the local or regional government level within the context of regional development and job creation strategies. In the countries of Central and Eastern Europe, Central Asia and the Caucasus, despite the existence of some governmental initiatives, the bulk of activities in support of women's self-employment have been spearheaded by non-governmental organizations, and in particular women's NGOs and women's business associations (WBAs).

North America

The United States and Canada are among the most advanced countries in the ECE region in terms of government support for women's self-employment. In both countries, government involvement includes funding, programmatic offerings, and public/private

Box 20 Eliminating the gender digital divide: the NGO experience

ICTs offer immense possibilities for women. The objective of the Gender, Education, Research and Technologies (GERT) Foundation in Bulgaria is to use ICTs to improve women's employability in the region. GERT stresses that the acquisition of technological knowledge and access to information is essential in the economic empowerment of all women, not just young girls. Technological empowerment for women is emerging as an important issue for women due to several factors:

- Girls are a small percentage of adolescent Internet users;
- Less than 20% of the students enrolling in engineering faculties are women. This is not a natural choice but a stereotype that persists and deprives women from the opportunities that look so natural for men;
- State-run programmes for qualification and reintegration in the labour market rarely stress that women's acquisition of technical skills are scarce. There is only one in Bulgaria.
- Community communication centres do not exist, and electronic commerce still sounds strange to women.

More NGO initiatives are needed to encourage women to use ICTs as an end for giving more visibility to their economic initiatives.

GERT is raising the awareness of girls and women on the benefits of using the new technologies, to open the world for women to exchange their products, experiences and aspirations. In collaboration with the feminist network "Les Penelopes", GERT has already begun to train women in carrying out economic initiatives and in using free software to create their own websites and give them more visibility outside their own communities; to go beyond the obstacles and to increase innovative effects by breaking isolation and the digital divide.

Becoming familiar and easygoing with new technologies will undoubtedly increase women's employability, flexibility and will decrease their vulnerability to all kinds of abuse and give them self-confidence.

This is the future and we cannot allow ourselves to stay and live in the past.

Source: Statement by Jivka Marinova, President of GERT Foundation and KARAT Coalition. Beijing +10 Regional Preparatory Meeting, December 2004.

partnerships. These countries also have active and vocal women business owners' constituencies (see Box 19), which also play a key role in private sector and civil society initiatives that work in close partnership with these government initiatives.

In 2006, there were approximately 10.4 million privately held businesses in the United States (about 40% of all US enterprises) in which women held at least 50% of the company, employing more than 12.8 million people. From 1997 to 2004, the number of firms held by women grew at nearly twice the rate – 42% versus 23% - of all privately held firms.²³

Public support for women's self-employment in the United States grew out of the feminist movement of the 1960s and 1970s, which sparked the creation of an Office for Women's Business Ownership within the Small Business Association, the passage of the Equal Credit Opportunity Act of 1974 and the expansion of

government enterprise surveys to include data collection on gender.

On the *private-sector* side, the National Foundation of Women Business Owners (now the Council on Women's Business Research) was created to organize the emerging constituency of women entrepreneurs. Lobbying by this and other women's organizations has led e.g. to the creation of the National Women's Business Council, an advisory council to the government on issues related to women's business ownership, and institutionalised government support for a nation-wide network of non-profit Women's Business Centres. As of 2006, more than 100 such centres were in operation across the country, many targeting low-income and minority women.

The most recent legislative initiatives introduced in the US Congress and the House include the Small Business Health Care Tax Credit Act 2007, which aims at helping small businesses to lower health care cost, and the Small Business Tax Fairness and Simplification Act 2007 that would among other things help home-based businesses reduce paperwork. As disproportionately many of the small, home-based businesses are run by women,

²³ See Center for Women's Business Research website: National Fact Sheet 2006; <http://www.womensbusinessresearch.org/national/index.php>

Box 21 United States Government policies in support of women entrepreneurs

The Federal Acquisition Streamlining Act of 1994 required Federal agencies to aim for awarding at least 5 per cent of all contract dollars to women-owned small businesses. The US Government as a whole has never reached this goal. In the fiscal year 2003, 3 per cent or \$8.3 billion of total Federal contract dollars were spent on these businesses, the highest percentage since information was recorded.

But some agencies have exceeded the 5 per cent goal. The Department of Housing and Urban Development leads by far with 32.8 per cent. Agencies including the departments of Commerce, Education, Interior, and the Office of Personnel Management (OPM) hover in the 7-8 per cent range.

Both female and male business owners are benefiting from three tax relief bills that President Bush signed into law since 2001.

- The small business expensing provision helps small businesses purchase essential capital equipment;
- Accelerating the Administration's tax relief allows small business owners to retain earnings for reinvestment and expansion;
- And reducing the capital gains tax and the taxation of dividends lifts equity markets, spurs investments, and facilitates raising capital.

On pensions, women have special needs because they have different employment patterns from men. The June 2001 Economic Growth and Tax Relief Reconciliation ACT (EGTRRA) contains strong incentives for building retirement savings and includes an important subsection entitled "Enhancing Fairness for Women." The Act increases the annual limit on deductible contributions to individual retirement accounts (IRAs) and allows for catch-up contributions from workers at least 50 years of age; allows retirement plans to be moved easily during job changes and retirement; and shortens the vesting period for employer matching 401 (k) contributions from five to three years.

We realize that today women with their own businesses continue to face challenges, including access to capital, markets, training and technical assistance, and networks. They seek to be taken seriously as business owners, employers and contributors to economic growth.

As government policymakers, it is in our best interest to address these needs, not only through the regular business assistance programmes that our governments already provide, but also through targeted outreach and programmes for women-owned small businesses in particular. The United States has seen our efforts result in greater business formation and growth, which has strengthened our economy and had a positive impact on our country's communities.

We believe that the policies and programmes that have been outlined have helped women in the United States meet these challenges, and we encourage their consideration elsewhere.

Source: Statement by Mark Lagon, Deputy Assistant Secretary, US State Department, at the Beijing +10 Regional Preparatory Meeting, December 2004.

these initiatives are of interest to female entrepreneurs in particular.

Canadian measures to promote women's self-employment are characterized by similarly synergistic relationships among government, private, and civil society institutions. Over the past decade, more than 10 federal government departments, as well as some provincial governments, have developed self-employment programmes targeted to women.

In 2002, the Prime Minister established the first ever Task Force on Women Entrepreneurs which engaged in public and online consultations with all stakeholders across the country, including women entrepreneurs, associations, government agencies and departments at all levels, financial institutions and members of Parliament. The Task Force made 77 specific recommendations to the

Canadian public sector in order to highlight the gender-specific barriers to women entrepreneurship and the need for support services and programmes that are specifically tailored to self-employed women. Following these recommendations, the government committed to creating and/or strengthening regional agencies dealing with female business-owners issues, to expanding its research and publications programme and to giving attention to aboriginal women entrepreneurs. The latter has resulted in the development of a free business planning guide specifically for aboriginal women, which is, apart from English, also available in Inuktitut, Spanish and Russian, to ensure that the information actually reaches its target group.²⁴

²⁴ See <http://www.ainc-inac.gc.ca/ecd/pubs/js/js-eng.pdf>

On the regional level, Western Economic Diversification Canada, one of the federal government's regional development agencies, established the Women's Enterprise Initiative (WEI) with a view to provide business guidance and services to over 40,000 women across the Western Canadian provinces, with business counselling, skills training, and, through the partnerships developed with several financial institutions, access to bank loans.²⁵ Similar efforts are undertaken by ACOA (Atlantic Canada Opportunities Agency) in the Eastern provinces.

Often as partners to these government activities, the major Canadian banks have been at the forefront of private sector initiatives to promote women's self-employment. Most notably, the Business Development Bank of Canada (BDC) has launched in 2003 a \$25 million fund to provide quasi-equity financing for women entrepreneurs wishing to expand their businesses. As of December 2009, BDC's lending committed to women represented \$1.8 billion.²⁶ Support offered by BDC cover all stages of business development and a wide range of relevant issues, including among other things start-up help, advice concerning the acquisition of businesses, purchasing equipment, strategic planning, exporting and e-business. As another example, the Royal Bank of Canada (RBC) devotes on its website a special section to women entrepreneurs, functioning as a forum for sharing information, contacts, experiences and resources.²⁷ Moreover, RBC offers training sessions, publications and other services to women business owners across Canada and sponsors the RBC Canadian Women Entrepreneur Awards, which provide national recognition to successful female business owners and thereby increase the visibility of women's entrepreneurial activity.

European Union

Among EU Member States, efforts to promote women's self-employment have emerged largely within the context of policy goals related to employment, social cohesion, and rural development. These efforts were reinforced in the framework of the Lisbon strategy agreed in 2000, in which the EU commits itself to becoming, by 2010, the most competitive and dynamic knowledge-based economy worldwide, and in which strengthening entrepreneurship in general and female

self-employment in particular is recognized as one of the means to achieve this goal.²⁸

Many of the EU efforts, which tend to be concentrated at the regional or municipal, rather than national, level, are linked to EU-wide funding streams such as the European Social Fund (ESF), which finances projects and initiatives to achieve the goals of the European Employment Strategy. The EU Employment guidelines for the years 2005-2008, which are part of this strategy, require that "gender mainstreaming and the promotion of gender equality should be ensured in all action taken."²⁹

Examples of EU-funded initiatives include e.g. the NOW (New Opportunities for Women) Initiative, for which more than half of the 1750 projects financed between 1994 and 1999 addressed business creation, or EQUAL, that provided since 2000 financial support to some 1200 projects whose main focus was to support entrepreneurship of disadvantaged groups, including women. Moreover, the LEADER+ rural development initiative has funded projects targeting rural women as micro-entrepreneurs.

More specifically in the field of female entrepreneurship, the Entrepreneurship Action Plan of the EU Commission, published in 2004, lists as one of its nine key actions "tailor-made support for women and ethnic minorities". Within the framework of this key action, the European Commission organized a conference on "Women-led businesses: Overcoming barriers to growth and improving access to finance" in 2005 with a view to analysing the obstacles that prevent women businesses to growth, in particular with regard to financing. Recommendations issued in the end pointed at the possibility for the European Parliament to increase the available budget for small enterprises through its financial instruments, and at the necessity to have more information and statistics about the real situation of women entrepreneurs and access to finance (European Commission 2006b).

As one way to facilitate networks amongst women's businesses, the European Network to promote Women's Entrepreneurship (WES) links representatives of central national governments and institutions responsible to promote female entrepreneurship of 27 European countries. In addition, the Women's Entrepreneur Portal

²⁵ See <http://www.wd.gc.ca/eng/11191.asp>

²⁶ See BDC website: http://www.bdc.ca/en/i_am/woman_entrepreneur/default.htm

²⁷ See <http://www.rbcroyalbank.com/sme/women/>

²⁸ See the European Commission Green Paper on Entrepreneurship 2003: http://eur-lex.europa.eu/LexUriServ/site/en/com/2003/com2003_0027en01.pdf

²⁹ For more information on the ESF and the European Employment Strategy, see: http://ec.europa.eu/employment_social/esf/ (ESF).

was put online in 2005, providing links to the websites of women entrepreneurs' representative organisations, networks, projects and events that relate to the promotion of female entrepreneurship.³⁰ More recently, in the Roadmap for Equality between Women and Men 2006-2010, the European Commission identifies as key action, in order to achieve equal economic independence for women and men, the promotion of female entrepreneurship and a business environment that facilitates the creation and development of women-led companies (European Commission 2006a). Finally, the EU has agreed on a Competitiveness and Innovation Framework Programme for 2007 to 2013, in which € 3.6 billion in funding will be made available to small and medium-sized enterprises, a category in which the majority of women-owned businesses fall. The decision of the European Parliament establishing this framework explicitly states that "the principles of [...] equal gender opportunity should be taken into account in all the programmes and activities covered by the Framework Programme" (European Parliament 2006).

At the national level, many EU governments include among their active labour market policies the provision of start-up incentives for unemployed people who pursue self-employment, such as the *Überbrückungsgeld* in Germany and the *Back-to-Work Enterprise Allowance* in Ireland. However, women are generally underrepresented among the participants in such programmes. Although roughly half of all unemployed, they only make up 29 per cent of participants in Germany and 18 per cent in Ireland (EUROSTAT 2003). Fewer examples

exist of government policy that is targeted specifically at promoting self-employment among women. Two exceptions are the United Kingdom and Sweden.

Municipal and regional governments have been most active in developing schemes to promote women's self-employment, often by taking advantage of the above-mentioned EU-wide funding streams. One example is ProWomEn, a Europe-wide network of 17 government institutions at the regional level that collaborate around ways to support women's entrepreneurship and the start-up of women-owned businesses. The institutions in the network have established formal channels for exchanging and disseminating good practices and for engaging in dialogue with each other, which facilitates each participating institution's ability to develop initiatives and programmes for its own region.³¹

Central and Eastern Europe

In Central and Eastern Europe, national SME and labour market policies rarely identify women as a target group or explicitly address the issue of women's ability to pursue self-employment. Slovenia is one exception. Its national Employment Action Programme includes a "Programme for Women Professional Promotion" that focuses on providing women with new employment possibilities, and in particular on opportunities for self-employment and entrepreneurship. At its women's information centre (META Centre) located in Ljubljana, and via "Women's Promoters" in each region, the programme provides services such as training, mentoring, and opportunities for networking with other business women in Slovenia

Box 22 Support to women entrepreneurs in the United Kingdom

In the United Kingdom, the governmental Women and Equality Unit has a special relationship with the Ministry of Trade and Industry. Its mandate specifically includes collaboration with the Ministry to ensure a gender perspective in all Ministry policies and programmes, including SME policy and enterprise development. Moreover, economic and community development initiatives designed to promote enterprise among disadvantaged groups, such as the Phoenix Fund, include women among their target groups. Recognizing that the UK could have about 750,000 more businesses if the female entrepreneurship rates were the same as in the US, the Ministry of Trade and Industry decided in 2006 to establish a Task Force for Women's Enterprise. Furthermore, the Industry and Regions Minister Margaret Hodge announced in February 2007 that linked to this Task Force will be a network of 1,000 female entrepreneurs to help and inspire more women to set up their own businesses.

Sources: *Women Entrepreneurs in the ECE region: Access to financing and ICT, ECE 2004*; UK Government News Network (GNN) press release P/2007/24 on February 7, 2007, <http://www.womensenterprisetaskforce.co.uk>.

³⁰ See http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-women/womenentr_portal.htm

³¹ From the ProWomEn website: <http://prowomen.newcome.de/prowomen/english/index.php>

and internationally.

In contrast to the lack of governmental activity related to women's self-employment in Central and Eastern Europe, an extensive array of civil society initiatives addressing women's issues has emerged in this region over the past decade. Many women's NGOs focus on improving women's economic position through, among other things, self-employment. Furthermore, the nascent women's business associations (WBAs) in the region often assume a double role: in addition to functioning as traditional member-based associations providing lobbying, advocacy, and networking services for their members, they also have a strong "service provider" component providing training and technical assistance, often in the form of targeted programmes to poor or rural women. For example, the Association of Businesswomen in Serbia provides training to home-based "informal" self-employed women about improving and registering their businesses. Women's NGOs and WBAs in Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Serbia and Montenegro have also been active in lobbying government bodies and financial institutions regarding the issue of women's access to finance.

Countries of Central Asia and the Caucasus

In the countries of Central Asia and the Caucasus, national governmental policies related to SMEs and enterprise development typically lack gender-specific focus. At the municipal level, St. Petersburg, Russian Federation, is one example of government efforts to promote women's self-employment. Several municipal governmental institutions have collaborated on a training programme aimed at fostering crafts-related self-employment among women. Still, these and other employment programmes targeting women in Russia have borne the brunt of cuts in public employment funds (Velichko et al. 2003).

At the same time, multiple NGO initiatives supporting women's self-employment are active in countries of Central Asia and the Caucasus. In the St. Petersburg-region alone, 85 different women's NGOs address women's employment and economic opportunities, with many focusing specifically on issues related to self-employment. Similarly, WBAs and women's NGOs in countries such as Azerbaijan, Kazakhstan, Kyrgyzstan, and Uzbekistan have been instrumental in designing and implementing a range of initiatives that address the needs of self-employed women, including microcredit programmes, business incubators, training, and business counselling services (ECE 2004).

Selected cases of good practice

Good practice cases in supporting women's self-employment are implemented by national, regional, and local governments as well as civil society in various countries in the ECE region. Each example addresses one or more aspects of gender specific barriers highlighted above illustrating how women could improve their access to finance, to information and networks, to markets, and to training, while all of the initiatives presented work in one way or another to overcome the traditional social and cultural norms that make it more difficult for women to become or be self-employed. These examples also show the roles of different actors as well as the possibilities for collaboration across the public, private, and non-profit sectors towards supporting and promoting self-employed women.

Access to finance: Providing micro-credit and legal advice

As identified earlier in this article, one of the barriers faced by self-employed women is access to finance. An innovative approach to challenge this obstacle is provided by the Institute for Social and Economic Development (ISED) in the US state of Iowa, a non-profit micro-enterprise development organization, which specifically identifies low-income women among its target population. ISED has developed close relationships with local banks, in which the banks have agreed to set aside micro loan funds for ISED clients and to give priority to loan applications from clients with ISED-approved business plans. In addition, the organization has established its own loan guarantee programme that can secure up to 50 per cent of a loan in situations where a bank requires additional security. Finally, ISED facilitates its client's access to local and national loan programmes. This kind of partnership approach contributes to "mainstream" self-employed low-income women into the formal financial system and it provides an opportunity to educate banks about women's credit needs and their creditworthiness. From this perspective, it may have efficiency advantages over the establishment of separate funds.³²

Another aspect of women's difficulties in accessing finance is addressed by the Women Entrepreneurs Support Association (WESA) in Kyrgyzstan, which launched, in 2002, a project on women's land rights. With offices throughout the country, the project provides

³² For more information about ISED: <http://www.ised.org>

free legal consultations about property ownership and land rights to women. Additionally, as part of an outreach effort, legal consultants from the project offices organise trips on a monthly basis to access people in remote villages and areas. So far, over 10,000 women have received legal advice and legal assistance through the project. Furthermore, WESA offers advice on economic development - support in applying for credit and joining credit unions, gender expertise, gender budgeting, the participation of women in local budget planning, monitoring of women's rights for land, as well as an information component involving TV, radio and print media.³³

Access to Information: Effectively reaching potential women entrepreneurs

The government-financed Swedish Business Development Agency NUTEK has promoted women's entrepreneurship since 1993 by e.g. establishing local and regional resource centres for women across the country, with special emphasis on rural and remote regions. Another successful initiative provided municipal authorities with locally based female business advisors to offer women an easily accessible source of information responsive to their needs and an opportunity to establish a network with other female entrepreneurs. The programme was sparked by research that indicated that women are often reluctant to seek advice from traditional business advisors or business development organizations and would prefer to seek advice from other women. Such advisors are located now in about 100 municipalities and many of them work part-time, combining their advisory

work with their own company.³⁴

The Slovenian government-supported "Programme of Women Professional Promotion" has created a similar nation-wide infrastructure to facilitate women's access to information. As a main component of the programme, a total of 29 Women's Enterprise Promoters located in different regions around the country provide a range of services tailored to the needs of women in their communities, targeting in particular unemployed women, single mothers, and women with less education. Their responsibilities include facilitating networking opportunities, assisting women with accessing information about business start-up, and providing workshops in areas such as handicraft production, farm tourism, and computer skills. Between 2002 and 2003, 4,786 women participated in these workshops. In addition, the META information centre based in Ljubljana provides information, advice, and other self-employment related resources on-site, via a toll-free Business Counselling Switchboard, and on its website. Web-based services also include networking opportunities with other self-employed women in Slovenia, and other European countries.³⁵

Access to networks: Linking women's businesses

An interesting approach to support women in starting a business at the same time as establishing a network with possible customers and suppliers has been put into practice by the initiative "Parità, Occupazione, Ecologia" (Equality, Employment, Ecology), an Italian project funded by NOW in the 1990s, which aimed to

Box 23 Global Banking Alliance for Women – the business case

Increasingly, private banks recognize the importance of women entrepreneurs as clients and the huge potential for profits that lies in collaboration with their businesses and have therefore more and more tailored their services to women. As an attempt to share best practices in these services among banks worldwide, the Global Banking Alliance for Women (GBA), an initiative purely from the private sector, was founded in December 2000. As a consortium of 15 financial institutions of which many are active in the ECE region, GBA aims to advance the growth of women in business by increasing their access to relevant financial services. All members have dedicated programmes to actively support women entrepreneurs in starting, growing and managing their own ventures by providing information, training, mentoring, sponsorships and access to networks and markets. They are motivated by the idea that by sharing information and exchanging best practices, they may grow their knowledge and understanding of businesswomen's needs, leading to better business outcomes and long-term wealth creation for all. During the GBA Summit Annual Summit 2008, topics like "Identifying the Opportunities for the Women's Market" and "Power Marketing for Women in Business" were discussed (GBA 2008).

For further information about GBA, visit their website: <http://www.gbaforwomen.org>

³³ For more information about WESA: <http://www.unifemcis.org/>

³⁴ For further information about NUTEK: <http://www.nutek.se>

³⁵ For the Programme of Women Professional Promotion www.japti.si/index.php?id=1487 or www.zavod-meta.si/

improve women's access to training in traditionally male-dominated areas. The project targeted two groups of women, one that comprises architects and engineers and a second with women without qualifications. The first group's qualifications were supplemented with training in renovation techniques, energy-saving technologies and insulation, while the second group was given vocational training in building maintenance and renovation techniques, including electricity, painting and decoration. Additionally, both groups were trained to use new information technologies for management purposes and received technical support to start up their enterprises.

As the two groups of women specialized in complementary occupations, this initiative created natural linkages between women, facilitating not only their access to businesses that could serve as potential markets and suppliers, but also the foundation for a support system among self-employed women which could make survival in this male-dominated field easier. An additional innovative feature of this project is contained in the fact that it focused on a potentially high-growth sector, namely the building renovation and rehabilitation industry that had economically benefited from an increased interest in urban renewal and historic preservation.³⁶

The Bosnia-Herzegovina Women's Economic Network (BHWEN) is an example of a grassroots effort to improve self-employed women's ability to network and to access information in a post-conflict setting. The nationwide network is subdivided geographically into five reference groups that cross ethnic lines, and focuses on economic issues pertinent to women. In addition to self-employed women, its 1,500 members (as of 2002) also include women from NGOs, trade unions, and business associations. BHWEN uses a variety of methods of communication among its members, such as an electronic listserv and a bimonthly newsletter, *Mreža*, that includes profiles of successful self-employed women, discussions of issues such as microcredit and tax and legal frameworks, and advertisements of members' products and services. BHWEN also provides face-to-face networking opportunities for members as well as workshops on topics pertinent to starting and growing a business. In 2002, BHWEN held workshops on access to finance and invited representatives from sources of finance, such as microcredit providers, banks, and government institutions, to attend.

Access to markets: Regional Initiatives and ICT

Sector-based strategies that cluster women together in related industries can facilitate women's access to markets by creating forward and backward linkages among businesses, by fostering positive externalities associated with competition, and by exploiting economies of scale to expand marketing and distribution options. For poor, rural micro-entrepreneurs who are typically isolated and have few resources of their own to devote to pursuing new markets, this strategy can be particularly beneficial. Increasingly, the Internet can provide a means of accessing a wider market.

One initiative that has tapped new technologies to help self-employed women access global markets is the Central Asian Crafts Support Association (CACSA). This NGO markets the products of craftspeople and artisans living in Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan to international buyers via the Internet. Since 1998, CASCA has coordinated the export process for goods produced by micro-entrepreneurs in traditional sectors, enabling them to access global markets. Through partnerships with more than 50 NGOs and craft development centres in the region, CACSA connects individual micro-entrepreneurs to marketing-related resources that they would not be able to access on their own, including communication links, marketing and product development training, and sales opportunities. CACSA also organizes crafts fairs for its suppliers, many of whom are women.³⁷

Access to training: Reaching home-based businesses

Home-based self-employed women face particular challenges in accessing training and other services that would enable them to improve their businesses. The "Home Work for Women" programme in St. Petersburg provides training and business support services that are targeted to the needs of this group. Initiated by the City Centre for Career Guidance and Psychological Counselling (CCCGP) for the Population of St. Petersburg, the programme's objective is to increase women's opportunities for full- and part-time employment and its implementation included the analysis of the demand for female workforce and homemade articles, identification of a target group of women prepared to master folk crafts, the actual training and subsequent marketing management: exhibitions for sale, shows,

³⁶ Source: http://ec.europa.eu/employment_social/equal/data/document/srn-en.doc

³⁷ For more information about CASCA: <http://www.catgen.com/cacsa/EN/>

partnering with interested companies, creation of jobs for women involved in folk crafts, etc. In collaboration with the City Employment Committee, CCCGP also created a Women's Labour Exchange, which provides business-related training to women registered with the public employment service in the region. These training programmes are linked to a range of support services for women that facilitates their ability to start and grow their enterprises, such as craft and career fairs, "master classes", craft competitions and an Advisory Centre for Folk Crafts that provides career advancement services to exchange graduates.³⁸

CHALLENGES AND POLICY IMPLICATIONS

The range of strategies for promoting women's self-employment outlined in this section reflects the diversity among self-employed women and their needs across the ECE region. It also underlines the differences among stakeholders in their approaches to promoting women's self-employment, and the differences among the rationales upon which these approaches are based. The growth approach emphasizes women as an untapped source of growth for the economy as a whole. This approach is dominant in the United States and Canada. The job creation rationale, common among European Union Member States, links self-employment and entrepreneurship, particularly among women, to broader strategies to combat unemployment. The poverty alleviation rationale emphasizes self-employment as an economic survival tool for poor women and their families. Finally, efforts to promote women's entrepreneurship can stem from a commitment to increase women's empowerment.³⁹

Because these rationales reflect different policy priorities, they can lead to different approaches in the implementation of policies to promote women's entrepreneurship. When each stakeholder focuses narrowly on one approach, without coordinating its efforts with those of other actors, gaps can emerge, resulting in policies that do not effectively reach all women with appropriate services. For example, active labour market policies in the EU encourage self-employment based on the job-creation rationale, but these programmes are often under-utilized by women. United States and Canadian approaches based on the economic growth rationale

may focus primarily on formal sector entrepreneurs with larger enterprises, with the result that the women most in need (for example low income micro-entrepreneurs) are more likely to fall through the cracks. In contrast, many NGO-based programmes to support women's self-employment target poor and vulnerable women. But without strong linkages to the government actors and decision-makers who set the economic policy agenda, such exclusively poverty alleviation based approaches may serve to further isolate poor and marginalized women, instead of helping them to integrate into the larger economic system.

Thus, three key challenges emerge with respect to improving support for women's self-employment on the policy level:

1. how to effectively identify and reach self-employed women,
2. how to better integrate a gender perspective into relevant policy areas, and
3. how to better integrate and coordinate the efforts of different stakeholders.

1. Effectively identifying and reaching self-employed women

A general lack of data about self-employment, and in particular gender-disaggregated data, means that we know little about the characteristics of self-employed women and their enterprises. Within this diverse group of women entrepreneurs, obtaining information and data about those most in need of support, such as low income, rural, or home-based entrepreneurs, is particularly problematic. This lack of detailed knowledge is compounded by the fact that these groups of women are typically politically marginalized as well and have little access to platforms to advocate for their own needs in the public forum. This challenge has several policy implications.

- Firstly, a solid statistical knowledge base about self-employment trends among women is an essential part of ensuring that policies are well designed and well targeted. Such information should include gender-disaggregated data about trends in self-employment, about the characteristics of women's and men's enterprises, and about the challenges they face in running their businesses.
- Secondly, reaching the most vulnerable groups, such as low-income women, rural women, and home-based entrepreneurs, requires particular attention. One approach is the development of targeted policies

³⁸ For more information: <http://www.ilo.org/public/english/employment/infeco/download/russia.pdf>, pp.15-18

³⁹ See Kantor, 2000; OECD Small and Medium Enterprise Outlook: 2000 Edition; and proceedings of Second OECD Conference on Women Entrepreneurs.

to serve these groups. They could also benefit from support in lobbying and advocating for their own needs by linking them to larger support networks and resources.

- Thirdly, policy strategies to support women's self-employment would benefit from the adoption of an integrated approach that incorporates the multiple rationales for promoting women's self-employment, and that balances the needs of different groups of self-employed women. Such an integrated approach would combine policy initiatives that work on three levels:

(i) Targeted programmes that improve women's immediate access to resources (such as credit lines, micro finance, access to training and services);

(ii) Programmes designed to promote self-employed women in the wider society and to increase their visibility in the business and policy communities (such as achievement awards, procurement policies, public awareness campaigns);

(iii) Gender mainstreaming at the policy level to address underlying structural barriers and their manifestation in labour market, tax, and family and social policies.

2. Integrating a gender perspective into relevant policy areas

In many countries, women are not identified as a target group within measures to support self-employment and business development. Mainstreaming a gender-sensitive approach to SME policy and other relevant policy areas would involve including specific mention of women as a target group, incorporating an understanding of gender-specific barriers to self-employment into policy responses, and broadening the scope of business development and support policies to better reflect the characteristics and needs of women-owned enterprises. The policy implications of adopting such an approach include:

- Reframing discussions about the needs of SMEs and self-employed individuals and about the range of available policy responses, to better reflect the particular needs of self-employed women and their enterprises. A potential framework for such a reframing of policy dialogue might include the following shifts in perspective:
 - (i) From "bigger is better" to "small is smart and sustainable";

(ii) From providing information on legal and formal aspects of start-ups to providing support in developing and marketing ideas;

(iii) From financing investments in fixed assets to financing maintenance costs and entrepreneurial skill development.

- Ensuring that policy addresses gender-based constraints faced by women, in particular those related to the unequal division of household and family labour. One example would be to provide child care and health care benefits in programmes that provide assistance with self-employment.

3. Integrating the efforts of different stakeholders

Coordination and linkages among different actors across different institutions and policy arenas are needed in order to ensure that the contributions of each of these approaches do not get lost. Policy implications of an emphasis on developing such linkages include:

- Building formal linkages and lines of communication between government institutions responsible for SME policy and national gender machineries;
- Facilitating opportunities for direct communication and on-going dialogue between government actors and civil society stakeholders such as women's NGOs and WBAs;
- Developing and strengthening linkages among stakeholders who work directly with self-employed women on the local level, such as chambers of commerce, local branches of public employment services, women's NGOs, and WBAs;
- Among these efforts, paying specific attention to the needs of informal self-employed women and ensuring that organizations that represent their needs are included in policy discussions.

Institutional processes, mechanisms and tools

Efforts to improve linkages across institutions and among stakeholders with different rationales for promoting women's self-employment, and to facilitate the development of integrated strategies that address women's needs at all levels, may benefit from the application of the following concrete processes and mechanisms:

- Identifying one actor with responsibility for taking a leading role in coordinating efforts among

multiple stakeholders and promoting women's self-employment on a national level. For example, PROWESS is a nation-wide non-profit umbrella organization in the United Kingdom that represents the interests of self-employed women and the organizations that serve them on the policy arena, by e.g. lobbying the relevant government ministries, functioning as a source of information and research about women's self-employment as well as educating policymakers about women entrepreneurs' needs and providing technical assistance and training to organizations that serve self-employed women.⁴⁰ As an organization that represents the interests of the network of smaller civil society organizations on the national level, PROWESS also provides a formal linkage between government and civil society stakeholders. In the United States, the National Women's Business Council, a bi-partisan Federal advisory council, plays a similar role.

- Creating arenas for stakeholders from different sectors to come together on a regular basis to exchange information and develop common strategies. For example, the Baden-Württemberg Women's Entrepreneur Forum is a network initiated by ifex (initiative for start up and business transfer), a regional government agency in Germany whose mandate includes serving self-employed women. In order to facilitate broader cooperation and information exchange, ifex began inviting stakeholders from government, the private sector, and civil society to regular forums about women's entrepreneurship. This structure has evolved into a formal network of cooperative work and dialogue among the different stakeholders. The network is governmentally funded.
- Encouraging the development of partnerships between women's NGOs and mainstream business support services in order to link NGOs' work on women's empowerment more closely with SME policy and to involve other stakeholders in projects targeted at women. For example, the STAR Network in Croatia, a project funded by World Learning, created initiatives to support women's self-employment by working in partnership with other government and civil society actors, such as local economic development agencies or business incubators. The Network focused on establishing services targeted to women that were implemented in conjunction with, and based on the existing services and resources provided by, these other organizations.⁴¹
- Creating funding streams for women's self-employment that encourage, or even require, the creation of partnerships across sectors. European Union structural funds apply this principle. For example, the European Regional Development Fund's RECIFE project in 1998-1999 brought together six partners in five different countries to work on women's enterprise development. By working together and sharing their different perspectives (SME, gender equality and local development), the partners developed programmes that were tailored to the needs of their communities but also incorporated the knowledge and experiences of other partners (European Commission, 2000).
- Establishing concrete mechanisms and processes for mainstreaming gender into SME ministries and their related government institutions, such as small business development agencies. Such mechanisms may include the following:
 - (i) Setting concrete targets for women's participation in the business support programmes and policies implemented by these institutions;
 - (ii) Establishing and collecting data on indicators that measure the gender sensitivity of SME ministry policies and activities;
 - (iii) Providing gender sensitivity training for SME ministry staff and for service providers and the related government institutions, such as the small business development agencies.
- And finally, improving the quality of data collected about self-employment by the government and other stakeholders. This includes identifying key indicators about women's and men's self-employment, collecting and analysing data related to these indicators, and disseminating this information to relevant stakeholders in the wider society.

⁴⁰ From ProWoMen website, downloadable Book of Good Practice in the Promotion of Women Entrepreneurship, Part Four: Regional Networks. For more information about PROWESS, see their website www.prowess.org.uk.

⁴¹ From STAR Annual Report 2002.

References

- Center For Policy Alternatives. 2000. *State Venture Policy: Investing In Women Entrepreneurs*. Washington, DC.
- Charmes, Jacques. 1999. *Gender and Informal Sector*. New York: Contribution to the World's Women 2000: Trends and Statistics, United Nations Statistics Division.
- European Commission. 2000. *Gender Equality in the European Union: Examples of Good Practice 1996-2000*. Directorate-General for Employment and Social Affairs.
- European Commission. 2002. *Good Practices in the Promotion of Female Entrepreneurship: Examples from Europe and other OECD Countries*. Vienna: Austrian Institute for Small Business Research.
- European Commission. 2006a. *A Roadmap for Equality between Women and Men 2006-2010*. Annex to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of Regions. March 1, 2006.
- European Commission. 2006b. *Report on the Implementation of the Entrepreneurship Action Plan*. Directorate-General for Enterprise and Industry.
- European Parliament 2006. Decision No 1639/2006EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).
- EUROSTAT. 2002. *The Entrepreneurial Gap Between Women and Men*. Statistics in Focus, Theme 3: Population and Social Conditions. 11/2002.
- EUROSTAT. 2003. *Women Participating in Active Labour Market Policies*. Statistics in Focus, Theme 3: Population and Social Conditions. 17/2003.
- Giovannelli, Costanza, Hrunn Gunnsteinsdottir, and Angela Me. 2003. *The Status of Statistics on Women and Men's Entrepreneurship in the ECE Region*. Geneva: ECE Statistical Division.
- Global Banking Alliance for Women (GBA). 2008. *Brochure for the Annual Summit*. Available at <http://www.gbaforwomen.org/default.asp?id=95>.
- Human Resources Development Canada. 2002. *Gender Equality in the Labour Market: Lessons Learned*. Evaluation and Data Development Directorate, HRDC.
- National Women's Business Council. 2002. *Getting To Success: Helping Women Business Owners Gain Access To Capital. A Study of Best Practices in Access To Capital Training Programs For Women Business Owners*. Washington, DC: National Women's Business Council. Available at <http://www.nwbc.gov>.
- ProWomEn website. Includes downloadable Book of Good Practice in the Promotion of Women Entrepreneurship. Available at: <http://prowomen.newcome.de/prowomen/english/index.php>.
- St.Onge, Annette, and Lois Stevenson. 2004. "Creating An Entrepreneurial Environment To Foster The Start-Up and Growth of Women-Owned Enterprises: Best Practices from Atlantic Canada" in ECE 2004 "Access to Financing and ICT for Women Entrepreneurs in the ECE Region". Geneva, Switzerland: United Nations.
- STAR Network. 2002. *Women's Leadership Program For Democratic Social Change In South-eastern Europe Final Report*. Annual Report. Submitted to USAID, 30 November 2002.
- Velichko, Liudmila et al. 2003. "Skills Training for Decent Work in the Informal Sector of the North-West Region of Russia (St. Petersburg and the Leningrad Region)" ILO Working Paper on the Informal Economy InFocus Programme on Skills, Knowledge, and Employability. ILO: Geneva.
- ECE. 2002. *Economic Survey of Europe 2002*. No. 2. Geneva: United Nations.
- ECE 2003. *Women's Entrepreneurship in Eastern Europe and CIS countries*. Geneva, Switzerland: United Nations.
- ECE 2004: *Access to Financing and ICT for Women Entrepreneurs in the ECE Region* Geneva, Switzerland: United Nations.
- Wallace, George. "Using Microenterprise Programs in the Rural United States," in *Rural America*, 15:1, Economic Research Service, US Department of Agriculture. Available at: <http://www.ers.usda.gov/publications/ruralamerica/RA151/RA151F.PDF>.
- Welter, Friederike, David Smallbone and Nina Isakove (eds). 2006. "Enterprising Women in Transition Economies". Ashgate Publishing Limited. UK.

Chapter II

PUBLIC EXPENDITURE AND SOCIAL PROTECTION

Gender aspect of social security and pensions

Silke Steinhilber

INTRODUCTION

Social security schemes have been an important reform arena throughout the ECE region during the last two decades. Their implications for gender equality, however, have not received much attention in political decision making and public debates. Reforms have responded to emerging challenges to welfare states, such as labour market and demographic change, as well as fiscal pressures. Typically, reforms aimed at reducing the burden of welfare state provisions on the State budget, and ensuring the financial sustainability of social security. In ECE countries with economies in transition, welfare states had to be adjusted to be compatible with a market economy environment, to increase efficiency and effectiveness of the delivery of social security benefits and services, and to provide for greater transparency of benefit administration.

The reform pressures and policy responses found in the region deserve to be analysed from a gender perspective. It is by now widely recognized that women and men are affected differently by social security systems, and often have different demands for benefits.⁴² Gender difference in social protection is caused by systemic inequality as well as inequality in the conditions of women and men, for example the unequal division of paid and unpaid work between both sexes and labour market inequality.

When focusing on the reforms of state benefits to support families⁴³, and on pension systems, two of the

key areas for gender equality in social security policy, a few points deserve to be highlighted in particular:

- Family benefits and pensions have an important function for poverty reduction and income maintenance for families and in women in old age. During the past two decades they have not always effectively accomplished this in the ECE region, however, and improvements are needed to avoid further poverty risks in the future. In countries of Central and Eastern Europe, Central Asia and the Caucasus, family benefits have not been well protected against cuts in spending (as compared to pensions, for example), and reforms have reduced coverage of family benefits in a number of countries, and for some groups of families and individuals, for example all those in informal employment. Cash support for families is usually very low.
- Pensions are currently an important source of income for a great number of households. With reforms, however, future pension levels will be more dependent on (gender-differentiated) labour market outcomes, and while pension ages have been raised, most countries of Central and Eastern Europe, Central Asia and the Caucasus maintain a different retirement age for women and men, thus causing a high poverty risk for women in old age.
- Family benefit can play a key role for facilitating women's employability and the reconciliation of employment and family life. ECE member States vary tremendously in the extent this is reflected in public policy, however. While some EU countries have moved decidedly to strengthen the employability function of family benefits, many ECE transition countries have been slow in recognizing

⁴² See, for example Orloff 1993, Sainsbury 1999, O'Connor et al. 1999, Ginn et al. 2001

⁴³ Family benefits here are understood to comprise state assistance in cash or kind provided to families to deal with the economic consequences of childbirth and childraising, as well

as to facilitate the reconciliation of employment and family life of parents.

the employability function of family support and in reaping the benefits of women's greater economic involvement. To the contrary, in some countries family benefits have been looked at as providing relief for tight labour markets and as tools of a state-sponsored return to traditional gender role models in the family.

- Family benefits may contribute importantly to a sustainable demographic development, in particular when they facilitate women's employability. However, regardless of international evidence to that end, and not reflecting the reality of dual earner families, demographic concerns have in a number of countries been instrumentalized for a conservative family policy agenda, while the effect of pronatalist policies has not been established.
- Considerable progress has been achieved throughout the ECE region in reducing systemic inequalities in social security and providing for equal treatment of women and men. This has, however, in some cases had (unintended) negative consequences for women who face gender discrimination and segregation in the labour market. Moreover, men have so far not noticeably increased their share of caring responsibilities, thus not taking advantage of their equal access to family benefits.
- The commitment to gender mainstreaming, which all ECE governments have subscribed to, is so far not effectively fulfilled in social security policy. While parental leave and the importance of family benefits in general were highlighted explicitly in the Beijing Platform for Action, innovative national strategies to ensure gender mainstreaming in pension and social assistance policy are still insufficient. Institutional structures and capacity for gender mainstreaming in social and economic policy, supported by well-founded technical debates, continue insufficient.

REFORM TRENDS AND PROGRESS MADE

Family benefits

The analysis of social security reforms in the ECE region, in particular of the reform of family benefits, brings out a number of key gender aspects:⁴⁴

- Family assistance benefits are generally inadequate

in their level and coverage. Particularly vulnerable households include those with many children and female-headed households, as well as those with weak links to the formal labour market. Reforms have not decidedly improved the known deficiencies of benefits.

- A gender analysis of the key policy priorities, for example targeting and monetization of benefits, has been marginal in policy debates and decision making.
- Benefit reforms have, in a number of countries, prioritised pronatalism, in combination with a widespread conservative family rhetoric, over support for women's employability. Given the persistent unequal division of labour between women and men, women thus continue to face serious obstacles to participate and succeed in the labour market.
- Formal equality between women and men has been increased in social security by removing obstacles to men's use of family benefits. The take-up of benefits by men, however, continues to be marginal. Family benefits, particularly extended leaves, thus often result in de-facto discrimination of women in the labour market on the one hand, and an increasing gap between entitlements and take-up of benefits by women.

Poverty relief and support to have been among the key policy objectives of family benefits in ECE transition economies in the early 1990s. Governments used family benefits, along with other social security benefits, to provide relief from the effects of price liberalization and the abolishment of subsidies, inflation, job loss and poverty (UNICEF 1999, Wóycicka et al. 2003). Evidence has shown that in some countries, universal cash benefits have proven to be more effective at reaching poor families than unemployment benefits or targeted assistance (UNICEF 1999, Stewart and Huerta 2006). However, in response to fiscal pressures, targeting family benefits at those households with low resources became the norm in social assistance policy in transition countries throughout the 1990s. In the countries of South-East Europe, Eastern Europe, Central Asia and the Caucasus at present, only few countries pay universal child benefits, and often only for the youngest children, i.e. under the age of two (e.g. Belarus, Azerbaijan, Republic of Moldova). Romania stands out as an exception, having maintained a universal system of child benefits since 1993. The universal benefit is complemented by a system of means-tested benefits for low income families and single parents. In the countries of South-

⁴⁴ See, for example, UNICEF 2006, Stewart and Huerta 2006, Rostgaard 2004, Fultz, Ruck and Steinhilber 2003, Fajth 1994.

Box 24 Monetization of social assistance

The monetization of social assistance has been among the key reform priorities in the successor states of the Soviet Union. Monetization means that social assistance is paid in cash rather than in kind. Sometimes, reforms have also entailed that benefits were no longer oriented toward specific categories/groups of the population such as veterans, but instead allocated on the basis of an income test. An important function of cash transfers is to give households extra flexibility to spend as they see fit.

Data show that while many benefit recipients are better off receiving cash benefits rather than benefits in kind, monetization has sometimes been accompanied by an overall reduction of benefit levels, and weak implementation at local levels, or has benefited categories of people differently (e.g urban vs. rural) (ILO 2005). Experts remain sceptical as to the benefits of monetization (Alexandrova, A., Struyk, R. 2005). However, there are only few studies on the impact of monetization of social assistance, particularly for countries other than Russia. So far gender as a category of analysis appears to be completely absent from the policy analysis and debates around monetization.

To assess the gender impact of benefit monetization, it would be necessary to study changes in individual benefit levels between women and men after monetization, changes in the intra-household distribution of resources and budgetary decision making power, as well as changes in the distribution of benefits between different groups of households, for example the impact on female headed households. Given the prevalent poverty-related nutritional and general health problems of women and children, for example in Central Asia, it is pertinent to assess the individual and household consumption impact of benefit monetization from a gender perspective (ADB 2005).

East Europe, Eastern Europe, Central Asia and the Caucasus, reforms have also implied the monetization of social security benefits (see Box 24).

Table 1 Child-related and old age benefits as percentage of total social security expenditure in selected SEE countries, 2003

	Share of category of benefit in all social security benefits	
	Child-related benefits	Old age benefits (excl. survivor benefits)
Albania	1	61
Bulgaria	8	66
Republic of Moldova	5	61
Montenegro	5	42
Romania	6	55
Serbia	9	44

Source: ILO 2005, quoted in UNICEF 2006: 67

Despite the positive role of family benefits in the transition process in countries of Central and Eastern Europe, Central Asia and the Caucasus – and despite widespread rhetorical commitments to family support from politicians across the spectrum – family benefits were not protected when public spending was reduced during the economic transition process. Quite to the contrary: Family benefits are much lower and usually politically more vulnerable, when compared to pension

benefits for example (UNICEF 2006) (see Table 1). Some countries have abolished general family benefits altogether, integrating them into a system of means-tested general assistance to all households. Examples for this trend include Albania, Georgia, Kyrgyzstan, Turkmenistan (UNICEF 2006). This trend is particularly worrying for children's development perspectives (Steward and Huerta 2006, UNICEF 2006). Low family support also undermines women's ability to reconcile work and family responsibilities, and consequently has a negative effect on women's employment and labour force activity, as well as (Villagomez et al. 2004).

Expenditures for family benefits and services suffered considerable losses in a majority of countries of Central and Eastern Europe, Central Asia and the Caucasus. In the early 1990s already, declining expenditures for family support were reported in Bulgaria, Slovakia, the Czech Republic and Romania, with family support declining proportionately more than all other public transfers (Fajth 1994, Fodor et.al. 2002). Later in the decade, Hungary and Poland followed suit, where the decline was a result both of direct cuts and of a failure to provide for cost of living adjustments (Fultz & Steinhilber 2003). Declining family allowances in relation to the average wage were reported in Slovakia, Hungary, Slovenia, Estonia, Latvia, the Russian Federation, Azerbaijan and Turkmenistan between 1990 and 1997 (UNICEF 1999, Rostgaard 2004) (Table 2). Croatia and Belarus are the only countries in South-Eastern and Eastern Europe, Central Asia and the Caucasus where spending on maternity benefits has risen significantly since the mid-1990s (Steward and Huerta 2006).

Box 25 Targeting and means testing

“While universal and targeted programmes aimed at providing financial support to families with children coexist across several CEE and CIS countries, there has been an increased emphasis on targeting since the early 1990s. This has been fostered in part by governments and also encouraged by some international organizations wishing to see very limited public resources used more efficiently. (...) The purpose of targeted schemes is to provide assistance only to families who fulfil a set of qualifying criteria. (...)”

When carried out fairly and efficiently, means testing can be a highly effective tool for reducing poverty. In practice, means testing is often associated with a range of problems. One is the social stigma sometimes attached to applying (...). Another problem is lack of knowledge of the schemes: the poor either do not know about the help available, or they think they would not be eligible. Means-testing (...) can also entail high administrative costs (...) and produce undesirable disincentive effects, in that households may decide not to increase their earnings (even though they could) because this would mean losing eligibility for means-tested assistance. (...) Excessive bureaucracy and lack of transparency increases the risk of arbitrariness in decisions to award benefits. (...) In the worst scenarios, means testing can lead to discrimination and corruption.

In general, with universal benefits the risk of exclusion of people in need tends to be low simply because there is less stigma attached to applying for them, because people are likely to know about them, and because eligibility criteria are clear. Means-tested assistance, on the other hand, is intended to be better targeted on the poor, and to exclude the non-poor. But (...) in practice means-testing never obtains perfect targeting, with some section of the poor remaining excluded.”

Source: Quoted from UNICEF 2006:74

Throughout the 1990s benefit coverage declined in a number of countries in transition: the decline mainly happened because benefits continued to be linked to wage-based social security contributions, while the numbers of self-employed, the non-formally employed and the unemployed grew massively (Fajth 1994). As a consequence, growing numbers of families lost access to employment-linked benefits.⁴⁵ Income-testing and the targeting of support to large families and to those in greatest need have also reduced the overall coverage of family benefits, while the administrative capacity for targeting of benefits is often weak (see Box 25). The shift to income-testing was very marked in Poland, for example, where today eligibility for all but one benefit is based on the income or means of the family.⁴⁶ In Slovakia, with the introduction of income-testing, roughly 20 per cent of all families with children lost their entitlements to child support (Götting 1998). In Hungary, income-testing was adopted in the mid-1990s and then abolished again later in the decade. Income-testing was less marked in the Czech Republic, where it was applied to some but not all benefits and in a manner that was not

highly restrictive. For instance, 94 per cent of two-parent families with one economically active parent received the child allowance before it was income-tested (1996) and 93 per cent received it afterward (1999) (Kuchařová et al. 2003). In their analysis of maternity benefits in South Eastern and Eastern Europe, Central Asia and the Caucasus, Stewart and Huerta point out that only the Bulgarian system stood out as functioning well, and that appears to be the case because the maternity benefits are available on a social assistance as well as on a social insurance basis (Stewart and Huerta 2006: 52).

Table 2. The value of family allowance benefits, 1990-1997 (per child benefit for couples with two children, per cent of average wage)

Country	1990	1991	1992	1993	1994	1995	1996	1997
Slovakia	10.3	9.1	7.4	5.9	9.2	8.9	8.1	7.1
Hungary	16.1	14.3	13.9	12.0	9.6	8.2	6.8	7.7
Slovenia	9.5	9.0	8.1	9.2	8.2	7.5	6.3	5.6
Estonia	-	-	10.0	8.3	6.3	5.3	4.9	4.7
Latvia	-	-	10.8	8.8	5.8	4.6	5.1	4.0
Russian Federation	-	-	10.2	3.5	5.5	6.6	6.3	6.1
Azerbaijan	-	-	-	5.4	3.7	2.5	7.6	6.4
Turkmenistan	-	-	-	-	1.9	2.7	1.7	1.3

Source: MONEE project database, UNICEF 1999.

⁴⁵ In cases where social assistance benefits are linked to the registration as unemployed, the unemployment registries tend to be inflated, because that is how citizens can access certain benefits.

⁴⁶ The childcare benefit a short-term payment for those who leave work to care for a sick child remains fully employment- and wage-related (Wóycicka et al. 2003).

Box 26 Support to larger families and pronatalist policies

The targeting of benefits to large families was partially driven by pronatalist policy goals, and introduced in connection with broader efforts to redress stagnant or declining population growth and efforts to restore traditional family roles or proclaimed national values. In Hungary, a new child benefit was created for families with three or more children; and progressively larger tax credits were provided for the second, third and subsequent children (Lukács and Frey 2003).

In Poland, larger families received a higher child allowance for their third and subsequent children (Wóycicka et al 2003). In 2005, a universal birth grant was introduced. In the Czech Republic, although population growth was less ardently promoted, larger families also received larger child allowances (Kuchařová et al. 2003).

In Estonia, family support has been explicitly subordinated under the population policy that strives to bring up the birth rate to replacement level. A universal birth grant of 320 Euros (2006) is available, as well as special allowances for families with three and more children. At the same time, however, the family policy concept explicitly emphasizes the need to support the reconciliation of employment and family life. Since 2004, a wage-replacing parental benefit is paid during parental leave, for a period of ten months (Maternity leave and benefit are granted for additional 5 months). The minimum monthly benefit is 159 Euro, the maximum is three times the average salary (1230 Euro in 2006) (Minister of Population and Ethnic Affairs 2006).

With the potential exception of Estonia (where data is inconclusive, and the population is small), none of the countries has been able to show that the pronatalist family measures of the 1990s have actually achieved their goal. Evidence from elsewhere in Europe shows, however, that a high employment participation of women and improved work-family reconciliation measures can slow down the further decline in birth rates, if not reverse it (Rüling and Krassner 2007, Villagomez et.al. 2004)

Next to poverty reduction through family assistance, family policy in countries of Central and Eastern Europe, Central Asia and the Caucasus has attempted to support larger families, and slow down, or possibly reverse, the rapid decline in birth rates through pronatalist policy measures. Pronatalism, however, in particular in combination with a widespread conservative family rhetoric has come under debate for potentially creating disincentives to women's labour market participation (see Box 26). Its positive effects on birth rates have so far not been proven.

Throughout the ECE region over the last fifteen years, systemic gender inequality in social protection has been reduced in many countries. Formally equal treatment of women and men has been promoted, and social security

entitlements have been individualized, for example by reducing derived rights. Both have the potential to enhance gender equality – but have proven to cause (unintended) consequences, to women's disadvantage (see Box 27).

Increasing formally equal treatment has implied removing obstacles to fathers' use of family benefits in a number of countries, such as the "new" EU members Hungary, Poland and the Czech Republic. In addition, maternity benefits and maternity leave (as benefits to be used by mothers) have been administratively and legally/conceptually separated from childcare benefits and childcare leave, thus widening the possibility of fathers to enjoy these benefits. In public discourse and perception, however, it is often still not recognized that fathers could

Box 27 Unexpected results from equalization of entitlements

In Poland, the benefit for caring for a sick child was revised in 1995, making it available to mothers and fathers on equal terms. While the Civil Rights Ombudsman had promoted the revision as a measure towards non-discrimination, its advantage for women was at best questionable.

In the legislative debate, some decision makers argued that equality of treatment would cause an increase in spending, since the benefit was based on the wage of the beneficiary, and men's average wages are about 20 per cent higher than women's. To avoid such an increase in spending, the benefit was reduced from 100 to 80 per cent of the recipient's wage. There are no exact data available on the number of fathers who use the benefit, but evidence suggests that the overwhelming majority of beneficiaries are women, who now have to cope with smaller benefit payments.

Source: Wóycicka et al. 2003.

be temporarily absent from the labour market for family reasons, and the numbers of male beneficiaries are indeed negligible in ECE transition economies.⁴⁷

Family benefits, in particular extended leave schemes, result in some cases in de-facto discrimination against women; for example, employers often mention maternity and family benefits as a reason for not hiring women (Petrovic 2001, Human Rights Watch 2003). Studies report a growing gap between formal benefit entitlements and actual take-up of family benefits, in particular leave from employment (Steward and Huerta 2006, Fultz & Steinhilber 2003, UNICEF 1999). In other words, benefit entitlements are often not of much practical use in a tight and discriminatory labour market. Anecdotal and incomplete evidence suggests that women perceive discrimination for maternity and family reasons, and see limited options to search legal redress. However, representative data on discrimination for family reasons is weak or non-existent.⁴⁸

Pension benefits

A growing body of analysis shows that pension reform can have a negative impact on women as a group, and for the promotion of gender equality for several reasons:⁴⁹

- Given the gender pay gap in the entire ECE region, women will be likely to lose pension protection when redistributive pension systems are replaced by individual savings;
- A lower retirement age gives women less time to build a second pillar pension and may serve to suppress their benefits in the public pension system as well. At the same time it stabilizes a stereotypical division of unpaid care work between women and men;
- The use of gender specific biometric tables by private

pension schemes would cause further losses of protection, given the longer average life expectancy of women; and

- Unless pension rights are provided for maternity and child care leave for both women and men (caring credits), breaks in paid employment for family care giving will serve to diminish pension adequacy and will be a further disincentive to a more equal sharing of care responsibilities among women and men.

Certainly not all women will be negatively affected by the reforms that were conducted in countries of Central and Eastern Europe, Central Asia and the Caucasus since 1990. However, it is possible to predict that women will depend in much larger numbers than men on state-financed minimum pension guarantees or state income assistance – which are politically more vulnerable than contribution-based pension insurance, more affected by stigma, and exclusion for lack of information. There are strong indications that women face very serious old-age poverty risks under the reformed pension systems in many of these countries. A general overview of the main gender issues in pension systems is provided in Table 3.

Throughout much of the ECE region, pension reforms since 1990 have eliminated many of the redistributive elements offered by the previous public pension schemes, according to a “priority to actuarial fairness, at the expense of social fairness” (Ginn 2004: 2) (see Box 28). With reforms, pension benefits were linked more closely to lifetime earnings and the role of individually accumulated pension rights became more important for calculating the benefit level.⁵⁰ Most transition countries have also increased the number of years of contribution payments taken into consideration for the benefit calculation (Fultz 2003). The role of privately administered pension insurance has been greatly strengthened throughout the region.

Pension systems are typically acclaimed to be gender-neutral. Benefit formulae in public pension schemes, for example, make no direct reference to sex and provide for equal treatment of women and men. De facto, however, reformed pension systems will leave

⁴⁷ There are a few indications for an opening of public discourse in this respect: For example, in the Czech Republic, during the spring of 2005, a TV docusoap on fathers on childcare leave sparked considerable public debate on the topic.

⁴⁸ For family discrimination data on the United Kingdom, see Adams et.al. 2005. Both the massive perception of gender discrimination and the absence of legal remedies were confirmed by interviews the author conducted with women trade unionists and labour inspectors in Bosnia nad Herzegovina, Albania and the Republic of Moldova in 2006, see Steinhilber 2007, as well as in an ongoing participatory research project conducted by women's sections of trade unions in South-East Europe.

⁴⁹ On CEE countries: Fultz, Ruck and Steinhilber 2003, Fultz 2005; Ratajczak 2006; on Western Europe and the United States/Canada, see Ginn, Street and Arber 2001, Ginn 2003, Ginn 2004; on Western Europe and Latin America, see Gilbert 2006.

⁵⁰ In some countries so-called notional-defined-contribution (NDC) systems were introduced, in which benefit levels are based on a worker's lifetime contributions, a notional rate of return and an estimate of the average life expectancy of her/his age cohort at the standard retirement age (Müller 2000, Fultz 2003). As a consequence, future pensioners in countries with NDC schemes will receive the benefit that they have 'paid for' and redistribution towards low-income earners is eliminated.

Table 3. Key issues for gender equality in old-age security

		Access to benefits	Amount of benefits
Public pension schemes	Individual pension rights based on contributions	<ul style="list-style-type: none"> ◆ Earnings or hours thresholds for contributions and eligibility for benefits ◆ Years threshold for residence-based pension ◆ Age for pension qualification/ retirement age ◆ Non-contributory periods (e.g childcare leave) counted to overall years of contributions ? 	<ul style="list-style-type: none"> ◆ Closeness of link between earnings and benefit – extent of redistribution, if any ◆ The existence of minimum floors and/or ceilings ◆ Maximum benefit amount as percentage of average earnings ◆ Duration of contribution/residence period for full pension ◆ Treatment of caretakers – caring credits (e.g. during leave, or for unpaid care work regardless of employment status) ◆ Indexation rules
	Derived rights	<ul style="list-style-type: none"> ◆ Married or widowed status required for eligibility (Valid for cohabitants, same-sex couples, and remarried beneficiaries? Minimum duration of marriage?) ◆ Provision for pension-splitting on divorce, if any 	<ul style="list-style-type: none"> ◆ Equal or unequal entitlements between spouses; Percentage allocated to wife, if unequal entitlements ◆ Percentage 'inherited' by widow ◆ Arrangements in case of divorce ◆ Simultaneous eligibility for own and derived benefit? ◆ Indexation rules
	Minimum income security in old age	<ul style="list-style-type: none"> ◆ Benefits income/ needs-tested or not? ◆ Unit for needs test – individual or couple/ household ◆ Basis of needs test: income, assets, or both ◆ Entitlement based on citizenship or contributions? ◆ Individual/ derived rights to minimum security? 	<ul style="list-style-type: none"> ◆ Income threshold for receiving the benefit ◆ Minimum income as percentage of national average earnings? ◆ Indexation rules
Non-State pension schemes	Occupational pension schemes	<ul style="list-style-type: none"> ◆ Balance of State and non-State pension provision, criteria for provision of State subsidies for private schemes, if any ◆ Earnings or duration of service threshold for eligibility ◆ Minimum contribution periods ◆ Ease of transfer or preservation ◆ Age requirements for eligibility/ retirement age ◆ Joint annuity requirements 	<ul style="list-style-type: none"> ◆ Defined contribution or defined benefit scheme ◆ Guaranteed payout? ◆ Level of employer's contribution, if any ◆ Entitlement splitting between partners (married? cohabiting? same sex?); splitting in case of divorce ◆ Calculation of risks on the basis of sex? Unisex tariffs? Life tables used for annuity calculation (unisex vs. sex-differentiated) ◆ The treatment of leave taken by caregivers – caring credits ◆ Inheritance of entitlements possible? Widow's pension as percentage of deceased member's pension ◆ Whether / how entitlement is inflation-proofed during accumulation period, and during benefit payment ◆ Level of tax relief on contributions, if any ◆ Taxation of benefits ◆ Indexation rules
	Mandatory private pensions		
	Voluntary private pensions		

Source: author, adapted from Ginn; Street and Arber (2001: 8).

Box 28 Reducing redistributive elements in the pension formula in Hungary

The Hungarian reform enacted in 1998 included a provision to abolish the progressive term in the pension benefit formula of the public scheme. The change is being phased in and will become fully effective in 2013. The pension benefit level in the new system depends on the number of years worked and the average individual monthly earnings (contributions from earnings have to be paid up to a ceiling).

Since redistributive elements in the old pension formula were abolished, the new formula benefits middle- and upper-income workers, to the disadvantage of lower-income workers. The new formula also favours longer service periods. Consequently, on average, men will benefit more from the reforms, since they tend to work more years and to have higher incomes, on average.

Source: Lukács & Frey 2003.

a large group of women with lower pensions: Women have lower average lifetime earnings, more women are found among workers with the lowest lifetime earnings, women are at greater risk to fall unemployed (in most countries) and stay unemployed for longer time periods, and do a disproportionate amount of unpaid care work, which results in shorter periods of social insurance contributions (see Part I of this publication).

The private pension component, which was introduced in a group of countries as a second pillar of the pension scheme, is by definition not redistributive. Pension savings are accumulated in individual accounts. Individual savings accounts for pensions contribute further to women's disadvantage in pensions. Again, this is mainly an effect of women's weaker labour market position (reflected in lower incomes and lower pension contributions), and their shorter total working life, mainly due to childcare breaks. One advantage of such a system, however, can be that all contributions, even those paid during a short period of employment, are reflected in the savings accumulated. Previously, a number of restrictions to pension contributions had applied regarding the length of the employment contract or hours worked, for example.

Most countries increased the retirement age as part of their pension reforms. Increases amounted to about two to three years for men and three to six years for women (Fultz 2003) (see Tables 4 and 5). Even where increases are phased in over an extended period of time (over 16 years in Estonia, 14 years in Hungary, 10 years in Latvia, for example), the reforms demand greater adjustments

on the part of women. Retirement ages for women and men have already been equalized in a number of countries: Estonia, Hungary, Latvia and Slovakia. Formally equal treatment of women and men has not been achieved throughout the region, however: Most countries have preserved a retirement age difference by sex (Bulgaria, Lithuania, Romania, Slovenia, Albania, Croatia, the former Yugoslav Republic of Macedonia, Republic of Moldova, Montenegro). In some countries (Poland, Slovenia), initial proposals to equalize women's and men's retirement ages were rejected after public debates (Fultz 2005). The difference, where maintained, is between two years in Slovenia and five years in Poland, with other countries in between. In the Czech Republic women's retirement age continues to depend on the number of children that she had, and Serbia has legislated for a retirement age based on a combination of age and years of contributions.

An earlier retirement age has a particularly strong negative impact for women when pension levels are closely linked to contribution payments (i.e. when pensions are "fair" from an actuary's perspective). With the elimination of redistribution towards workers with low lifetime contributions, which had been a feature of state socialist pension systems, most women who retire early will receive substantially lower benefits than before the reforms. Unfortunately, pension reforms have not been matched with strong political efforts to reduce the gender wage gap, which would soften the negative gender impact of actuarial fairness.

Pension credits for periods spent out of employment in order to care for young children or other family members have traditionally been important for women (see Box 29). Pension reforms during the 1990s, however, brought revisions of caring credits, often reducing the value attached to unpaid care work. Reforms therefore in a number of cases were to women's disadvantage.

Nowhere have reforms led to the inclusion of other care responsibilities, elderly care for example, as demographic developments and time use surveys might suggest. Instead, caregivers in most pension systems, notably in countries of Central and Eastern Europe, Central Asia and the Caucasus, are penalized in their pension benefit accumulation if they leave the labour market temporarily. Some West European countries, however, have designed caring credits to be virtually neutral compared to work (Sweden) or independent from an employment relationship (Germany).

Box 29 Caring credits

Hungary retained the old rules for caring credits in the public component of the new pension system, but applied new rules to the new mandatory private component adopted in 1998. In this case, participants must contribute 6 per cent of their childcare benefit to a commercially managed individual savings account. As explained above, their future pension benefits will be calculated as a simple return on this contribution – i.e. investment performance minus management fees. This private benefit will supplement the individual's public pension. The amount of the public pension will be reduced due to the diversion of a part of the contribution to the private tier. As with all other contributions to the privatized component of the pension system, there is no employer matching contribution to the contribution from the childcare benefit. However, 6 per cent of the childcare benefit is a tiny amount, equal to less than \$4 per month. Time off for caring will thus reduce a carer's benefit portion from the private system substantially. This policy is especially disadvantageous for middle- and upper-income workers, since the pension entitlements that they earn while working are substantially higher than those based on the childcare benefit (Fultz & Steinhilber 2003).

Poland in turn chose a transfer from the State budget to finance caring credits, making pension financing more transparent and shifting the burden of financing caring credits to the public at large. However, the subsidy is based on the minimum wage, which makes the benefit much less generous than it was before. As a result, most individuals who take leave from work to provide childcare will receive lower pensions. As it is almost exclusively women who take leave and receive childcare benefits, it is their earnings history, and consequently their pensions, that will be reduced. Moreover, the degree to which carers are penalized in their pension entitlements rises with their income level (Wóycicka et al. 2003).

In Germany, a parent receives one pension credit point per year. This is available for three years, regardless of whether the parent is employed or not. If the parent is employed, the caring credits are added to the credits earned from obligatory pension contributions withheld from wages. For a parent with a low wage (due, for example, to part-time work), while the child is between 3 and 10 years old, pension contributions are boosted by 50 per cent. However, they cannot be higher than the contributions from the average wage of all insured during this calendar year.

In Sweden, childbirth credits can be claimed by either parent and are equal to the most advantageous of (a) contributions based on 75 per cent of average earnings for all covered persons, (b) 80 per cent of the individual's own earnings in the year prior to childbirth or (c) a supplement consisting of a fixed amount indexed over time to the (covered) per capita wage. Individual calculations based on a sample of actual earnings records indicate that the system is nearly neutral in its effect on the final pension compared with the alternative of working instead.

GAPS AND CHALLENGES

Evidence shows that so far gender equality has been only a marginal consideration in social security reforms. The drafting of reform proposals, the public deliberations around them, the political process leading to reform decisions and the assessment of preliminary experiences with reform have not systematically included gender equality concerns. Often, references to traditional family values and symbolic pro-family initiatives have dominated policy debates, while technical and evidence-based arguments about the gender impacts of social security policy continue to take a marginal place in public debates (Steinhilber 2006, Gal and Kligmann 2000). An absence of qualified institutional structures to contribute to gender-sensitive social security-policy debates is noticeable throughout the region, where Women's Policy Machineries generally suffer from weak institutional power and continuity.

Another explanation for the "oversight" in conceptualizing gender equality in social security can be found in the controversial and unsettled nature of the topic itself (Fultz & Steinhilber 2003, Steinhilber 2002). Should one focus

on social security schemes proper when addressing their gender impact, or should one, and to what extent, take into account the fact that schemes operate in a socio-economic environment, which is itself characterized by gender inequality? The former approach implies that equality of treatment in social security may reproduce, even add to, inequalities caused elsewhere, for example in the labour market. The latter approach, in turn, may imply that formal equality within a social security scheme ceases to be the primary objective. Rather, social security would be structured to equalize and compensate for inequality in its environment.⁵¹

In addition, the particular characteristics of Central and Eastern Europe complicate an analysis of gender equality in social security. Social security policy in the past was based on a rhetoric of equality and women's full employment, while in fact the unequal division of labour

⁵¹ Both views have sometimes been regarded as complementary, for example ILO 2001. In the Central and East European context, however, they appear as alternatives rather than complements.

Table 4. Retirement ages for men and women, EU member states from Central and Eastern Europe

	Current law	Men	Women
Bulgaria	2000	63	59, increasing to 60 in 2009 by 6 months per year
Czech Republic	1995	63	63 with no children, 59-62 with children, depending on the number
Estonia	1998, in force 2000	63	60, increasing to 63 in 2016 by six months every second year
Hungary	1996	62	60, increasing to 62 in 2009 by one year every second year
Latvia	1998	62	61.5 (from July 2007), increasing to 62 in 2008 by six months/year
Lithuania	1994, 2000	62.5	60
Poland	1998 (in force 1999)	65 ^a	60
Romania	2000 (in force 2001)	63 (first quarter 2007), increasing to 65 in 2014 by 3 months/year	58 (first quarter 2007), increasing to 60 in 2014 by three months/year
Slovakia	2003 (in force 2004)	62	60 with no children, increasing to 62 in 2009 by 9 months/year since 2004; women with children will reach 62 by 2010-2014, depending on number of children, increasing by 9 months every year since 2004
Slovenia	1999	62, increasing to 63 in 2009	55 and 8 months, increasing to 61 in 2023

Source: Fultz 2007.

Table 5. Retirement ages for men and women, South Eastern Europe

	Current law	Men	Women
Albania	2003	61 (first half 2004) (35 years contributions), increasing to 65 by 6 months/year	56 (first half 2004) (35 years contributions), increasing to 60 by 6 months/year
Bosnia and Herzegovina	1998, 2001, FBH	65 in 2004 with 20 years of contributions, or any age with 40 years contributions	Same as for men
	2000, Rep. Srpska	Same as for FBH, but with option for early retirement at age 63 in 2004, and 64 in 2005	Same as for men, plus option for early retirement at age 58 with 20 years of contributions or at any age, with 35 years of contributions
Croatia	1998	63 in 2004, increasing to 65 in 2008 by 6 months/ year	58 in 2004, increasing to age 60 in 2008 by 6 months/ year
The former Yugoslav Republic of Macedonia	2000	64 in 2004	60.5 in 2004, increasing to 62 in 2007 by 6 months/ year
Republic of Moldova	1998	62 in 2004 with 30 years of contributions	57 in 2004 with 30 years of contributions
Montenegro	2003	60.5 in 2004 with 40 years of contributions, increasing to 65 in 2013 by 6 months/ year	55.5 in 2004 with 35 years of contributions, gradually increasing to age 60 in 2013 by 6 months/ year
Serbia	2003	63 with 20 years of contributions	58 with 20 years of contributions
		65 with 15 years of contributions	60 with 15 years of contributions
		53 with 40 years of contributions	53 with 35 years of contributions

Source: Fultz 2007

between women and men at home, cultural reflections of gender equality and gender stereotypes were not a public policy concern. Consequently, women obtained some advantages in social security systems during the socialist period, such as lower retirement ages and access to extended family leaves, which would be lost, or lost in part, if formally equal treatment of women and men was introduced. Thus, while gender equality is usually thought of as bringing benefits for women, in the regional context it implies losses of long-standing entitlements.

Gaps and challenges in family benefit reforms

A number of issues stand out as gaps and challenges to mainstreaming gender in the reform of family benefits. Firstly, maintaining, if not increasing, the value of family benefits appears to be a key social security policy measure in times when real income is declining and needs for assistance emerge during periods of economic transformation. In times of tight fiscal policy, family benefits should be protected at least as well as other social security benefits.

Given the close link between family benefits and women's employability, it is important to consider the effect of family benefits on women's incentives to participate in the labour market, as well as potential benefit traps, especially for women with weak labour market positions. Benefits should thus be designed in a way to support women's employability. Where it is still mostly women who provide childcare, as is the case in Central and Eastern Europe, making long-term home-care benefits⁵² available through the workplace or contingent on employment creates incentives and rewards for their labour force participation. Conversely, if long-term care benefits are restricted to those with low incomes or limited means, mothers who stay at home to care for young children may become isolated from the world of work, find their integration/ reintegration into the labour market more difficult and suffer monetary disadvantages for lack of employment continuity. Also, the duration of leave entitlements may have negative effects on women's employability. Cash benefits for home care may set incentives for a withdrawal from the labour market, while in-kind benefits, such as services, tend to stimulate greater labour market activity.

Recent studies have highlighted that increased income-

testing of long-term childcare benefits may be creating traps for women or work disincentives, especially for women with low skills or otherwise weak labour market positions (Fultz & Steinhilber 2003). Concerns were raised in particular with respect to the small gap between childcare benefits and the minimum wage, as well as the high cost of institutional childcare.⁵³

If eligibility to family benefits is based on a means test, some working mothers (who live in a household above the income threshold) will be totally ineligible for support, making it more difficult for them to both work and care for children. Others may be excluded from receiving benefits for lack of knowledge or because they are ashamed to apply for a means-tested benefit. In order to achieve a more gender-equal division of time between employment and family responsibilities, means-testing may therefore not be the measure of choice.

A more equal sharing of family caring responsibilities between women and men, and a more equal distribution of benefit take-up between women and men should be a central goal for family benefits designed in the interest of gender equality. A recent study by the European Industrial Relations Observatory shows that the success of family-related leave and its impact depends on the characteristics of the particular scheme. Where sharing of leave by both parents is common, as in Sweden and Norway, there is a positive impact on gender equality (EIRO 2004). Consequently, removing obstacles to fathers' use of these benefits is a first step towards this goal. However, while formally equal treatment is clearly necessary, achieving gender equality in care responsibilities entails a variety of factors other than formal equality in childcare benefits.⁵⁴ For example, if a family would like to split caring equally, it needs to be able to compensate for the loss in the father's income, which on average is higher than the mother's. Specific measures to increase the use of family benefits by fathers are needed. Only limited progress has been made in this direction in EU member States (Rubery 2004, Villagomez et al. 2004). The lack of such measures is clearly noticeable in family benefit reforms in ECE countries in transition.

⁵² The emphasis here is on benefits received during periods of parental leave, not short-term benefits for caring for a sick child.

⁵³ In Hungary, institutional childcare fees for a parent with two young children constitute about 40-50 per cent of wages, whereas in Poland they constitute 75 per cent of the net minimum wage (Lukács and Frey 2003, Wóycicka et al. 2003).

⁵⁴ Data from Poland, Hungary and the Czech Republic, for example, show that as yet equal treatment in childcare entitlements has had no discernible effect on the allocation of childcare responsibilities within the family, which continue to rest overwhelmingly with women (Fultz & Steinhilber 2003).

Box 30 Women's old-age poverty risks in Central Asia

In Central Asia, many poor and middle-income families do not consider pensioners as dependents because they bring in a regular cash income. However, once the new funded pensions systems mature, women's risk of old-age poverty will increase considerably, and demands on other state welfare benefits will increase. Moreover, low pensions may induce many people to opt out of the new pension systems where opportunity costs for participation are high (ADB 2005: 15).

Kazakhstan. Old-age pensions account for over half of the social spending and 67.5 per cent of these pensions are paid to women, due to their longevity. On average, women receive 80.2 per cent of the average pension of men. Women are disadvantaged in the funded pension system introduced in 1998 because of their longer absences from employment. Moreover, 64 per cent of all women are self-employed and low pensions will discourage the self-employed from contributing to the pension insurance, as returns on capital are higher elsewhere.

Kyrgyzstan. Pensions are the key income source for over one third of the Kyrgyz population. In 2002 almost two thirds (62 per cent) of all pensioners were women. However, pension rates are very low, and significantly lower for women (on average, women receive 81 per cent of a men's pension). There are also chronic delays in payments and payments are often provided in the form of food or other products – placing extra pressure on families to see additional income. Women as the principal carers and those responsible for cooking and basic necessities bear the brunt of the day-to-day burden of survival.

Crèches and kindergarten faced serious pressures after 1990, caused by privatisation of enterprises, fiscal pressures and administrative reforms, among other reasons. Demand has fallen in various countries, because of falling birth rates and high unemployment, as well as higher charges for the services. But the picture of child care enrolment rates for 3-6 years old children is very diverse throughout the region, from overall increases in Bulgaria, Romania and Croatia to massive declines in all Central Asian republics and the Southern Caucasus, as well as in Albania, Republic of Moldova and Ukraine. In some countries, enrolment has started to recover in recent years, most notably the Republic of Moldova and Azerbaijan, as well as Albania and the Russian Federation. Provision is particularly inadequate in rural areas (Steward and Huerta 2006).

While EU Member States have set benchmarks for childcare provision, countries of Central and Eastern Europe, Central Asia and the Caucasus (other than the EU Member States, of course) have made no clear commitments for increased coverage of care services.⁵⁵ Moreover, as populations age, elderly family members will increasingly need care, and are in a great majority of cases cared for by other women, very often other family members. Institutional care services for the elderly have so far not received much attention in policy debates.

Sharing the care burden between women and men and access to affordable quality care institutions for children and others in need are among the main preconditions for gender equality in the labour market.

So far, data regarding the provision of and access to childcare institutions, the affordability of childcare, and the provision and affordability of other care institutions are spotty or unavailable. The problem is aggravated by administrative reforms in some countries which have decentralized service provision. There is wide evidence, however, that access to affordable good-quality childcare institutions is perceived as a major problem by many citizens and is a reason for considerable discontent among women (e.g. KARAT 2003).

Gaps and challenges in pension benefit reforms

In the transition in Central and Eastern Europe, Central Asia and the Caucasus, the trend towards individualization of pension rights has coincided with a trend of declining employment opportunities and, in many countries, declining labour force participation of women, or increasing reliance on informal or self-employment, often with no social security contributions and entitlements (see Box 30). While women in the countries of Central and Eastern Europe, Central Asia and the Caucasus had high levels of employment participation in the past, now they face growing challenges to accumulating individual social security entitlements through the labour market. Thus, reforms have done away with social rights at a moment when women's social security increasingly depends on them,

⁵⁵ Two targets were set in the Barcelona European Summit 2002: that childcare is provided to at least 33% of children under the age of three by 2010, and to at least 90% of children between age three and the mandatory school age. It remains to be seen if all member states will meet the target, however.

Box 31 Simulation of the gender effect of the Polish pension reform

A simulation of the Polish situation shows the likely future effect of the retreat from redistribution through the pension reform. Under the old rules, the average pension paid to a woman who retires at 60 is about 82 per cent of that paid to a man retiring at the same age. Once the new NDC and privatized schemes are fully phased in, the average woman retiring at 60 will receive just 74 per cent of the average pension paid to a man with the same retirement age.

Specifically, the typical woman retiring at age 60 will draw a pension equal to 22.4 per cent of the average wage while her male counterpart will draw one equal to 30.4 per cent. Should they both retire at 65, the woman's pension would equal 29.2 per cent of the average wage while the man's would equal 39.6 per cent. In both cases the average woman's pension will be just 74 per cent of the average man's.

The effect of the five-year difference in women's and men's retirement age, too, is illustrated in the Polish simulations. Once the new mixed system is fully implemented, a woman retiring at 60 with an average female's pension will receive an amount equal to only 57 per cent of a man retiring at 65 with an average male's pension. By delaying retirement until 65, she would receive a pension equal to 74 per cent of his (Wóycicka et al. 2003).

or have restructured pension systems in ways that do not benefit women.

While most West European countries have progressively eliminated retirement age differences between women and men (the few exceptions include the United Kingdom and Austria), the equalization of retirement ages is not yet a common trend in Central and Eastern Europe. Equalizing women's and men's retirement ages appears to be a reasonable demand in the interest of equal treatment. Moreover, it is becoming a practical necessity in pension systems that are strongly individualized, and closely link contributions and benefits, as is the case in Poland (see Box 31).

However, the equalization of retirement ages typically demands greater adjustments on the part of women than men, since lowering men's retirement age does not appear to be a viable financial solution. Moreover, a higher retirement age for women is likely to create a considerable strain on established patterns of childcare provision within the family and new demands on institutional childcare services, which need to be addressed.

Caring credits in pension systems are another key issue to be addressed in pension reforms: In order to strengthen gender equality and to stress the social value of care work, pension systems need to ensure that carers are not penalized if they are temporarily absent from the labour market. The detrimental effect of caring on pension entitlements constitutes a clear disadvantage for women, given the unequal division of caring responsibilities. Moreover, if caring is penalized in the pension system, it is an additional disincentive for men to take over a greater share of care responsibilities.

Lastly, the treatment of gender differences in life

expectancies in private pensions is a central issue still to be solved in a number of countries (see Box 32). Separate life expectancy tables for women and men will result in lower monthly benefits for women or higher monthly contributions during her working life. In contrast, unisex life tables will lead to equal monthly benefits, but potentially higher lifetime benefits, on average.

INSTITUTIONAL ENVIRONMENT

In the 1990s attention to gender inequality grew in a large number of policy areas in ECE countries. The commitment to gender mainstreaming and the resulting need for follow-up activities to the Beijing Conference have constituted an important incentive to direct attention to the gender dimensions of policymaking throughout the region.

EU membership and approximations to the EU common body of legislation, the *acquis communautaire*, constitutes a strong influence in favour of greater attention to gender discrimination in the economy and the labour market. The last decade has shown that equal opportunities became a matter of concentrated national decision-making in CEE countries once chapter 13 of the *acquis*, the chapter on employment and social policy, was opened for negotiations with the European Union.

International documents and legislation, however, continue to be weak on the gender aspects of social security. In the absence of international regulations, national commitment and national capacities to ensure gender mainstreaming are all the more important. However, as the analysis shows, gender mainstreaming has been insufficient in social security reforms. National women's policy machineries have lacked the competences and capacities to intervene in social

security reform debates. No other institution has taken on that role either. Consequently, the gender impact of social security reform proposals is rarely analysed, debated or monitored. Gender equality laws, now widespread in the region of Central and Eastern Europe, Central Asia and the Caucasus appear to be weak instruments in the field of social policy so far (Steinhilber 2007).

The lack of women's participation in policymaking, the lack of focus on and insufficient discussion about the gender dimensions of social security, and different priorities with respect to social security – support for mothers and homemakers vs. equal opportunities and treatment for fully employed women – have further complicated efforts to put gender mainstreaming into practice in Central and Eastern Europe's social security reforms.

AREAS FOR FURTHER ACTION

As interest in the gender dimensions of social security policies has increased in many European countries over the past decade, there is reason to hope that knowledge and interest will spread across the ECE region. There is still a largely unsatisfied need for further research and political debate about reform proposals, and for a gender analysis of the consequences of past and ongoing reforms. So far, social security schemes throughout the ECE region have not adjusted sufficiently to changed employment and family patterns, such as

the progressive disappearance of the male-breadwinner family in the West, as well as its partial, and partly forced, reappearance in the East, due to the consequences of transition.

A comprehensive approach to gender mainstreaming in social security and care policies is needed. The links between social security and other policies, e.g. employment or vocational education and training, need to be taken into consideration. Integrated responses are needed, combining measures for gender equality in social security with changes in other fields, including labour law, affirmative action and increased political representation of women, public education and strong legal protection against discrimination in all aspects of economic and social life. It is clear, however, that solutions may lie outside the social security system as such, and that social security policy may not be the tool of choice to redress gender inequality because it cannot alone reshape entrenched beliefs and practices that sustain gender inequalities (Fultz & Steinhilber 2003).

While not an exclusive gender issue, the analysis and projections of the impact of pension reforms illustrate a pressing need for adherence to minimum standards that ensure decent levels of protection in retirement for all those with low earnings. Pension reform trends of the 1990s in Europe give reason for concern about the respect for minimum standards, in particular for women. Useful benchmarks here are provided by ILO Convention 102 on Minimum Standards of Social Security and the

Box 32 Unisex or differentiated life expectancy tables?

Hungary. The Hungarian pension law provides for unisex life expectancy tables to be used for the calculation of annuities from private pension savings. It requires that annuity providers use the same joint life expectancy table in calculating monthly benefits for both women and men. Separate life tables have been ruled as against the constitutional principle of equal treatment of women and men (Lukács and Frey 2003).

Poland. In Poland, by contrast, the issue remains undecided; as yet there has been no legislation that stipulates how mandatory individual savings will be converted to pensions. In 1999, the Government presented a proposal to Parliament allowing the use of gender-specific calculations, and then in the face of heavy criticism there, withdrew it. Its various successors have not yet addressed the issue (Ratajczak 2006).

European Union. EU directive 2004/113/EC prohibits violations of the principle of non-discrimination in the access to and supply of goods and services, in both the public and private sectors. The use of sex as a criterion in the calculation of premiums and benefits for the purposes of insurance and related financial services is prohibited. The Commission deems insurance companies' practice of separating women and men into different pools for the calculation of premiums to be discriminatory, as they do not face the same risks, bearing in mind their life expectancy in particular.

Such practices may be permitted if a justification can be provided why sex is a determining factor in the assessment of risk based on relevant and accurate actuarial and statistical data available to the public. The justification for these derogations has to be reviewed five years after transposal of the Directive, taking into account the most recent actuarial and statistical data. All EU Member States must ensure that costs related to pregnancy and maternity (for example sickness insurance) are attributed equally to men and women (European Council 2004).

European Social Security Code (Fultz & Steinhilber 2003). While international standards do not specifically focus on gender equality, they are useful instruments for advocates of gender equality.

In many cases, gender-sensitive policy analysis is impeded already in its early stages by the lack of data, or the fact that data are dispersed and difficult to access or interpret, both for decision makers and for the interested public at large. On the national level, for instance, sex-disaggregated data on social security beneficiaries are not widely available, or not available at all. It is therefore impossible in most countries to know how many fathers are using parental leave and/or receiving parental benefits. Exact figures on the availability and cost of childcare services are equally difficult to obtain, a problem which is exacerbated by the progressive decentralization and diversification of childcare service provision in a number of countries. Greater efforts are thus needed to improve and unify gender-relevant information and data in the field of social security, and to make data accessible to analysts and policy experts. As data are lacking on the national level, comparative statistics on gender in social security on a regional or international level are even rarer. Consequently, the lack of comparable statistical information creates important limitations for a regional approach to policy analysis and advice (Fultz & Steinhilber 2003, Villagomez et al. 2004).

Greater efforts and effective political will towards gender mainstreaming in economic and social policymaking are thus needed at the national level. In social security policy, links between policy fields need to be strengthened, and new lines of debate and action established. Gender has so far not been effectively brought into the mainstream of social security reform debates. As the analysis of both family benefits and pension reforms has indicated, there is a need to increase awareness of the gender dimensions of policies among planners and policy makers, as well as the general public, and a need to increase technical knowledge on the gender impacts of social security. Conversely, advocates of gender equality need to become more familiar with social security, in order to participate in debates and assess the possibilities and limitations of social security policy to amend existing gender inequalities.

Gender mainstreaming needs to be effectively instituted not only at the level of the development of reform proposals and their debates. The monitoring of reform implementation and the evaluation of experiences with reform policies also need to incorporate gender analysis and evaluation. The formulation of specific gender sensitive indicators would be a necessary precondition, though is still absent, in particular in the countries of Central and Eastern Europe, Central Asia and the Caucasus. Progress towards an integrated understanding of gender mainstreaming in social security policy, and in particular progress toward a gender-sensitive monitoring of policy implementation is at best uneven in the ECE region.

References

- Alexandrova A, Kovalenko E, Kuznetsova P. 2005. Monetization in the Russian regions and its determinants. An analytic report; The Institute for Urban Economics: Moscow.
- Alexandrova, A., Struyk, R. 2005. Reform of In-kind Privileges in Russia: High Cost for a Small Gain; The Institute for Urban Economics: Moscow.
- Asian Development Bank (ADB). 2005. Gender Assessment Synthesis Report. Mainstreaming Gender in Poverty Reduction Strategies in Four Central Asian Republics. Manila: ADB.
- Adams, Lorna; McAndrew, Fiona; Winterbotham, Mark. 2005. "Pregnancy discrimination at work. A survey of women". Pregnant and Productive, Working Paper Series, No. 24. London: Equal Opportunities Commission.
- European Council. 2004. Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between women and men in the access to and supply of goods and services. Available online at: http://europa.eu/legislation_summaries/employment_and_social_policy/equality_between_men_and_women/c10935_en.htm.
- European Industrial Relations Observatory. 2004. Family-related leave and industrial relations. Available online at: <http://www.eiro.eurofound.eu.int>.
- European Women's Lobby (EWL). 2001. Contribution by the EWL for the Informal Ministerial Meeting on Gender Equality and Social Security, 22-23 January 2001. www.womenlobby.org.
- Fajth, G. 1994. Family Support Policies in Transitional Economies: Challenges and Constraints. Innocenti Occasional Papers. Economic Policy Series, No.43. Florence: UNICEF.
- Fodor, Eva, Glass, Christy, Kawachi, Janette, Popescu, Livia. 2002. Family policies and gender in Hungary, Poland and Romania. Communist and Post-Communist Studies.No.35.
- Fultz, Elaine. 2003. Recent Trends in Pension Reform and Implementation in the EU Accession Countries. A Paper presented at the Informal Meeting of Ministers at the International Labour Conference, Geneva, 10 June 2003. Budapest: ILO Subregional Office for Central and Eastern Europe.
- Fultz, Elaine & Steinhilber, Silke. 2003. "The Gender Dimensions of Social Security Reforms in the Czech Republic, Hungary and Poland", in: Fultz, E., Ruck, M. & Steinhilber, S. (eds.) 2003. The Gender Dimensions of Social Security Reforms in Central and Eastern Europe: Case Studies of the Czech Republic, Hungary and Poland. Budapest: ILO. Subregional Office for Central and Eastern Europe.
- Fultz, Elaine (ed.). 2006. The Gender Dimensions of Social Security Reform. Vol. 2. Case Studies of Romania and Slovenia. Budapest: ILO Subregional Office for Central and Eastern Europe.
- Fultz, Elaine. 2007. Pension Trends in Central and Eastern Europe. Available online at: http://www.euro-centre.org/data/1173095126_70983.pdf.
- Gal, Susan; Kligman, Gail. 2000. The Politics of Gender after Socialism: A Comparative-Historical Essay. Princeton NJ: Princeton University Press.
- Gilbert, Neil (ed.). 2006. Gender and Social Security Reform. What's Fair for Women? New Brunswick NJ; London UK: Transaction Publishers (International Social Security Series, 11).
- Ginn, Jay, Street, Debrah, Arber, Sara. 2001. Women, Work and Pensions. International Issues and Prospects. Buckingham (United Kingdom): Open University Press.
- Ginn, Jay. 2003. Gender, Pensions and the Lifecourse. How pensions need to adapt to changing family forms. Bristol, UK: The Policy Press.
- Ginn, Jay. 2004. "Actuarial Fairness or Social Justice? A Gender Perspective on Redistribution in Pension Systems". Working Paper, 37/04. Centre for Research on Pensions and Welfare Policy.
- Götting, Ulrike. 1998. Transformation der Wohlfahrtsstaaten in Mittel- und Osteuropa. Eine Zwischenbilanz. Opladen: Leske & Budrich.
- Human Rights Watch. 2003. Women's Work. Discrimination Against Women in the Ukrainian Labour Force. Vol.15, No.4 (D), August 2003.
- International Labour Office (ILO). 2001. Social Security: Issues, challenges and prospects. Chapter IV: Gender Equality, Report VI to the International Labour Conference, Geneva: ILO.
- International Labour Office (ILO). 2005. Social Protection of the Population: Assessing social consequences of the benefit system monetization. Moscow: ILO.
- Karat Coalition. 2003. Recommendations from the Conference "Gender Assessment of the Impact of EU Accession on Women and the Labour Market in Central and Eastern Europe" Warsaw, 7-8 November 2003.
- Kuchařová, V., Kotynkova, M. and Prusa, L. 2003. "The Gender Dimensions of Social Security Reform in the Czech Republic," in The Gender Dimensions of Social Security Reforms in Central and Eastern Europe. Case Studies of the Czech Republic, Hungary and Poland. Edited by E. Fultz, M. Ruck and S. Steinhilber (eds.). Budapest: ILO. Subregional Office for Central and Eastern Europe.
- Lohmann, Kinga and Seibert, Anita. 2003. Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in CEE. National Study: Poland. Warsaw: Karat Coalition.
- Lukács, Erika and Frey, Maria. 2003. "The Gender Dimensions of Social Security Reform in Hungary," in The Gender Dimensions of Social Security Reforms in Central and Eastern Europe. Case Studies of the Czech Republic, Hungary and Poland. Edited by E. Fultz, M. Ruck and S. Steinhilber (eds.). Budapest: ILO.
- Minister of Population and Ethnic Affairs. 2006. Family Benefits in Estonia 2006. Tallinn.
- Müller, Katharina. 2000. Ten Years After: Pension Reforms in Central and Eastern Europe & the Former Soviet Union, Frankfurt Institute for Transformation Studies, Frankfurt (Oder).
- Müller, Katharina 2007 (forthcoming). „CEE Pension Reforms in Comparative Perspective: Reform Paths and Their Gender Implications". In: Welfare States and Gender in Central Eastern Europe. Edited by C. Klenner and S. Leiber.
- Orloff, Ann Shola. 1993. Gender and the Social Rights of Citizenship. American Sociological Review 58 (303-328).

- O'Connor, Julia, Orloff, Ann Shola, Shaver, Sheila. 1999. *States, Markets, Families. Gender, Liberalism and Social Policy in Australia, Canada, Great Britain and the United States.*
- Petrovic, Jasna. 2001. *The Male Face of Trade Unions in Central and Eastern Europe. Chapter 3 Women in the Labour Market,* Zagreb, Brussels: ICFTU/FNV Regional Gender Project.
- Ratajczak, Joanna 2006. "Pension reforms and gender equality in Poland". Conference Conference "Wohlfahrtsstaaten in Mitteleuropa: Sozialpolitik und Geschlechterverhältnisse im Transformationsprozess", organized by WSI Sozialwissenschaftliches Institut der Hans-Böckler Stiftung, DGB Bildungswerk, Hattingen, 4-6 October.
- Rostgaard, Tine. 2004. *Family Support Policy in Central and Eastern Europe - A Decade and a Half of Transition. Early Childhood and Family Policy Series, 8),* Paris: UNESCO Education Sector.
- Rubery, Jill. 2004. *Gender Mainstreaming and Women's Employability in EU Countries. Background Paper II prepared for the ECE Regional Symposium on Mainstreaming Gender into Economic Policies, January 2004, Geneva.*
- Rüling, Anneli; Krassner, Karsten. 2007. *Familienpolitik aus der Gleichstellungsperspektive. Ein europäischer Vergleich.* Berl. Friedrich-Ebert-Foundation.
- Sainsbury, Diane (ed.). 1999. *Gender and Welfare State Regimes.* Oxford: Oxford University Press.
- Steinhilber, Silke. 2002. "The Gender Impact of Pension Reforms: Case Studies of the Czech Republic, Hungary, and Poland," in: *Practical Lessons in Pension Reform: Sharing the Experiences of Transition and OECD Countries. Proceedings from a Conference organized by OECD, the Ministry of Labour and Social Policy of Poland and the Ministry of Foreign Affairs of the Netherlands, 27-28 May 2002.*
- Steinhilber, Silke. 2004. *Gender dimensions of social security reforms in transition economies: Issues, good practices and policy options. Background paper VI prepared for the ECE Regional Symposium on Mainstreaming Gender into Economic Policies, 28-30 January 2004, Geneva.*
- Steinhilber, Silke 2006. *Gender and Welfare States in Central Eastern Europe. Family Policy Reforms in Poland and the Czech Republic Compared.* In: *Gender and Social Policy in a Global Context: Uncovering the Gendered Structure of 'The Social',* edited by Shahra Razavi and Shireen Hassim, Geneva: UNRISD & Palgrave/ McMillan.
- Steinhilber, Silke 2007. *Gender Discrimination in South-Eastern European Labor Markets. Institutional and Political Factors Affecting Women's Equal Rights at the Workplace in Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and the Republic of Moldova.* Unpublished manuscript.
- Stewart, Kitty and Huerta, Carmen. 2006. "Reinvesting in Children? Policies for the Very Young in South Eastern Europe and the CIS". Innocenti Working Paper No. 2006-01. Florence, UNICEF Innocenti Research Centre.
- United Nations Children's Fund (UNICEF). 1999. *Women in Transition. The MONEE Project. CEE/CIS/Baltics.* Florence: UNICEF/MONEE.
- United Nations Children's Fund (UNICEF). 2006. *Innocenti Social Monitor 2006. Understanding Child Poverty in South-Eastern Europe and the Commonwealth of Independent States.* Florence: UNICEF Innocenti Research Centre.
- United Nations Department of Public Information 1996. *The Beijing Declaration and The Platform for Action. Fourth World Conference on Women. Beijing, China, 4-15 September 1995.*
- United Nations Development Fund for Women (UNIFEM) (2006): *The Story Behind the Numbers. Women and Employment in Central and Eastern Europe and the Commonwealth of Independent States.* UNIFEM. Bratislava.
- Van Reijssen, Mirjam. 2005. *To the Farthest Frontiers: Women's Empowerment in an Expanding Europe. Report issues by Social Watch, WIDE, Karat, Eurostep.* Brussels.
- Villagomez Morales, Elizabeth, Matinez Martin, I., Oteo Atunano, E., Gonzalez Gago E. 2004. *Social Security Systems in the EU and their Impact on Reconciling Family Life and Work Life,* Brussels & Strasbourg: European Parliament (<http://www.europarl.europa.eu>).
- Woyicka, Irena, Balcerzak-Paradowska, Bozena, Chłton-Dominczak, Agnieszka, Kotowska, Irena, Olejniczuk-Merta, A. and Topinska, Irena. 2003. "The Gender Dimensions of Social Security Reform in Poland," in *The Gender Dimensions of Social Security Reforms in Central and Eastern Europe. Case Studies of the Czech Republic, Hungary and Poland.* Edited by E. Fultz, M. Ruck and S. Steinhilber. Budapest: ILO. Subregional Office for Central and Eastern Europe.

Public expenditure: a gender perspective on fiscal policy in Eastern Europe, Central Asia and the Caucasus

Fabrizio Carmignani and Ewa Ruminska-Zimny

INTRODUCTION

The pressure of globalization requires policies aimed at improving efficiency of national economies as well as measures to reduce negative effects of global competition on social cohesion. This puts public expenditure and fiscal policy at the centre of development policy concerned with poverty alleviation and reaching other MDG goals. Public expenditure has to ensure adequate investment in human capital and safety nets that private resources alone are in general unable to provide to a sufficient extent. At the same time, fiscal policy has to reach its standard objectives of macroeconomic stabilization and growth.

This dual role of public expenditure creates tensions between priorities and goals in economic and in social areas, especially in the short-term and in countries facing budgetary constraints, such as emerging market economies in Eastern Europe, Central Asia and the Caucasus. Finding a “right” policy mix for fiscal policy and public expenditure to stimulate efficiency and meet social goals is a challenge. It needs careful analysis of policy options and information on how spending on different items affects the various socio-economic outcomes.

So far, a considerable amount of research exists in relation to macroeconomic variables in general and growth of per capita GDP in particular, and relatively less attention has been given to the impact of fiscal policy on reaching social goals. Similarly, gender analysis is uncommon.

In adopting a gender perspective in the analysis of the socio-economic effects of fiscal policy, this paper thus explores a relatively new area of research. Its main objective is to look at the possible contribution of fiscal policy in improving labour market conditions for women in emerging market economies in Eastern Europe, Central Asia and the Caucasus.

Gender analysis is presented in the context of trends in fiscal policy in the emerging market economies and econometric analysis of the broad socio-economic effects of public expenditure in these countries. The same econometric model is used to analyse gender impact, though data limitations restrict the empirical analysis in terms of both country coverage and methodologies applied. The results indicate that public spending on specific functions indeed fosters female employment growth over and above male employment growth and reduces the unemployment gap. Finally, policy implications and a way forward are addressed.

Conceptually, the paper draws on existing studies related to gender, socio-economic policies and development process (see Boxes 33 and 34). Their findings support the conclusions of this paper and are relevant to gender analysis of public expenditure and fiscal policies in emerging market economies in Eastern Europe, Central Asia and the Caucasus.

FISCAL POLICY IN THE TRANSITION FROM PLAN TO MARKET⁵⁶

The transition from plan to market involved an initially sharp contraction in the pace of economic activity, with decreasing GDP and per-capita incomes, and hence a massive fall in fiscal revenues. This “revenues shock” was exacerbated by the inefficiency of tax administration, which propelled tax evasion, and the collapse of the system based on large state-owned enterprises, that deprived countries of a large share of their pre-transition revenues. The revenues shock persisted throughout the first half of the 1990s, and in several economies in Eastern Europe, Central Asia and the Caucasus until the Russian crisis of 1997-98.

⁵⁶ For a more detailed overview of fiscal policy in Eastern Europe and Central Asia please refer to World Bank (2007), Chapter 2.

Box 33 Gender and macroeconomic policies

There is growing evidence that the conventional policy framework is a barrier to establishing an effective development strategy. Economic policies have different effects on women and men and normally, women's contribution to the economy in the form of unpaid work is not adequately reflected even though this work provides major inputs into economic growth and prosperity, as feminist economists argue. The lack of discussing gender inequalities within a broader macroeconomic policy agenda and institutional framework implies that gender differences in the impact of economic policies, for example the recent move towards a neo-liberal policy agenda and its potentially disproportionately negative effects on women, remain disregarded.

This differing impact of policies on women and men works through three channels: the deflationary bias, the male breadwinner bias and the privatization bias. The *deflationary policies* limit investments and growth through fiscal restraints, tight money supply and high interest rate policies. As demonstrated by the Asian crisis but also transition to market, women take over a large share of social costs being disproportionately affected by employment cuts but also by often serving as unpaid providers of last resort of goods and services.

The *male breadwinner bias* assumes that men are primary providers for their families. This gives priority to men's jobs during periods of employment cuts. As social benefits are linked to full-time employment in the formal sector throughout lifetime, this bias also has consequences for claiming social benefits. Women take breaks from work for raising a family and/or caring for the elderly and often have part-time jobs or jobs in the informal sector, and therefore mostly depend on men for social benefits. Women's unpaid work is thus linked to the market only through men's wages and is not reflected in the design of social protection.

The *privatization bias* is linked to downsizing public provisions and replacing them with market-based entitlements such as private schools, health services or pensions. This policy is part of measures to reduce budget deficits and stimulating economic growth through minimizing the level of taxation. However, it has strong negative implications on those who are dependent on the provision of these formerly public services, in particular women and families.

This analysis, pioneered by feminist economists, demonstrates that gender is a major dimension of both economic and social policy. An effective development strategy therefore requires the incorporation of a gender perspective into macroeconomic policies.

Source: Based on D. Elson 2001.

In all countries, the reliance on indirect forms of taxation (i.e. sales tax) sensibly grew in most countries. Reliance on international trade taxes, typically easier to levy and administer than direct domestic taxes, also increased somewhat, especially in the poor countries of Eastern Europe, Central Asia and the Causasus. Given that indirect taxes tend to be flat rather than progressive, this shift in the structure of the tax system was particularly hard on poorer households.

To improve the redistributive effects of the tax system, and being under pressure to cut down trade taxes to liberalize international trade, several countries (particularly in Central Europe and the Baltic region) are now trying to achieve a gradual increase in the incidence of direct income taxes.

The revenues shock forced Governments to cut expenditures to prevent an excessive accumulation of deficit and hence the growth of debt. Capital expenditure in particular decreased sharply in most countries. These cuts however pose the policy dilemma of how to promote growth and socio-economic development while reducing the overall size of government.

The empirical evidence surveyed in the next section indicates that the dilemma needs to be tackled through the prioritization of spending towards education, health and social expenditure. In fact, in absolute terms and in percentage of GDP spending on those items fell practically everywhere.⁵⁷ However, some countries were able to maintain and even increase relative spending shares, that is, the proportion of education, health and social expenditure in total government expenditure.

Table 1 suggests that on average the relative share of social protection expenditure decreased in the countries of Eastern Europe, Central Asia and the Causasus, but not in the Central European countries (even though some decrease was observed in the Baltic States, and in Estonia in particular). A closer look at the structure of social protection expenditure (Table 2) reveals that in Eastern Europe, 40 to 60 per cent of it is spent on pensions while only a small percentage is dedicated to policies aimed at families and children.

⁵⁷ See for example Simai, 2006.

Box 34 Gender gap in education and socio-economic development

There are a number of studies that address the impact of a gender gap in education on the development process. The study by Barro and Lee (2000), show that this gap is detrimental to development, particularly in the poorest areas of Africa and South-Asia. Several other studies reach similar conclusions. Binelli (2003) and Dollar and Gatti (1999) show that a higher educational gap reduces growth prospects. Hill and King (1995) and Subbarao and Raney (1995) find a negative correlation between mothers' educational level and fertility or infant mortality.

As noted by Binelli (2003), in poorer households, parents often cannot afford the costs of schooling for all of their children. Because the expected return on education is considered to be higher for males, females tend not to be sent to school. An increase in the household's monetary income, through the payment of publicly funded cash benefits, will reduce the opportunity cost of schooling and increase parents' willingness to send all of their children to school. Since women are discriminated in the first instance, they will benefit relatively more from this reduction in the opportunity cost. This insight is confirmed by on-the-ground experience in for example Pakistan, Columbia and Bangladesh, where girls' school enrolment increased more than boys' following a reduction in the cost of schooling (World Bank 2001).

The extent that the educational gap is the result of imperfect financial markets or tight budget constraints at the household level, adopting a gender perspective in public education expenditure can thus contribute to the equalization of education enrolment rates by lowering the opportunity cost of schooling for the female population and have a positive effect on economic and social outcomes.

Sources: Hill and King (1995), Subbarao and Raney (1995), Dollar and Gatti (1999), Barro and Lee (2000), World Bank (2001), Binelli (2003).

Table 1 Social protection expenditure (excluding health and education), % of total outlays

	1990	1995	2000	2006
Bulgaria	19	25	37	35
Croatia	39	30	39	n.a.
Czech Republic	26	29	36	32
Estonia	42	25	31	n.a.
Hungary	29	33	33	n.a.
Latvia	n.a.	41	42	28
Lithuania	38	35	34	n.a.
Poland	49	49	50	n.a.
Romania	31	30	28	n.a.
Slovakia	n.a.	28	31	n.a.
Slovenia	44	44	43	40
Belarus	36	35	38	36
Republic of Moldova	n.a.	37	40	37
Russian Federation	38	32	32	31
Ukraine	50	44	44	48
Azerbaijan	n.a.	20	33	n.a.
Georgia	n.a.	28	33	20
Kazakhstan	n.a.	46	41	23
Tajikistan	23	11	19	n.a.

Notes: Observations are taken at four points in time: 1990 (or earliest observation prior to 1993), 1995 (or closest observation between 1994 and 1997), 2000 (or latest observation between 1998 and 2002), and 2006 (or latest observation after 2004).

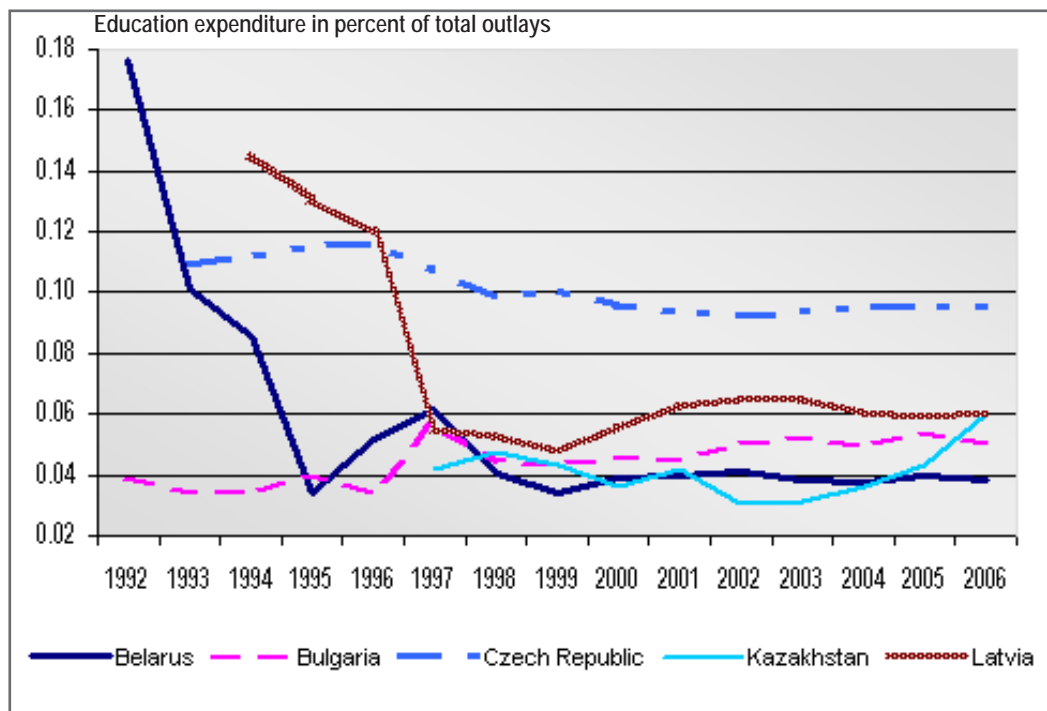
Source: Government Finance Statistics, IMF.

Similarly, significantly different patterns across countries were observed with respect to relative spending shares on education and health (see the Figure on p.80 for trends in relative spending on education in selected economies). While some countries, such as Belarus and Latvia, experienced a sharp decline in relative spending on education, others (for example Bulgaria and the Czech Republic) were able to hold it relatively stable during the years of transition.

Table 2 Social protection expenditure spent on old-age/survivors' pensions and on family/children, 2005 % of total social protection expenditure

	Old-Age / Survivors	Family / Children
Bulgaria	49	7
Czech Republic	41	7
Estonia	43	12
Hungary	42	12
Latvia	46	11
Lithuania	45	9
Poland	58	4
Romania	41	10
Slovenia	43	8
Slovakia	41	11

Source: Eurostat



Source: Government Finance Statistics, IMF.

The negative impact on spending cuts on growth and socio-economic development has a specific gender-dimension. Women are often over-represented in the group of the poorest households especially as single parent families and elderly women living alone. Their income from work is lower than men's due to the persistent and in some countries increasing gender wage gap, such as in Central Asia, where women's average wage is as around 45 per cent in Tajikistan and around 40 per cent of men's wages in Kazakhstan.⁵⁸

Though the gender gap in education in the countries of Eastern Europe, Central Asia and the Causasus is not significant in most countries, constraints on public expenditure and cuts in public spending had strong adverse effects on women's position in the labour market. Female workers have been disproportionately affected by employment cuts until the late 1990s, and female unemployment rates tend to be higher than male ones in many countries in Southern and Central Europe, the Baltic States, and Central Asian countries.⁵⁹ At the

same time, women have moved towards lower paid sectors and jobs.

The deterioration of women's position is also due to cuts in family and child related benefits and services (such as kindergartens) and other social benefits. Women were also affected by the diminished ability of Governments to provide education and health-care services and to grant income protection for the poor.⁶⁰ The costs of raising a family and the demand for women's unpaid caring work drastically increased due to the loss of social functions of schools (such as basic medical care, free meals, sport or recreation), deterioration of the quality of public education and privatization of many services, including health care. This led to a decrease in women's labour force participation.⁶¹ In some countries in Central Asia there are also alarming trends in a growing gender gap in access to education including at primary level.

⁵⁸ See Table 2 in the Statistical Annex of this publication on the gender pay gap in ECE countries.

⁵⁹ See Table 3 in the Statistical Annex of this publication for unemployment rates in ECE countries disaggregated by sex.

⁶⁰ As Stotsky (2006) notes, "since...female demand for education and health services appear to be more responsive to price and income shocks, females may be disproportionately affected by policy changes that increase prices or reduce incomes".

⁶¹ See Lokshin (2000) and Fong and Lokshin (2000) on the link between cost of out-of-home childcare and mother's labour force participation in the Russian Federation and Romania.

The disproportionately high burden falling on women in taking over the costs of fiscal adjustments therefore calls for a gender analysis of public expenditure and of the impact of fiscal measures. A later section of this paper provides some evidence in this sense, pointing out how education and social protection expenditure can indeed be instrumental in gender equality on the labour market. This has to be seen, however, in the context of broad socio-economic effects of public expenditure to which we will turn in the next section.

SOCIO-ECONOMIC EFFECTS OF PUBLIC EXPENDITURE⁶²

The empirical evidence available for selected emerging market economies over the transition period suggests that public expenditure have important and significant effects on both macroeconomic and social indicators. These effects are strongest in the case of spending on some items, such as education, health care, social protection and, in a few cases, infrastructures.⁶³ Furthermore, the analysis indicates that spending on the same item does not produce the same effects in all countries. For instance, while there is evidence that in general, education expenditure improves education outcomes, its effects are very weak in the countries of Eastern Europe, Central Asia and the Caucasus and South-East Europe (SEE) as opposed for example to Central European and Baltic countries. The overall conclusion emerging from this evidence is that there are two levels of policy action that governments must consider: firstly, the need to increase the *size* of expenditure, focusing on the items that appear to have a strong development-payoff, and secondly, the need to increase the *effectiveness* of expenditure, addressing issues of quality in spending.

Public expenditure and economic development

Economic development can be thought of as the progress towards higher living standards, better income opportunities and wider consumption possibilities for broad segments of the population, and particularly for the initially poorer ones. In this perspective, at least four factors of economic development can be identified: the rate of economic growth, the level of household consumption expenditure, the extent of

inequality of income distribution, and the performance of the labour market (as for instance measured by the rate of unemployment). Public expenditure can indeed contribute to all of these factors.

Economic growth

The empirical evidence suggests that the economic growth performance of ECE emerging market economies is generally negatively affected by the existence of large and persistent fiscal deficits. Indeed, chronic fiscal imbalances tend to increase the overall degree of macroeconomic uncertainty, thus lowering investments in the economy. However, spending on some specific items is likely to foster growth. This is for instance the case of infrastructures and capital expenditure, which significantly contribute to the formation of the stock of physical capital in the economy. The growth effects of this expenditure appear to be particularly high in low-middle income countries, where low-income levels and incomplete financial markets constrain private investment and infrastructures are scarcer and/or more obsolete. The effect of education expenditure on growth is instead more ambiguous.⁶⁴ In principle, spending on education should enhance growth by adding to the stock of human capital available in the economy and increasing the innovative capacity of the labour force, which leads to higher labour productivity.⁶⁵ However, as mentioned above, in some countries this effect on human capital is less pronounced than in others and heavily depends on the type of education (primary, secondary or tertiary; academic or vocational) which is invested in.⁶⁶

Per capita household consumption

Per capita household consumption may respond to public expenditure in two ways. On the one hand, if households smooth consumption expenditure over time and higher public expenditure is financed by future higher taxation, then household consumption will negatively correlate with public expenditure. On the other hand, public expenditure could crowd-in private consumption through a positive income effect. Which of the two effects prevails is then an empirical matter. For the case of ECE emerging market economies the evidence seems to be in favour of the crowding-in effect, but only to the extent that public expenditure concentrates on social protection, education and health. This implies that fiscal stabilizations can have

⁶² This section draws on the results of the econometric analysis in Carmignani (2005). The paper is available upon request from the author.

⁶³ See in this context e.g. IBRD and IDA (2007).

⁶⁴ See Semmler et al (2007).

⁶⁵ See the neoclassical and endogenous growth theories, e.g. Mankiw et al (1992) and Romer (1990).

⁶⁶ See World Bank (2007), Chapter 5 on Education.

sharp contractionary effects if they involve a reduction in the relative shares of spending on those three items. Moreover, poorer households will be likely to suffer the most in that case, since they rely more heavily on publicly provided goods, services and transfers. The experience of some countries also indicates that fiscal stabilizations often involve an intrasectoral relocation of resources from family-care spending to other allowances and cash benefits not specifically targeted towards women. In this case, women tend to bear the greatest share of the burden of fiscal adjustment.

Inequality

Income inequality is affected by both tax and spending policies. On the taxation side, there is evidence that direct income taxes tend to be more strongly progressive than indirect and payroll taxes. In this respect, the shift towards greater reliance on indirect tax revenues that has been observed in most ECE emerging market economies during transition is likely to have reduced the effectiveness of the tax system as a redistributive tool. On the expenditure side of the budget, monetary transfers paid through the social protection system appear to have only marginally contributed to the reduction of income inequalities. This can be explained by the fact that transfers appear to be weakly targeted to the poor, which in turn reflects the deficiencies in their design, implementation and monitoring. Better targeting is therefore required to strengthen the redistributive contribution of social protection expenditure and transfers. Education expenditure also contributes to reducing income inequalities, but its effect seems to be significantly stronger in Central European countries than in the countries of Eastern Europe, Central Asia and the Caucasus. Again, this difference might relate to the fact that in these latter countries, education expenditure is less effective in improving education outcomes. Since the formation of human capital through education is an important way to improve opportunities for the poor, and hence to reduce poverty and inequality, a weak effect on education outcomes translates into a weak effect of education expenditure on inequality.

Unemployment

The effects of public expenditure on unemployment mirror those on income inequality. Since a greater stock of high-quality human capital facilitates the access of individuals to the labour market, education and health care expenditure are expected to reduce the unemployment rate. However, this effect is empirically significant only in those countries (namely the new EU member States)

where education and health expenditure effectively contributes to human capital formation by improving school attainments and the health status. In the East European, Central Asian and Caucasus region, where education and health expenditures are substantially less effective, their impact on the unemployment rate is found to be negligible.

The role of social protection expenditure is instead more difficult to disentangle.⁶⁷ In general, higher spending on social protection positively correlates with unemployment in ECE emerging market economies. However, for a few countries where detailed data are available it is possible to estimate the share of spending targeted to financing active labour market policies (i.e. job search and placement services, re-training programmes for the unemployed, subsidized employment programmes) on total social protection expenditure. The evidence is that the larger the share of active labour market policies, the lower the unemployment rate and the smaller the share of long-term unemployment on total unemployment. Thus, the effect of social protection on unemployment depends, once again, on how spending is targeted.

Finally, spending on public transportation services and infrastructures also seems to play a role in reducing unemployment. The likely channel driving this effect has to do with the geographical mobility of labour within a country. Most ECE emerging market economies are characterized by sharp differences in unemployment levels across regions. These differences emerge because of the different pace of economic activity and/or concentration of productive activities in the various regions. Areas where there are shortages of labour supply thus co-exist in the same country with areas where there is a strong excess of supply. To the extent that workers move from the latter to the former, the national unemployment rate will be reduced. Public transportation services and infrastructures are likely to increase this labour mobility, thus leading to smoother regional discrepancies and an overall better performance of the labour market.

Public expenditure and social development

Social development can be identified with the improvement of social indicators, such as educational attainments and health measures.⁶⁸ The government

⁶⁷ See also Arjona et al (2002) on social protection and its impact on growth through e.g. active labour market programmes.

⁶⁸ See for instance Gupta et al. (2002).

contributes to social development by allocating resources to the production of social outcomes, where greater expenditure should translate into better social outcomes. However, similarly to what is observed with respect to economic development, the effectiveness of public expenditure is not the same across countries. To strengthen its contribution to the improvement of social indicators, governments must therefore tackle quality issues in addition to simply the size of spending.

In general, the role of public expenditure is likely to be more important in lower-income countries, for two reasons. First of all, in lower-income countries, the private sector is weaker and more fragile and hence it can be expected to contribute less to activities such as health care provision and education. Moreover, where available, the private supply of social services comes at a price that often can only be afforded by individuals in the upper part of the income distribution. The poor are then excluded and hence almost exclusively rely on public supply of those services. It is therefore in those lower-income contexts that the issues of quality in spending achieve greatest relevance for policymakers.

Education outcomes

Education outcomes (as measured by school enrolment, school attainment, average years of schooling of the adult population) should be positively related to education expenditure and possibly other forms of expenditure that reduce the opportunity cost of education and/or increase its expected return. There is indeed evidence in the data that for the group of ECE emerging market economies as a whole, education expenditure is associated with significantly better education outcomes. However, this relationship appears to be largely driven by the Central European and Baltic countries, while in the countries of Eastern Europe, Central Asia and the Caucasus the effect is very weak. Moreover, the strength of the contribution to education outcomes varies depending on the specific allocation of expenditure in terms of levels of education.

In the group of Central European and Baltic countries, education expenditure improves education outcomes, particularly in secondary education. The effect on higher education is instead significantly milder, while primary education appears to be independent of education expenditure. This latter piece of evidence can be rationalized by the observation that in most of these countries, universal primary education has

practically been achieved and hence primary enrolment/attainment ratios cannot be further increased. The mild responsiveness of higher education outcomes might instead signal the need to improve the quality of education expenditure. Attending school, and tertiary school in particular, is an investment that involves both direct and opportunity costs. Individuals therefore go to school only if they expect to receive a high enough return from this investment. The return depends, among other things, on the quality of the education received. To improve the quality of education, public spending should focus on the revision and updating of the curricula of study (to match the skills acquired by students with those required by employers), the provision of suitable teaching material and equipment, the re-qualification and training of teachers. If these quality issues are not appropriately accounted for, then the expected return from education will be lower. This will in turn deter enrolment, particularly at higher levels of education, where the costs of the investment are greater.

Quality issues might also be important to understand the role of education expenditure in the economies of South-East Europe, Eastern Europe, Central Asia and the Caucasus. Evidence suggests that in these countries, spending on education has so far had a modest effect on education outcomes, at all levels of schooling. The sharp cuts in public education funds that characterized several of these economies in transition are likely to have heavily limited governments' abilities to target quality. Addressing quality issues does indeed require a minimum scale of public investment and most countries of Eastern Europe, Central Asia and the Caucasus possibly ended up with actual expenditure levels below this minimum scale. The result was a sharp deterioration in the quality of public education across all levels of schooling, and hence a lower return and smaller incentives for individuals to attend. To some extent, weak governance and poor monitoring of spending programmes might also have contributed to the inability of these countries to maintain quality.

Finally, other types of spending appear to bear a positive contribution to education. Social protection expenditure can result in an important addition to the monetary income of poor households, hence reducing the opportunity costs of schooling for the female population in particular. Moreover, a higher monetary income improves consumption opportunities for the household, which in turn should have a positive spillover on the health status of the individuals. As a matter of fact, the evidence for the ECE emerging market economies points to a rather strong effect of social protection expenditure

on educational outcomes, while the effect on health indicators is quite feeble and limited to the improvement of maternal health.

Spending on transport infrastructures and services also appears to contribute positively to school enrolment by reducing the overall cost of attendance and shortening the time students need to travel from home to school. The effect is stronger in economies of South-East Europe, Eastern Europe, Central Asia and the Causasus, probably because in many of these countries, the density of the population and the distribution of schools on the territory are such that students need to travel a longer distance on average.

Health

Evidence on the impact of public health expenditure on health indicators suggests that ECE emerging market economies should target primary health-care services. In fact, aggregate spending on health is generally associated with lower child mortality and higher maternal health in both new EU member States and countries of South-East Europe, Eastern Europe, Central Asia and the Causasus. The role of spending in improving life expectancy is instead negligible, possibly reflecting the low dispersion of life expectancy data across countries in the region. The disaggregation of total health expenditure in its two major components however indicates that most of the effects on child mortality and maternal health tend to stem from the provision of hospital services, clinics and practitioners. The contribution of other health-care spending (i.e. medical products, appliances and equipment, other health-care services) is instead found to be rather weak.

Therefore, the intrasectoral allocation of resources again appears to matter in determining the effectiveness of public expenditure: more resources allocated to primary health care yield a greater pay-off in terms of social development. The result also bears strong implications for the relative conditions of women in the household since, as just noted, maternal health displays a fairly large responsiveness to health expenditure.

Public expenditure to promote gender equality: the case of labour markets

The previous discussion of broad socio-economic effects of public expenditure has already emphasized some gender specific aspects, particularly with respect to inequalities on the distribution of income (and consumption possibilities for the household) and maternal health. This section takes a gender perspective

on labour market outcomes. The estimation of a simple econometric model suggests that public expenditure can effectively improve labour market outcomes for the female population to the extent that it is allocated to education and social protection. Moreover, especially in the case of spending on education, the intrasectoral allocation of resources also appears to matter. In general, these results are in line with the observation that the effectiveness of public expenditure as a socio-economic development tool depends on careful targeting of spending programmes. As further stressed below, the econometric model estimated in this section is still a preliminary exercise that however shows an interesting avenue for future research.

The methodological framework is the standard multivariate regression model. Labour market outcomes are treated as dependent variables and public expenditure as an explanatory variable. Some controls are included to account for the impact that macroeconomic factors, other than public expenditure, might have on labour market outcomes. Moreover, to account for lags in the response of labour market outcomes to public expenditure, the explanatory variable and the controls are lagged. This also reduces the risk that the estimated coefficients will be biased because of reverse causality effects (i.e. labour market outcomes influencing public expenditure rather than vice versa). The dataset used for the estimation of the regression model is a panel of annual observations on the Central European and Baltic countries. For each country in the panel, the data series run from the first available year in the 1990s until 2003. More details on the methodology and data sources can be found in Box 35, while Box 36 shows the numerical results of the estimation.

The analysis focuses on the impact of public expenditure on two labour market outcomes: employment growth (disaggregated by gender) and the unemployment gender gap (the difference between female unemployment and male unemployment).⁶⁹ Public expenditure is measured

⁶⁹ A third indicator was also used: the gender pay gap. This measures the difference between average gross earnings of the male and female employees. However, this indicator is available only for short periods of time for each country. The consequence is that the econometric model can be estimated only on a small number of observations, and this in turn reduces the precision and reliability of the estimates. Moreover, a gender gap can emerge for two reasons: (i) because women employees tend to be relegated to lower-paid sectors and jobs and (ii) because women are effectively paid less than men even if performing the same job. The aggregate indicator used in the regression analysis captures the combined effect of these two forces and does not allow disentangling between them. This in turn greatly

by total central government expenditure⁷⁰, education expenditure (disaggregated by three levels of education: primary, secondary and higher), and social protection expenditure (net of education and health). All of these expenditure items are in per cent of GDP.

Employment growth

Employment growth is an indicator of the ability of the labour market to create job opportunities and hence to place job seekers in the formal economy. The pace of economic activity is surely a first important determinant of employment growth: at times when economic growth is faster, demand for labour expands and, other things being equal, employment should increase faster. It is therefore important to control for this effect by including the rate of growth of per-capita income in the regression model.

The estimation suggests that public spending on education promotes employment growth even after controlling for the effect of GDP growth. Interestingly, education expenditure appears to have a greater (and statistically much more significant) impact on female employment growth than on male employment growth. That is, public education expenditure seems to improve labour market prospects for women more than it does for men.

Moreover, it seems that most of the effect is driven by spending on secondary education. The question is then why public expenditure benefits women more than men in terms of access to the labour market, which is difficult to answer without more detailed data on the composition by occupation of employment flows. A possible argument is that the public education system in the new EU member States is more efficient in creating skills that are required by jobs typically taken up by women (i.e. secretarial and clerical work, teaching). Of course if these jobs taken up by women are on average worse paid, then better employment opportunities for female workers will come

at the cost of a wider gender wage gap. A related, and possibly complementary, argument is that the quality of education provided by the public sector is high at the level of secondary education, but low at the level of higher education (i.e. because of skill mismatches: what is taught in tertiary school is not what the market needs from graduate students).

This conjecture seems to be confirmed by the fact that spending on higher education does not improve either male or female employment growth. This lack of quality in higher education would then lead to faster female employment growth to the extent that women more than men are willing to accept lower-qualified jobs. A more optimistic perspective is that education expenditure significantly improves the human capital of women more than for men, thus making them relatively more attractive on the job market. For this perspective to be confirmed, however, one would like to see female employment increase at all levels of job qualifications.

In several West European countries, social protection expenditure has often been a factor constraining the performance of the labour market. The heavy incidence of passive benefits (i.e. unemployment subsidies, disability pensions) has distorted incentives, with many workers unwilling to actively seek an occupation. The recent shift towards more active labour market policies is likely to result in more dynamic labour markets.

As already noted, in the process of transition, the new EU member States have largely relied on generous social protection to buffer the employment consequences of firms' restructuring. Because spending on active policies, while growing over time, still appears to account for a rather small fraction of total spending, the risk is that social protection expenditure could hurt employment growth. Moreover, because the payment of social benefits has often been financed through the reallocation of resources away from family-care allowances, female employment might have suffered the most.

However, the evidence from the regressions suggests that this risk is quantitatively not important and that social protection expenditure on average has not hurt employment growth of either the female or the male population. However, as discussed in the final section of the paper, this does not exclude the need to refocus social expenditure in order to make it more conducive to female employment growth.

complicates the interpretation of results. Keeping these caveats in mind, the estimation shows that social protection expenditure tends to reduce the pay gap. Other types of public expenditure appear to have no effect. Results are available upon request from the author.

⁷⁰ The discussion below will in fact focus on the individual components of total government expenditure (i.e. education expenditure and social protection). Total government expenditure is in fact found to have no significant correlation with any of the labour market outcomes. This lack of correlation is coherent with the idea that is not just spending which matters, but how this spending is allocated among different functions of government and programmes.

Box 35 Methodological framework and data sources.

The empirical evidence discussed in this paper is derived from the estimation of a standard multivariate regression equation:

$$y_{i,t} = \alpha_0 + \alpha_1 X_{i,t-n} + \alpha_2 Z_{i,t-n} + \epsilon_{i,t}$$

where y is a labour market outcome, X is a set of macroeconomic and other controls, Z is a set of public expenditure variables, ϵ is a random disturbance, α s are the parameters to be estimated, n is an integer that can take values from 1 to 5, and i denotes a generic country in the sample and t a generic year. All of the three standard panel estimators (pooled Ordinary Least Squares, fixed effects – in this case the constant α_0 is dropped – and random effects) have been used. Results tend to be qualitatively similar in the three cases. However, the Lagrange Multiplier Test and the Hausman test always favour the pooled OLS estimator. Moreover, the estimation procedure is corrected to account for the fact that the panel is unbalanced. The use of lagged values on the right hand side of the regression model is meant to allow for a delayed response of labour market outcomes to fiscal policy and/or macroeconomic developments. In principle, lags longer than 5 could also be used. However, given the short time dimension of the data-set, longer lags would result in a too small number of observations available for estimation. The use of lagged values should also reduce the risk that estimated coefficients are biased because of possible reverse causation effects. To check the sensitivity of results, the equation has been re-estimated with an Instrumental Variable (IV) procedure. In this case, contemporaneous values of the regressors are entered on the right hand side of the equation and lagged values are used as instruments. The test of overidentifying restrictions suggests that lagged values perform relatively well as instruments in this case. The results from IV estimation are not qualitatively different from those obtained with the pooled OLS estimator.

Unemployment

The rate of unemployment indicates the extent to which supply and demand in the job market do not clear. In the new EU member States, there appears to be a systematic gender gap, with the female unemployment rate being on average 10 per cent higher than the male unemployment rate. This might be indicative of some segmentation of the labour market, with a higher risk for women to end up in unemployment and/or to experience longer unemployment spells. More generally, it suggests that for women, the labour market might be more “sclerotic”.

The empirical analysis tries to look at the factors behind this unemployment gap, and particularly at the role of public expenditure in view of the previous findings on employment growth. A first important piece of evidence concerns the impact of macroeconomic factors and there in particular the role of GDP per capita, which is found to be positively correlated with the unemployment gap.⁷¹ Since the level of per capita GDP is a proxy for the stage of economic development, the observed correlation might indicate that economic development in the region is gender-biased, at least with respect to unemployment dynamics. The growth rate of per capita GDP appears to

widen the unemployment gap, thus suggesting that the employment content of growth is not equally distributed across genders.

Against the background of these macroeconomic effects, it becomes vital to see whether governments can rely on fiscal policy to reduce the employment gap. The results of the estimation provide a rather comforting answer: public spending on education significantly reduces the unemployment gap. The finding is thus in line with the previous one on the impact of education expenditure on employment growth. However, it now seems to hold at all levels of education (except for primary). This in turn might reinforce the optimistic conjecture formulated above: education expenditure in the new EU member States is effective in improving human capital for women, thus making them more attractive for employers. Again, in the absence of additional detailed data on composition by occupation of flows to and from unemployment, it is difficult to disentangle the various channels that could be driving the statistical correlation.

In contrast, social protection expenditure appears to enlarge the unemployment gap. This effect might stem from a combination of different factors. The generous social welfare system of most EU member States envisages rather loose criteria to access unemployment benefits. Moreover, the amount of these benefits, as a percentage of average market wage, is quite high. As a consequence, individuals at the lower end of the wage ladder might find it more convenient to remain unemployed (and earn the benefits) than take up a badly

⁷¹ Because the unemployment gap is measured as female unemployment rate minus male unemployment rate, the positive correlation means that a higher level of per capita GDP increases the female unemployment rate relative to the male unemployment rate.

paid job. This incentive could be particularly strong for women for at least two reasons. Firstly, wages for women are on average lower and hence the opportunity cost of being unemployed for them is lower. And secondly, being unemployed women can still earn an income while having more time for the unpaid domestic work that normally falls on them. While these factors do not necessarily imply a strong negative effect of social protection on employment growth, they are likely to imply that social protection expenditure increases female unemployment relatively more than male unemployment. However, this does not imply that social expenditure should be cut in order to reduce the unemployment gap. Rather, this hints at the need to reduce the gender pay gap and to ensure equal opportunities for women and men in the labour market so that women do have an incentive and are enabled to participate in it. This could include public expenditure on *enabling* policy measures such as the

provision of public care services to enable women, whose employability is constrained by care responsibilities, to take up employment opportunities.

Under pressure to stabilize their fiscal stance, several countries have recently undertaken reforms of their welfare systems. In this context, the criteria to access unemployment benefits have been tightened. At the same time, more resources should be redirected towards financing active labour market programmes. These reforms should then reduce the extent to which social protection expenditure is likely to increase the unemployment gap in the future.

CONCLUSIONS AND WAY FORWARD

The above exercise is useful on at least two grounds. Firstly, it points at the need to move beyond the traditional

Box 36 Relationship between spending on education and closing the gender gap in employment – results of econometric analysis

The labour market indicators are: (i) female employment growth (fgL), (ii) male employment growth (mgL), and (iii) unemployment gap (ugap). The first two are simply the annual growth rate of female and male employment respectively. The third one is the difference between the unemployment rate of the male population and the unemployment rate of the female population. These data are obtained from the EUROSTAT database and the ECE Statistical Database.

Public expenditure variables are: (i) total central government expenditure (G), (ii) education expenditure (EG), (iii) social protection expenditure (SG). Education expenditure is disaggregated by level of schooling: primary education (PEG), secondary education (SEG), and higher education (TEG). These data are taken from the Government Finance Statistics of the IMF and are always expressed in percent of GDP. Macroeconomic variables are: (i) the level of per-capita GDP (Y) and (ii) the rate of growth of per-capita GDP (gY). These are meant to capture the stage of economic development and the pace of economic activity respectively. They are taken from the ECE Statistical database. When female employment growth or male employment growth is used as the dependent variable, the regression also includes the level of female employment (fL) or of male employment (mL) as an additional control. These additional regressors are meant to account for possible relative convergence effects. Finally, the countries in the sample are: Poland, Hungary, Czech Republic, Slovakia, Slovenia, Latvia, Lithuania, Estonia.

The table below presents a synopsis of the estimation results. All the other results are available upon request.

Regressors	Dependent variable						
	fgL	mgL	fgL	mgL	ugap	ugap	ugap
gY	0.304* (0.054)	0.230* (0.061)	0.305* (0.056)	0.228* (0.063)	0.090* (0.042)	0.081* (0.044)	0.083* (0.041)
Y	-	-	-	-	0.011* (0.003)	0.006* (0.003)	0.012* (0.003)
EG	0.484* (0.265)	0.369 (0.300)	0.501* (0.286)	0.350 (0.321)	-0.796* (0.230)	-	-0.988* (0.262)
SG	-	-	-0.015 (0.091)	0.018 (0.103)	-	0.087 (0.065)	0.156* (0.062)
fL	0.002 (0.003)	-	0.002 (0.003)	-	-	-	-
mL	-	0.003 (0.003)	-	0.003 (0.003)	-	-	-

Notes: Coefficients estimated using pooled OLS on the unbalanced panel. Standard errors are reported in brackets. * denotes that the estimated coefficient is statistically different from zero at usual confidence levels (1%, 5%, 10%).

gender-neutral approach in studying fiscal policy effects by providing evidence that there are gender implications of public expenditure. As such, it thus constitutes a pilot for future research. Secondly, by providing some evidence on the existence of a gender effect of public expenditure (at least with respect to labour market outcomes), the paper bears some interesting policy implications as discussed below.

The size of public expenditure matters for being a development tool, as demonstrated by countries where state revenues collapsed, such as many countries in SEE, in Central Asia and the Caucasus. Their primary concern is thus to restore a level of public spending. One of the key policy dilemmas, however, is how to allocate resources by function to achieve economic and social progress.

Public expenditure has a potentially important role in promoting gender equality. However its effectiveness will depend on how expenditure is allocated across different functions and programmes. Spending on primary health care services improves maternal health (and reduces child mortality). Spending on education tends to have a rather strong redistributive effect and hence women, who often are at the lower end of income distribution, are likely to benefit the most from it. Moreover, it appears that education expenditure contributes to better labour market outcomes for women, even through this effect might entail a greater gender wage gap. Social protection expenditure also has redistributive effects that improve the relative conditions of women (i.e. through better access to education and health care). However, too generous passive policies (such as the payment of loosely targeted unemployment benefits) and the intrasectoral reallocation of resources away from family-care related programmes towards other social protection transfers are likely to have hurt women more than man. This negative effect is particularly evident in terms of greater unemployment gaps.

Governments in ECE emerging market economies, especially the new EU member States, face pressure to stabilize and consolidate their fiscal policy stance. This in turn often requires reducing expenditures. The analysis of this paper suggests that when fiscal stabilizations involve large cuts on public education, health care and social protection, poorer individuals in the economy, and women in particular, will suffer more. The relative shares of spending on those items therefore need to be preserved, and if possible increased. Strengthening public sector governance will be crucial in this context. Better governance will ensure that spending on education addresses quality issues

and that within the health sector, resources are first allocated to primary health care services. Similarly, good governance and monitoring facilitate the implementation of active labour market policies with strong female measures, such as for instance targeted programmes of training and subsidized employment or apprenticeship training for school leavers. Finally, it will be only through the improvement of governance that governments will be able to carefully target spending, eradicating rent-seeking activities and therefore creating the conditions to cut down unproductive expenditures. Conveniently, all of these measures are also likely to increase the growth potential of the economy in the long-run, thus allowing governments to smooth the trade-off between redistribution and dynamic efficiency.

As already pointed out, the empirical analysis carried out in this paper is a preliminary exercise. To expand and deepen the investigation, better data are needed such as the composition by occupational categories of flows into and out of employment and unemployment, a more detailed intrasectoral disaggregation of public expenditure or longer time-series of social indicators disaggregated by gender. This will allow the study of broader issues and the application of more sophisticated methodologies. Moreover, it will be interesting to undertake more gender-sensitive analysis of fiscal policy in the poorer economies of South-East Europe, Eastern Europe, Central Asia and the Caucasus. In fact, it is in these economies that the cuts of expenditure and the reallocation of resources appear to have been more markedly against women. Again, such an analysis will require a preliminary extensive data-collection work.

REFERENCES

- Arjona R., Ladaique M. and Pearson M. (2002) "Social Protection and Growth, OECD Economic Studies No.35.
- Barro L. and Lee J.W. (2000) "International Data on Educational Attainment. Updates and Implications", CID Working Paper N. 42, Harvard University, Boston.
- Binelli C. (2003) "Educational Gender Gap, Inequality and Growth: A gender sensitive analysis", Temi di Ricerca, Ente per Gli Studi Monetari, Bancari e Finanziari L. Einaudi, Roma.
- Carmignani F. (2005) "The impact of fiscal policy on economic and social development in the ECE region", mimeo, United Nations Economic Commission for Europe, Geneva.
- Dollar D. and Gatti R. (1999) "Gender Inequality, Income, and Growth: Are Good Times Good for Women ?", Policy Research Report on Gender Development, Working Paper Series N. 1, World Bank, Washington.
- Elson D. (2001) "International Financial Architecture: A View from the Kitchen", Paper at the Annual Conference of the International Studies Association in Chicago, February 2001.
- Fong M. and Lokshin M. (2000) "Child Care and Women's Labour Force Participation in Romania", Policy Research Working Paper 2400, World Bank.
- Gupta S., Verhoeven M., Tiongson E. (2002) "The effectiveness of government spending on education and health care in developing and transition economies", *European Journal of Political Economy*, 18, 717-737.
- Hill A. and King E. (1995) "Women Education and Economic Well-Being", *Feminist Economics*, 1, 21-46.
- International Bank for Reconstruction and Development and International Development Association (2007) "Fiscal Policy for Growth and Development – Further Analysis and Lessons from Country Case Studies", Report.
- Lokshin M. (2000) "Effects of Child Care Prices on Women's Labour Force Participation in Russia", Background Paper for Engendering Development, World Bank.
- Mankiw N.G, Romer D. and Weil D. (1992) "A Contribution to the Empirics of Economic Growth", *Quarterly Journal of Economics* 107 (2), 407-37.
- Romer P.M. (1990) "Endogenous Technological Change", *Journal of Political Economy*.
- Semmler W., Greiner A., Diallo B., Rezai A. and Rajaram A. (2007) "Fiscal Policy, Public Expenditure Composition and Growth", Policy Research Working Paper, World Bank.
- Simai M. (2006) "Poverty and Inequality in Eastern Europe and the CIS Transition Economies", DESA Working Paper No.17.
- Stotsky J. (2006) "Gender and Its Relevance to Macroeconomic Policy: A Survey", IMF Working Paper WP/06/233, October.
- Subbarao K and Raney L. (1995) "Social Gains from Female Education: A Cross-National Study", *Economic Development and Cultural Change*, 44 n.1.
- World Bank (2001) "Engendering Development", Policy Research Report, Oxford University Press.
- World Bank (2007) "Fiscal Policy and Economic Growth – Lessons for Eastern Europe and Central Asia", edited by C.Gray, T.Lane and A.Varoudakis, Washington.

Chapter III

POVERTY AND TRAFFICKING IN WOMEN

Economic causes of trafficking in women

Larissa Kapitsa

INTRODUCTION

Trafficking in human beings and enslavement have become issues of great concern in the ECE region. The rise in trafficking was an unexpected outcome of the events that brought about much enthusiasm and expectations – the dismantling of the ideological and systemic barriers that had divided Europe for almost a century.

The prevailing human rights approach to the problem, while of great importance, is not enough to eradicate trafficking in women. As history shows, all forms of human slavery have economic roots and should, therefore, be fought with economic weapons. This note focuses on the supply and demand for women's labour and sexual services. Its purpose is to contribute to the international debate on effective policies and policy measures to raise the "transaction costs" of trafficking and human enslavement so as to eradicate these activities in the region.

THE SUPPLY SIDE: WOMEN'S VULNERABILITY TO CHANGE

The twentieth century was marked by a dramatic improvement in the status of women in practically all countries of the ECE region. Their vulnerability diminished and their economic status in particular improved. However, the advancement of women in the region has not been smooth. Progress was usually reined in when countries faced development constraints or challenges requiring structural adjustment.

The dramatic rise in the trafficking in women during the past decade implies that women's exposure to economic and social hardship has increased. The factors that impel women to take the risk of illegal immigration are: increased economic insecurity; higher risks of

unemployment and poverty; limited opportunities for legal immigration; resurgence of traditional discriminatory practices against women.

Sending countries: changes in the status of women

During the past two decades, most of the former socialist countries have been among the "sending" countries at some point in time. Whereas the Czech Republic and Poland were among the sending countries in the late 1980s and early 1990s, Republic of Moldova, the Russian Federation and Ukraine have become the main supplying countries since the mid-1990s. Recently, they have been joined by Albania, Lithuania, Romania and the Central Asian countries. Some of these countries, such as Poland, also became "receiving" countries in the late 1990s with inflows of trafficked women especially from Albania, Belarus and Ukraine. This dynamic, when considered against the economic performance of the countries listed, suggests a link between changes in women's situation and their trafficking (Table 1).

Changes in gender parity. Women suffered disproportionately from the systemic changes in Central and Eastern Europe and were largely unable to exploit new opportunities. Women's participation in the new democratic structures remained low in most countries and their economic situation deteriorated as social and economic reforms had no gender perspective.

Less political participation. Prior to transition, "proportional" quotas in most of these countries ensured that women accounted for about one third of parliamentary representatives. Elimination of these quotas, as a legacy of a regime that had lost favour, resulted in a drastic drop of women's share in national parliaments. Although the situation improved in a number of countries in the late 1990s, the share of

Table 1. Trafficking and economic indicators in selected sending countries (1989-2001)

Major sending countries	Estimated number of trafficked women and receiving countries	GDP/NMP 2003 (1989=100)	Employment 2002 (1989=100)	Real wages 2001 (1989=100)	Per cent living in poverty (\$4.30 PPP/day)	Gini coefficient of earnings 1989-2001 (1989 level in brackets)
Albania	Over 8 000. (of whom 30% are under 18) Italy, United Kingdom	123.6	63.9		58.6	
Kazakhstan	5 000 United Arab Emirates (IOM, 1999)	93.3	87.1	36	30.9	
Kyrgyzstan	4 000 (Northern part) Middle East, Turkey, Europe (IOM, 1999)	78.4	104.3	26	84.1	0.512 (0.260)
	5 000 (Southern part) United Arab Emirates (IOM, annually)					
Lithuania	Several thousands per year: The Balkans, Germany, Austria, United Kingdom	85.2	73.9	56	22.5	0.382 (0.260)
Republic of Moldova	50 000-100 000 The Balkans, Austria, Germany, Greece (IOM, 1990-1999)	41.3	72.0	32	84.6	0.391 (0.250)
Russian Federation	500 000 – 1 000 000 50 countries throughout the world, including Germany, Italy, Greece, Switzerland, Austria, Bosnia and Herzegovina, Serbia and Montenegro, Israel, Middle East, Turkey, United States of America (US Intelligence, 1990-2000)	77.0	86.5	52	50.3	0.521 (0.271)
Ukraine	400 000 Germany, Italy, Greece, Switzerland, Netherlands, Bosnia and Herzegovina, Serbia and Montenegro, Bulgaria, Switzerland, Israel, Middle East, Turkey, Canada and United States of America (Ukrainian Ministry of Interior, 1990-1998)	51.9	84.1	46	29.4	0.452 (0.244)

Source: various sources for trafficking of women; *Economic Survey of Europe 2004 No1 ECE*, ch. 7 (poverty rates based on the World Bank estimates) and Appendix Tables B1 and B5.

women parliamentarians is around 10 per cent or less in more than half the countries with post-transition and transition economies (in 14 out of 26).⁷² Women's political exclusion after democratic elections draws attention to a contradiction at play in these societies: on the one hand, the transition to a multi-party democracy establishes civil rights for women, but on the other, their interests, demands and specific problems are widely ignored because they are marginalized in democratic institutions. This has had serious economic implications.

Women's views on cuts in social expenditure, including child and family allowances, and welfare reforms,

including health care and pension reforms, for example, were not taken into consideration. In many countries family benefits for couples with two children declined by half between 1990 and 1997, such as in Hungary, where they declined from 16 to 8 per cent of the average wage; in Estonia from 10 per cent (1992) to less than 5 per cent and in the Russian Federation from 10 per cent (1992) to 6 per cent.⁷³ So, even if some countries have extended equal treatment to men and women with respect to childcare benefits, de facto cuts in family benefits have left women with considerably less support for efforts to balance family and professional responsibilities.

⁷² Interparliamentary Union database; ECE database.

⁷³ UNICEF/MONEE database.

Male-biased privatization. The privatization of national assets had a strong male bias, with women receiving few privatized assets. This limited women's opportunities in private sector development. Similarly, the trends towards privatization and individualization of entitlement within welfare reforms, such as health care and pension reforms, put women at a disadvantage due to career breaks for maternity and child care. Under the reformed pension system the benefits are determined by the employee's contributions over his or her working life. Consequently women, whose work experience and wages are on average smaller than men's, suffer a significant erosion of their longer-term security.⁷⁴

Loss of job security. The rise in competition in the labour market, unemployment and the loss of job security have undermined women's incomes and economic position.⁷⁵ This is reflected in trends in women's employment, such as more sectoral and occupational segregation, and, in many countries, a widening gender wage gap as well as an increase in women's share in part-time and other atypical work arrangements and in the informal sector. While the gender wage gap has narrowed for female workers with a primary and lower education, it has widened for female workers with an upper secondary and tertiary education, so women's returns on education have declined. In the Russian Federation, the gender wage ratio for workers with higher education was 47-45 per cent on average in 2000.⁷⁶ In most countries, the persistence or widening of the gender wage gap took place against falling real wages. In 2000 in some countries the loss in the real value of wages amounted to as much as 50-80 per cent of the 1989 level (Russian Federation, Republic of Moldova, Ukraine, Armenia, Kazakhstan, Tajikistan, Uzbekistan).⁷⁷

Although cuts in jobs also affected men, women's jobs in most countries were more affected than men's, especially in the early 1990s. These cuts ranged from 2-5 percentage points in the former Yugoslav Republic of Macedonia and Estonia to 10-13 percentage points in Albania, Lithuania and the Russian Federation. They reflected the pattern of economic restructuring but also

a widely accepted preference to keep men in jobs as the breadwinners. Some improvement in women's situation in the late 1990s may reflect, in addition to structural factors which were less favourable for men's jobs, such as cuts in heavy industries, also a greater willingness of women to accept the worst jobs even if they are overqualified.

The worrisome trend of pushing women into less-paid jobs is also confirmed by sectoral changes in women's employment. Women's share in low-paid service jobs, including public health and education, is increasing and their share in market-related services, such as financial services, is declining (especially in managerial positions).⁷⁸

Long-term and hidden unemployment. Though official data on unemployment by sex do not show a consistent pattern of gender asymmetry for all countries, women's unemployment is a serious problem. Some recent studies suggest that women suffer from various forms of hidden unemployment, such as low-paid part-time jobs or running micro-enterprises, while males prefer to search longer in order to find better jobs.⁷⁹

Discrimination. Overt gender-based discrimination in recruitment has become common and women's integration into the private sector is slow. Women are perceived as "expensive" workers and are often asked to present a medical certificate proving that they are not pregnant. They are often offered jobs well below their qualifications. Many younger women encounter intensive sexual harassment when entering the labour market and at the workplace. Many vacancy announcements imply that the secretary or office assistant will be expected to grant sexual favours. A recent survey of employers' gender preferences in hiring in the Russian Federation, for example, revealed growing gender-biased practices (see Box 37).

Feminization of poverty. Feminization of poverty is widely acknowledged although there are no consistent data. Recent surveys show that the incidence of poverty among households headed by working mothers is two or three times higher than among households headed by working fathers. In the Russian Federation, about one fourth of all female-headed households face

⁷⁴ The gender impact of welfare reforms is discussed in secretariat note ECE/AC.28/2004/8.

⁷⁵ For more discussion on women's employability in these countries, see secretariat note on *Women's employability in Eastern Europe and CIS countries* ECE/AC.28/2004/6.

⁷⁶ S. Y. Roshechin *Gender equality and extension of women's rights in the Russian Federation within Millennium Goals*, Moscow, 2003.

⁷⁷ MONEE/UNICEF database and ECE database.

⁷⁸ For more discussion on women's employability in these countries see: secretariat note on *Women's employability in Eastern Europe and CIS countries* ECE/AC.28/2004/6.

⁷⁹ See, for example: Paci, Pierella, *Gender in Transition*, World Bank, Washington, D.C., 21 May 2002.

Box 37 Traditional gender discriminatory practices are back in some CIS countries

In Kyrgyzstan, the tradition of bride stealing is widespread, with an estimated 15-30 per cent of all girls kidnapped. There is a growing trend for girls to marry younger. Although girls cannot legally marry before 17, the actual number of unregistered marriages with younger girls is rising.

In the Russian Federation, the minimal marriage age was recently lowered from 18 to 14. However, in practice, in Bashkortan and in some other parts of the country with a strong Islamic influence, adults have started marrying girls who are even younger.

Polygamy is back in Tajikistan, Kyrgyzstan and some other CIS countries. At one recent political forum, the President of the republic of Kalmykia, with the support of some regional women's organizations, openly called for the restoration of polygamy. In Ingushetia, in 1999, the President issued a directive (fully supported by the Parliament) allowing citizens to have up to four wives.

Source: UNIFEM Newsletters; S.V. Polenina, Women's Rights in the System of Human Rights: International and National Aspects, Moscow, 2004; Alexei Milaschenko, Islamic Guidelines of the Northern Caucasus, Moscow Carnegie Centre; Vremya Novostei, online, 28 June 2004.

poverty risks compared to about one sixth of male-headed households. In Georgia, Azerbaijan, Tajikistan, Ukraine and Bulgaria, the gender gap in poverty risk lies between 7 and 5 percentage points. Even in the Czech Republic, female family heads face a risk of falling into poverty about two and a half times higher than their male counterparts.⁸⁰

Poverty estimates based on respondents' own perceptions of their financial and social situation show that almost half the women living in Eastern Europe, Central Asia and the Caucasus, and in the Republic of Moldova or Ukraine close to 70 per cent, consider that they are poor, compared to only 12 per cent of female respondents from members of the Organization for Economic Cooperation and Development (OECD) (unweighted average). The high percentage of male respondents who consider themselves poor is also worth noting. The fact that so many men feel that they are failing is very important in the context of the trafficking problem, as they could easily be drawn into illicit activities.

⁸⁰ Schnepf, Sylke Viola, *The Feminization of Poverty in Transition Countries: Evidence from Subjective Data*, University of Hamburg, University of Southampton, August 2004, p. 3. The poverty line was established as 50 per cent of the median (income).

Informalization of women's economic activities. According to ILO, the proportion of women working in the totally unregulated and illegal informal business sector is considerable (over 5 million in the Russian Federation, for example) and increasing. In Ukraine, the share of women employed in informal activities is higher than that of men, and their total number was estimated to be above 420,000 in the late 1990s. In the prevailing market environment women are often compelled to agree to terms and working conditions that are highly detrimental to both their rights and their health.

Working in the informal economy is an important factor of women's vulnerability to trafficking. The women working in the so-called suitcase trade are a case in point (see Box 38). Since the late 1980s, many women in Bulgaria, Lithuania, Romania, the Russian Federation and Ukraine but also Kyrgyzstan or Uzbekistan *have* been engaged in such activities, which affect their security. The main trade routes for women from Eastern Europe have been Turkey, Greece, but also Germany and Italy, while for women from Central Asia, these have been mainly the Russian Federation, but also the Republic of Korea, India, China and Arab States.

The political, economic and cultural dimensions of the gendered order always interact. Changes in gender political and economic parity inevitably affect cultural stereotypes, perceptions and attitudes, altering behaviour patterns and the way in which gender conflict is managed and/or solved. The resurgence of some traditional discriminatory practices shows that some segments of society would like to restore patriarchy in its pure form, while others will grasp any opportunity to get rich, including by exploiting the vulnerability of women. Perhaps some women become victims of illicit migration and trafficking because they want to escape from unwanted marriages or from becoming one of several wives.

Institutional uncertainty coupled with a shortage of income-generation opportunities, barriers to market entry and the lack of decent jobs make for a traumatic environment for both sexes. For many males the fact that they are not able to meet their own expectations and fail to fulfil their families' aspirations drives them to find a way out, and is an incentive for either resorting to criminal activities or escaping from reality by using drugs or alcohol. Therefore, while all the above changes have been different from one country to another in terms of their scope and speed, "the general effect has been

a crisis of economic security.”⁸¹ These changes have affected women disproportionately and encourage women to migrate.

Migration and business opportunities for crime groups

Informalization of economic activities, criminalization and corruption are symptomatic of imperfect and/or malfunctioning markets and the lack of legitimate employment. These negative phenomena have increasingly become a part of day-to-day life in some countries in transition. Moreover, as corrective measures have been either postponed or ineffective, crime groups have effectively interlocked with corrupt officials in both sending and receiving countries.

Three major migration trends have been observed in countries in transition: internal migration from declining and/or impoverished regions towards metropolitan areas; cross-border migration between neighbouring countries; and emigration. Spontaneous internal migration has provided criminal groups with an opportunity to generate profits. Young women were the first to fall victim to crime groups, as many came from impoverished villages without adequate resources, skills and information about the real situation in the labour market in metropolitan areas. Moreover, the number of young women who went into prostitution voluntarily should not be underestimated. Few realized the risks involved and many were driven by a desire to obtain consumer goods which were either not available or not affordable back home. The overall atmosphere of glorified consumerism after decades of suppressed consumption against a rapid fall in incomes and polarization has played an important part in stimulating youth migration.

Cross-border migration, especially within Eastern Europe, Central Asia and the Caucasus, has become another source of profit for crime groups. Since the collapse of the Soviet Union, almost nine million people have moved throughout the territory for a variety of reasons (ethnic conflict, civil war, discrimination, economic depression, forced migration, etc.). Many left behind all their possessions and came without official permission. Without appropriate regulation and border-control, the response of local governments to these uncontrolled inflows of people was mainly ad hoc. In Moscow, for example, obligatory residential registration

Box 38 Cross-border trade

The suitcase trade took women across the border for days and sometimes months. They bought large amounts of consumer goods, mainly food, textile and apparel, and household goods which were not available or not affordable in their own countries. Back at home they sold these products from homes, streets or small shops. In 1996, when the “suitcase trade” peaked, the Turkish Ministry of Finance reported that revenues from the suitcase trade totalled \$8.84 billion. This trade was not taxed until recently, although the Turkish authorities imposed value-added tax (VAT) on sales.

The conditions for such trade deteriorated. In recent years, Bulgaria, Romania and the Russian Federation introduced an average 20 per cent of import duties and VAT on products that were brought in, which resulted in a sharp drop in trade volume. In 1997, Turkey reported a decline in the value of such trade to \$5.85 billion. The suitcase trade further declined in 1998 due to the liquidity difficulties in the Russian Federation and in other countries, and continues at lower levels.

Women involved in the suitcase trade and other informal activities face a much higher risk of sexual harassment, violence and abuse. They are an easy target for corrupt officials, criminal groups, traffickers and thieves, as their activities are usually unlicensed.

Source: Simel Esim, Women's Informal Employment in Transition Countries, International Center for Research on Women, Washington, D.C., 2002

was restored. Only later were attempts made to establish some formal control over migration. However, this is not supported by any kind of migrant labour regulation, thus putting migrant workers, including women, at risk of exploitation and abuse. It is not surprising that the incidence of trade in people and enslavement has been on the rise.

In the cross-border migration within and out of Eastern Europe, Central Asia and the Caucasus, and South European countries in transition, the number of rural youth among migrants has been growing since the late 1990s. Moreover there has been an increase in trade and trafficking in children and young men and women in both sub-regions, especially in Central Asia and Albania. This implies that the capacity of the safety net of rural extended families has reached its limits and/or that poverty, especially rural, has further deepened.

Many countries of Eastern Europe, Central Asia and the Caucasus have registered a decline in total number of official emigrants (to Canada, the United States, Israel,

⁸¹ Stalker, Peter, *Workers without Frontiers*, ILO, Geneva, 2000, pp. ix-x.

Western Europe, Australia). However, illegal emigration to these destinations does not seem to be contracting. A closer look at the immigration regulations in many economically advanced countries and large receiving countries of Eastern Europe, Central Asia and the Causasus reveals that over the past decade the terms of immigration have tightened despite an obvious shortage of labour and strong demand for cheap labour in some economic sectors. According to ILO, the overall effect of these restrictive measures was a rapid growth of smuggling and trafficking in people.⁸²

Moreover, as even declining sectors in developed countries of the region offer labour remuneration which is well above the national average wages in many countries in transition, this provides strong incentives for people from poor and depressed subregions to migrate towards these countries. Therefore wage differentials between countries on the one hand, and tighter immigration control on the other, have contributed to creating conditions favourable to smuggling and trafficking in people.

Many researchers on migration note that women and children, especially girls, are more vulnerable to trafficking than men. While most smuggled migrants are male, most trafficked persons from countries of Eastern Europe, Central Asia and the Causasus and other non-EU countries are young women and children. Traditional gender segregation in the labour market tends to limit female migrant workers' opportunities for work to domestic work, entertainment, hotels and restaurants, sales, garment and textiles, and assembly work in manufacturing, over which traffickers have control in certain places.

THE DEMAND SIDE: ECONOMIC GAINS FROM TRAFFICKING IN WOMEN

On the demand side, various studies have identified a number of factors associated with the advent of trafficking in women for sexual exploitation and servitude: cost-reduction race in response to growing international competition; demand for cheap labour in some weak and declining sectors of the developed countries; weak and/or absent legislation on illegal immigration; internationalization of illicit activities and the growth of

the sex industry internationally.⁸³

Internationalization of illicit activities

Globalization and the opening of countries in transition to the world economy have created an opportunity for national criminal groups to extend their illicit economic activities by establishing links with foreign and international criminal networks and maximizing their profits by creating economies of scale.

Box 39 Trade in women: the scale of supply and demand in Europe

Conservative estimates put the number of women brought into the European Union (EU) and the more prosperous Central European countries each year at 300,000, although the figure could conceivably be double that. Not all of these women end up in the sex trade and not all are trafficked, but it is a very rough indication of the extent of the problem. The women's traffickers hope to obtain a share of Europe's \$9 billion a year sex industry.

A report by the Council of Europe reveals that thousands of domestic servants in Europe are subjected to long working hours (between 15 and 18 hours a day) with no holidays or adequate food and accommodation, which amounts to domestic slavery. It estimates that about 4 million women are trafficked into domestic slavery every year. Women who are trafficked for domestic labour can additionally be required to grant sexual favours to their employers.

Although the extent of the crime cannot be measured exactly, Jonas Widgren, in an oft-cited 1994 paper, has estimated that trafficker syndicates operating in Western Europe alone earned \$100 million to \$1.1 million in 1993. This means a worldwide income for trafficking groups of \$5-7 billion in that year. Moreover, according to a 2005 estimation, profits generated by people employing trafficked workers amount to \$2.2 billion in industrialized countries alone.

Sources: Jonas Widgren (1994), "Multilateral Co-operation to Combat Trafficking in Migrants and the Role of International Organizations", Discussion Paper for the 11th IOM Seminar, Geneva: ILO; Council of Europe (2001) "Domestic Slavery", Report on Equal Opportunities for Women and Men; Council of Europe (2004) "Domestic Slavery: servitude, au pairs and mail-order brides", Report to the Committee on Equal Opportunities for Women and Men; Patrick Belser (2005), "Forced Labour and Human Trafficking: Estimating the Profits", Working Paper, Geneva: ILO.

⁸² International Symposium. The United Nations Convention against Transnational Organized Crime: Requirements for Effective Implementation. Getting at the Roots: Stopping Exploitation of Migrant Workers by Organized Crime, ILO, Turin, 22-23 February, 2002, p.2.

⁸³ See, for example: Liz Kelly & Linda Regan, Stopping Traffic: Exploring the extent of, and responses to, trafficking in women for sexual exploitation in the UK, Police Research Series, Paper 125, London, 2000; Trafficking in women and children from the Republic of Armenia: a study, IOM, 2001; Deceived Migrants from Tajikistan: A Study of Trafficking of Women and Children, IOM, 2001.

Box 40 Global crime alliance – a growing threat to international security

Organized crime syndicates from the Russian Federation, Asia and Africa are forming alliances with traditional Italian and Latin American organizations, creating a formidable threat to international peace and stability.

There are over 12,000 crime groups in the Russian Federation – three times more than in 1992. These groups are getting stronger and using the Russian Federation as the base for their global activities.

In the Russian Federation, it is reported that an estimated 80 per cent of private enterprises and commercial banks are forced to hand over 10 to 25 per cent of their profits to organized crime. Criminals use the banks to launder money and avoid paying the taxes so desperately needed by the government to pay salaries and debts. To further cripple the economy, these crime groups dominate some economic sectors, such as petroleum distribution, pharmaceuticals and consumer products distribution. According to the Interior Minister of the Russian Federation, crime groups control 40 per cent of the country's gross national product.

Apart from trafficking in drugs and weapons, Russian crime groups are actively involved in the trafficking in women and children in cooperation with foreign crime groups, including Chinese, Israeli, Ukrainian, Turkish, American and various European crime organizations. The annual return on trafficking in people for Russian organized crime groups is estimated at \$6 billion.

Source: Walter Zalisko, Russian Organized Crime, Trafficking in Women, and Government's Response, Clarksburg (New Jersey), July 2003.

One of the most rapidly growing illicit activities over the past two decades has been trafficking in women and girls mainly for the sex industry in Western Europe (Netherlands, Italy, Belgium, Germany and United Kingdom) and the United States. According to various estimates, up to 80 per cent of the women and girls trafficked from countries of Central and Eastern Europe, Central Asia and the Causasus to Western Europe are destined for the sex services market. Total annual revenues of traffickers are estimated to range from \$5 billion to \$9 billion (see Box 39).

Considering the illegal and secretive nature of trafficking in human beings, no hard data on supply and demand exist. However, according to the United States State Department's Trafficking in Persons Report of 2004, the annual supply of women from countries of Eastern and Central Europe, Central Asia and the Causasus to the sex industry of Western Europe has been between 120,000 and 175,000 since 1989. Some European estimates suggest that in 1990-1998 more than 253,000 women and girls were trafficked into the sex industry of the 12 EU countries. The overall number of women working as prostitutes in these countries has grown to more than half a million. In Vienna, almost 70 per cent of prostitutes come from countries of Eastern Europe, Central Asia and the Causasus (Table 2).

Migrant sex workers bring their own challenges to a receiving country. About 70-80 per cent of prostitutes in Austria, for example, are migrants, who fall under a tough combination of criminal, health, prostitution and immigration legislation. Ultimately it is up to a "provincial officer" to decide the fate of prostitutes of foreign origin

who break the law. "Migrant prostitutes are tolerated to that extent without implying their recognition; on the contrary, what is implied is their absolute vulnerability."⁸⁴

The sex industry in the EU Member States has become one of the most lucrative businesses. In the Netherlands, where prostitution is legal, the sex industry generates almost \$1 billion a year. This shows how profitable it is for both traffickers and owners of adult entertainment establishments.⁸⁵

With the stakes so high, organized crime has stepped in to take its share. There are about 15,000 Russian and East European women working in Germany's red-light districts. Many work in brothels, sex clubs, massage parlours and saunas under the financial control of criminal groups from the Russian Federation, Turkey and the former Yugoslavia, according to a survey of the International Organization for Migration (IOM).

The globalization of trafficking in women and sexual enslavement in the new millennium is a disturbing phenomenon. It was born out of extreme disparities within and between countries. Its implications for both sending and receiving countries should be better understood, especially in view of:

➤ The ageing population and falling fertility rates in

⁸⁴ Sex Work and Sexual Exploitation in the European Union. (<http://people.exeter.ac.uk/watupman/undergrad/aac/index.htm>).

⁸⁵ Holland: Tempting the Tourist With Hookers and Hookahs (http://europeforvisitors.com/europe/articles/holland_hookers_and_hookahs.htm).

Europe and Central Asia;

- The moral hazard and psychological damage to victims;
- The benefits it brings to criminal groups for strengthening their financial base and grip on vulnerable groups and States;
- The impact on security and public safety; and
- The impact on international peace and stability (see Box 40).

B. Institutional incentives for trafficking in women and sexual enslavement

The laws and regulations in both groups of countries, sending and receiving, consider trafficking and sexual enslavement to be minor offences, which reduces the “transaction cost” of trafficking.

In most of the sending countries, the institutional system is still in its infancy with a mixture of new and old laws and regulations. This sends contradictory and confusing signals, allowing individual law officers, public servants and the population at large to interpret laws and regulations as they see fit. Furthermore, the existence of many loopholes (the absence of any law on trafficking and prostitution, for example) undermines the effectiveness of the efforts of the police and prosecutors to combat trafficking in people and sexual exploitation.

Moreover, severely underpaid law-enforcement officers in many sending countries are an easy target for criminals. Corruption of law and customs officers, as well as other government officials, allows criminal groups to operate at a relatively low risk. Until recently, the institutional system in many receiving countries penalized traffickers relatively softly (Table 3). In some, trafficking in people is not punishable at all under present legislation (Israel, for example). Considering the magnitude of the problem and some new disturbing trends (such as trafficking in children from Romania, Albania, Republic of Moldova, Ukraine and the Russian Federation, and growing child sex tourism to these countries from Western Europe), decisive measures must be taken urgently to make legislation and law enforcement more effective.

Race for cost reduction

Globalization has intensified competition, especially in the labour-intensive sectors in which developing countries,

Table 3. Punishing trafficking in peoples and sexual exploitation.

EU Member States	Specific trafficking law	Penalty for trafficking
Austria	Recruiting or bringing a person into prostitution in another country	6 months to 10 years
Belgium	Guilty of trafficking in women	1-15 years
Denmark	Abetting immorality	< 4 years
Finland	No specific law	
France	No specific law - trafficking is included in the prostitution law	20 years
Germany	Trafficking in women for sexual purposes	6 months to 10 years
Greece	Trafficking in female minors	1-5 years
Italy		
Ireland	Trafficking in children. Using Ireland as a transit point for trafficking	
Luxembourg	Trafficking is punishable under the law	
Netherlands	Trafficking in human beings for prostitution, related to all forms of violence	Fine or 6-8 years
Portugal	Trafficking equivalent to slavery-like practices	2-8 years
Spain	Abusing a position of power or forcing someone into prostitution	2-8 years
Sweden	Trafficking in human beings	1-2 years
United Kingdom	No specific law, related to law on illegal entry (under consideration)	

Source: *EUROPAP regional reports*

with their abundant labour resources and favourable climate, have a comparative advantage. However, these sectors in developed countries do not intend to give up their markets so easily. They are desperate to reduce their costs of production. Irregular and illegal migrants have provided them with an opportunity to save significantly on labour costs, including on the cost of complying with health and safety standards (see Box 41). These production sectors have therefore generated demand for cheap migrant labour and hence an incentive for smuggling and trafficking in people.

Some recent studies note with concern the emergence of unprotected labour markets in the construction, agriculture, textile and garment sectors of some developed ECE countries and an overall trend towards informal employment through the deregulation of labour standards.

Box 41 Migrants in labour-intensive sectors in Western Europe

United Kingdom. Its labour market is highly attractive for migrants, smugglers and traffickers alike due to its deregulated nature. So-called gang masters have hired workers in agriculture since the nineteenth century. Over the past 20 years, gang masters have developed into big business. Farmers and pack houses recruit workers through gang masters, yet the latter are the official employers. Enforcing labour standards is therefore more difficult. The pressure to produce at low cost is passed on to the gang master, who pays workers very low salaries.

It is estimated that one third of the British food industry relies on gang masters. Hence gang labour has become essential for the survival of the food industry. Around 50 per cent of the workers are migrants, some of them undocumented or with forged documents. Some gang masters have established close links to East European mafia networks, which provide them with undocumented migrant labour.

Netherlands. There are about 200,000 people working in agriculture and paying social contributions. At peak times, another 100,000 to 150,000 workers are hired by greenhouse farmers. Most of them are undocumented migrants. Recruitment is organized by temporary agencies, which can be set up without a licence. In addition day labourers are hired at certain locations early in the morning. Abuses of migrant workers are widespread.

Spain. The municipality of El Ejido made headlines when riots with a racist undertone broke out in February 2000. According to the European Civic Forum, the riots were the consequence of a deliberate policy of segregation between the local population and immigrants. Cases are also known of local authorities and employers playing one immigrant group off against another.

Switzerland. With the abolition of the seasonal contract scheme, non-EU workers have been deprived of any possibility to enter the Swiss labour market legally. It is however estimated that there are 8,000 undocumented foreigners working in agriculture alone. Most of them come from Eastern Europe and the former Yugoslavia. Exploitation, primarily of illegal migrants, has become public through various scandals in recent years, which revealed inhuman housing conditions and very low wages. Some of these cases ended in court.

Source: Forced labour outcomes of irregular migration and human trafficking in Europe, Report of the Trade Union Consultation meeting, ILO, 8-9 January 2003.

There is also concern that the freedom of movement of goods and services within the European Union since 1992, together with a range of bilateral agreements in order to eliminate visa requirements, will fundamentally alter the established system of employment towards flexible labour arrangements, encouraging the employment of migrant workers, many of whom come undocumented. Undocumented migrants are clearly the most vulnerable members of this flexible labour force and are subject to abuse. They are exploited through very low pay, unreasonable deductions and unacceptable living conditions. Female workers are often paid less than men and are exposed to sexual harassment.

The prevalence of female migrant workers in some of the above sectors tends to further women's segregation in the labour markets of the receiving countries and thus undermine the international effort to eliminate the gender pay gap caused by segregation.

SOME AREAS FOR FURTHER ACTION

Trafficking in women and sexual enslavement are difficult to eradicate, but if all the social partners, such as governments, NGOs, the academic community and law-

enforcement agencies, join forces substantive progress can be made (see Box 42).

In the medium term, the focus of international cooperation should be on removing the primary causes of illegal immigration and prostitution in the ECE region. National programmes to alleviate poverty should be adjusted to target regions that are the poorest and have become the main supply source for traffickers. The possibility of developing large-scale job-creation projects within the national poverty eradication programmes in Kyrgyzstan, Tajikistan, Albania, Republic of Moldova and other poor sending countries should be investigated.

Most countries of Eastern Europe, Central Asia and the Caucasus do not have an industrial development strategy that envisages job creation and income generation in declining regions, small cities and settlements. Successful experiences of countries like Ireland, Finland and Canada (with its programme to improve the survival rate of small and medium-sized enterprises by setting up a mechanism of perpetual technological modernization for them) should be better studied to see if they are applicable to sending countries in transition.

It is important to improve women's political participation, as this is crucial if they are to recover and improve their economic status. Many women in the region may underestimate the redistributive role of politics. The losses that they suffered during the transition process could become institutionalized (in terms of rights and their enforcement) if they remain passive in the political affairs of their countries.

On a wider scale, the informalization of labour relations and its impact on female workers both in sending and in receiving countries should be further studied, as should other processes of globalization that could prevent women from achieving gender parity.

More efforts are also needed to improve legislation and law enforcement and to introduce other measures within a human rights approach. This may include measures to:

- Delink the international crime chain by establishing an international regime that raise the cost of trafficking in human beings. This is possible only if both sending and receiving countries are firm and sincerely committed to criminalizing trafficking in people;
- Assist sending countries to draft legislation to undermine the activities of traffickers, to institutionalize migration through migrant labour relations, and to strengthen their law-enforcement mechanisms and agents;

Box 42 Making a commitment to combat trafficking

Trafficking in women and children is not a new phenomenon, although it has taken increasingly grievous forms in the contemporary period. The entire international community is faced with the challenge of combating the recruitment, transport, marketing and purchase of hundreds of thousands of women and children each year.

Trafficking in human beings follows the logic of supply and demand. It is a complex problem rooted in poverty, marginalization and ideas about the subordination of women and children as well as inadequate protection of human rights.

Economic, social and political inequalities in the countries of origin provide the breeding ground for trafficking in human beings. Traffickers, procurers and buyers exploit a supply of human beings who come from the most oppressed and vulnerable groups in society, are economically marginalized and are often victims of prior male sexual violence. The perpetrators also benefit greatly from the fact that women of colour and indigenous women face additional levels of violence because of racism. These women and girls are recruited for trafficking in human beings because of an absence of real alternatives.

Most of these human beings are being sold across national borders to meet the demands of the prostitution industry; a smaller number are sold into domestic servitude, forced marriages and for such purposes as exploitative labour in sweatshops. The demands of the buyers also constantly shift and change. Those men who frequent brothels, strip clubs and massage parlours want unlimited access to a varied supply of women and girls from different countries, cultures and backgrounds. The constant demand for new merchandise is what dictates the international trade in women and girls.

Trafficking demands the involvement of governments, international agencies, civil society and the private sector in order to dismantle the links between the suppliers and the contexts in which there is a demand for trafficked persons. There is a need for a transnational commitment in order to combat trafficking.

Sweden has not only made a commitment to protect the human rights of trafficked women and children, but also to attack the prostitution markets where men are able and willing to purchase women and children for sexual exploitation. The Swedish Violence Against Women Act defines prostitution as "a serious form of male violence against women and children, which constitutes a significant social problem, harmful not only to the individual prostituted woman or child, but also to society at large." This definition ensures that the rights of women and children who are trafficked into Sweden, many of whom are already survivors of male sexual violence, economic marginalization and racism, are protected.

Swedish Police and Social Services report that there has been a decrease in the number of individuals in street prostitution since the clause prohibiting sexual services under the Violence Against Women Act was put into effect in 1999. Criminalization has also meant that the number of men who buy sexual services has fallen along with the recruitment of women and girls into prostitution. Annual reports of the Swedish National Rapporteur and the National Criminal Investigation Department indicate that the law has had positive effects on the trafficking of human beings into Sweden and that Sweden is no longer an attractive market for traffickers.

Source: Statement by Gunilla Ekberg, Special Adviser to the Government on Trafficking on Human Beings, Sweden. Beijing +10 Preparatory Meeting, December 2004.

-
- Strengthen border control in all the countries concerned using new technologies without restricting international trade and tourism;
 - Improve the transparency and monitoring of the activities of tourist and recruitment agencies, including by setting up an intergovernmental interactive consumer awareness website with information on recruiting, advertising and tourist agencies implicated in crime groups;
 - Establish an international network of recruiting agencies by means of international licensing;
 - Study the experience of countries like the Netherlands needs to evaluate the impact of its new regulation of the sex industry on the supply of trafficked women;
 - More public awareness campaigns in sending countries and the poorest regions within these countries on the dangers and risks associated with trafficking combined with job-creation programmes.

Chapter IV

EMERGING ISSUES AND GENDER BUDGETS

Emerging issues with focus on economic decision-making

Diane Elson

INTRODUCTION

Changes in the economic, social and political context require new responses to secure full implementation of the Beijing Platform for Action, especially more effective gender mainstreaming in economic decision-making by both governments and businesses.

Building on emerging experience, three areas for future action are identified:

- Broadening and deepening the scope of Gender Responsive Budgeting (GRB) (including revenues as well as expenditures), to make more effective links with key areas of policy;
- Extending corporate social responsibility to include gender equality issues throughout the supply chain;
- Developing a regional network of men and women economists to work on gender-sensitive economic policy.

CHANGING ECONOMIC, SOCIAL AND POLITICAL CONTEXT

The Beijing Platform for Action (BpfA) provides a comprehensive framework that is of continuing relevance for promoting gender equality. However, since the BpfA was agreed there have been important changes in the economic, social and political context in the region. These changes include:

Economic

- Increasing economic insecurity, with individual women and men bearing more of the risks of market fluctuations, and with less certainty about the evolution of their livelihoods over the life cycle;
- Increasing economic inequality, including inequality

between women, structured by inequalities of class, race, ethnicity and nation;

- Increasing role for the private sector in employment and in provision of social insurance and infrastructural services, opening new opportunities for individual enrichment for some, but dislocating community ties and reducing social supports for others;
- Growing recognition that current frameworks for fiscal, monetary and foreign exchange policy are unsustainable.

Social

- Falling fertility and ageing of the population;
- Increasing recognition of the way that masculinity is socially constructed and beginnings in some countries of some transformations in these norms, especially in relation to fatherhood, but continuing inequality in responsibility for unpaid work in most countries;
- Increasing interaction between people from the west and the east of the region, though migrations of various kinds, including circular migration;
- Increasing commercialization of all aspects of life;
- Increasing social anxiety, leading to xenophobia, racism, and development of a variety of forms of fundamentalisms.

Political

- EU enlargement,
- Conflicts and instability involving some countries in the region,
- Increased expenditures on the military in some countries in the region,
- Increased use of violence for political ends.

This new context will require new responses to secure the full implementation of the BPfA. This note focuses in particular on economic decision-making and its interactions with social and political change.

EMERGING EXPERIENCE IN MAINSTREAMING GENDER IN ECONOMIC DECISION-MAKING IN BOTH PUBLIC AND PRIVATE SECTORS

The experience of the last ten years has shown that the realisation of the BPfA in the region depends upon more effective mainstreaming of gender equality issues in economic decision-making. This is a key area in which it is critical to develop ways of working with men, since key economic decisions in both government and business remain mainly in the hands of men.

A start has been made in some parts of the region. For instance, gender mainstreaming in employment policy is being taken forward in the EU and Canada. But gender equality has only been a marginal concern in the social security reforms in the ECE countries. Reforms have been driven by a desire to reduce public funding of social security provisions. Little attention has been paid to the implications of these reforms for the extent and distribution of the unpaid work of caring for families and communities. Pension reforms have particularly weakened the position of low-income women, making it likely that an even greater proportion of women will suffer poverty in old age. Businesses providing pensions are allowed to discriminate by gender in many countries in the region.

Initiatives to promote Gender Responsive Budgeting (GRB) in the public sector have been undertaken in some parts of the region in the last few years, building on the mandate given in the BPfA:

- Para 345. This will require the integration of a gender perspective in budgetary decisions on policies and programmes, as well as adequate financing of specific programmes for securing equality between women and men;
- Para 346. Governments should make efforts to systematically review how women benefit from public sector expenditures; and adjust budgets to ensure equality of access to public expenditures.

The experience to date is documented in a Secretariat Note which highlights the diverse experience and the results to date. In some countries the lead has been taken by governments; in others by women's organizations; and in others there has been collaboration between the two. There have been initiatives at all tiers

of government: national, regional and local. Many of the initiatives are still at the pilot stage, and their results consist of recommendations for further work. It is vital that these recommendations be implemented.

GRB is well designed for working with men and on issues that address masculinity, since the tools identify implications for both male and female members of the population. Some GRB have begun to work on the intersection between gender and other forms of inequality, through a particular focus on poor women.

A number of challenges have been identified:

- Weak understanding of gender issues in government departments;
- Insufficient participation by key stakeholders in government, especially Ministries of Finance and Budget Offices;
- Insufficient understanding of what GRB means, including how to use existing GRB tools and how to develop new tools adapted to specific contexts;
- Linking GRB to policy development;
- Linking GRB to government obligations to protect and fulfil women's economic and social rights (as specified in regional and international treaties);
- Institutionalising GRB on a sustainable basis.

The Outcome Document produced from the Beijing+5 Review reaffirmed the importance of gender analysis of public budgets, and also referred to the need for 'innovative approaches to the allocation of existing resources' by NGOs and the private sector, as well as governments (para 36).

Initiatives to mainstream gender in the economic decision-making of the private sector are now beginning to emerge (Grosser and Moon 2004). This is happening in two ways:

- Inclusion of gender equality criteria in initiatives for corporate social responsibility;
- Inclusion of gender equality criteria in measures for more effective development and management of human resources.

Leading companies are discovering it makes business sense to promote equal opportunities and family-friendly employment policies. In this field there is also considerable attention to issues of diversity.

However, progress across the region is very uneven, and knowledge of how to mainstream gender in economic decision-making is not widespread. There needs to be

more effective mainstreaming of gender equality issues in economic decision-making across the region, in both government and business, in ways that pay specific attention to issues of diversity and inequality between women, as well as inequality between women and men, and in ways that produce definite impacts on outcomes.

This will require measures to:

- Improve the understanding of economic decision-makers (in both government and business) about the relevance of gender, in relation to both “efficiency” issues, such as economic growth, productivity, attractiveness to “ethical investors”, and competitiveness; and in relation to “equality” issues such as compliance with CEDAW, and other human rights treaties, and national and regional gender equality legislation, which all imply obligations on the part of economic decision-makers in both public and private sectors;
- Improve the understanding of economic decision-making on the part of advocates for gender equality, including both National Machineries and NGOs, community-based organizations, etc.;
- Promote the development of more effective tools and institutional mechanisms, building upon the experience of gender mainstreaming in EU employment policy, and the experience of Gender Responsive Budgeting; and drawing upon examples of integration of gender equality criteria in business practice in the private sector;
- Increase the representation of women at the points at which key economic decisions are taken, and build their capacity to conduct gender analysis of economic policy and advocate for gender equality objectives to be taken into account.

SOME AREAS FOR FUTURE ACTION

- A. Broadening and deepening the scope of Gender Responsive Budgeting to take into account diversity, and to include interactions with key issues such as employability, social security, ageing population, and transforming masculinity;
- B. Extending corporate responsibility to include gender equality issues throughout supply chains;
- C. Developing a regional network of men and women economists to work on gender-sensitive economic policy, with an understanding of the interaction between paid and unpaid work, and the importance of promoting more equal sharing of this work between women and men.

A. Deepening and Broadening the Scope of Gender Responsive Budgeting

GRB is concerned with the impact of the government budget on gender inequality.

It asks the question, does the way that the government raises money and spends money:

- Reduce gender inequality,
- Leave gender inequality unchanged,
- Increase gender inequality?

It can also focus on the diverse experiences of different women and men, girls and boys; for instance by analysing the way that the budget affects the poorest and most marginalised women and girls.

There are a variety of ways of trying to answer these questions, and using the information to adjust budgets. A number of misconceptions seem to have arisen about the implications of GRB, which need clarifying.

GRB does NOT imply that 50 per cent of tax revenues ought to be paid by males, and 50 per cent by females. Or that 50 per cent of the expenditure on each programme ought to be distributed to males and 50 per cent to females. This is because men and women, boys and girls, are not positioned equally within the economy and society. The existing pattern of gender inequality has to be taken into account in judging whether a budget promotes the achievement of substantive equality. Government budgets need to be designed to offset pre-existing inequalities in the short run, and to reduce gender inequalities in the economy and society in the longer run, through incentives for change.

GRB does NOT imply that the budget must be presented showing a division of all tax revenues into the share paid by males and the share paid by females. This can be a useful analysis for some revenues. But a gender analysis of taxation also needs to examine:

- The content of tax rules in relation to the treatment of women as autonomous people;
- Tax burden and incidence in relation to ability to pay;
- Incentives effect in relation to participation in different types of paid and unpaid work;
- Redistributive effect: how far does it reduce the gender gap in incomes.

For more details see Barnett and Grown (2004); Elson (2005); Himmelweit (2002).

GRB does NOT imply that the budget must be presented showing a division of all expenditures into shares accruing to male users and female users of public services and income transfers. This can be a useful analysis for some expenditures but not meaningful for others. As well as the gender distribution of finance, it is important to consider:

- The priority given to programmes vital for gender equality (in terms of expenditure shares, as compared to other programmes, such as military spending);
- The adequacy of levels of finance for implementation of laws and policies vital for gender equality (in relation to the costs of such implementation);
- The impact of the activities financed on males and females, including the incentives for change in gender stereotypes.

Programmes vital for gender equality may include programmes specifically targeted to males or to females; and will certainly include programmes that are not gender targeted. For more detail see Elson (2002, 2005); Himmelweit (2002); Sharp (2003); DTI and HM Treasury (2004).

GRB initiatives in other regions have focussed primarily on public services. That focus is important in the ECE region, especially in relation to care services for children, and old people, and in the context of privatization of public services. But in addition, it is important to include taxation (including tax allowances of all kinds) and income transfers, including both universal and means-tested.

Employability and social protection and pensions have key implications for budgets and links need to be deepened between these policy areas and GRB (see table).

It is also possible for GRBs to consider the links between budgets and forms of masculinity. For instance they could promote changes in taxation and expenditure to assist men to develop new forms of more egalitarian masculinity, in place of outmoded “male breadwinner” models. Examples of expenditures that could contribute to this include programmes:

- that work with men and boys to change norms of “masculinity” that are based on violent or dominant or un-caring behaviour and develop new forms of non-violent, egalitarian and caring masculinity;
- that work with men to change those norms of “masculinity” that significantly contribute to the lower life expectancy of men;

- that provide gender equality training to men who are in critical decision-making positions in the public sector;
- that fund paid leave for fathers as well as for mothers.

In this context, GRBs could also examine the contribution of increased expenditure on the military to perpetuating violent, dominant, and uncaring forms of “masculinity”; and the extent to which this also contributes to promoting such forms of behaviour as acceptable for women.

Budgetary implications of employability, and social security and pensions

Policy Area	Budgetary implications
<i>Employability</i>	
Active labour market	Women to have equal or greater access to training and skills development programmes
Training and lifelong learning	Financial incentives to ensure employers include those on atypical contracts in training
Tax and benefit policies	Tax credits/allowances for costs of child care Spouses of benefit claimants to be allowed a reasonable independent income
Entrepreneurship	Need to ensure that women-only measures receive fair share of budget and /or that women receive fair share within mainstreamed programmes
The information society	Need to consider linking budgets and financial incentives to meeting specific targets on female recruitment
Working time, flexibility and reconciliation policies	Budget need to provide for paid leave. Incentives needed for general working time changes, for provision of security and to changes to domestic division of labour.
<i>Social security and pensions</i>	
Minimum income security for women in old age	Budgetary provision for basic state pension, at adequate level, with entitlement based on citizenship not contributions.
Contributory public pensions	Budgetary provision for pension credits for Caregivers

In general there needs to be more widespread use by governments in the region of the following good practices:

- Gender audit of existing patterns of taxation and expenditure on services and income transfers;
- Gender impact assessment of any proposed changes to taxation and expenditure on services and income transfers;

- Identification of gender-sensitive targets and indicators for taxation and expenditure on services and income transfers;
- GRB Reports to parliament.

B. Extending corporate social responsibility to include gender equality issues throughout the supply chain

Many leading businesses in the region have embraced the principle of corporate social responsibility, and a growing number of investors take ethical considerations into account when buying shares. There is growing use of social audits that evaluate how far a company meets criteria of social responsibility. The results of such audits are increasingly included in company reports, alongside their financial accounts. International standards have been agreed, which include gender equality criteria. For instance, SA8000 Social Responsibility. This standard is an initiative of the Council on Economic Priorities Accreditation Agency. It includes absence of discrimination based on race, caste, nationality, religion, disability, gender, sexual orientation, union membership and political affiliation.

Henderson Global Investors has begun to focus on the gender pay gap in their decisions on whether to buy shares in companies, and is giving preference to companies that have carried out an equal pay review. It is engaging with those companies that have not, to persuade them to do so (Grosser and Moon 2004).

The Calvert Group, which is the largest socially responsible mutual fund investor in the United States and manages more than \$9 billion of assets, working in conjunction with UNIFEM, has developed a Code of Conduct for corporations focussing on women's rights (Calvert 2004). It covers issues such as equal pay, progress in hiring, training, retention and promotion of women, and equitable policies on lay-offs, contract work and temporary work; and health and safety issues, including violence against women. It also addresses the inclusion of women in corporate decision-making at all levels of the business. It further extends beyond the immediate workplace to include civic and community engagement; and supply chain management and marketing practices.

Compliance with such standards also promotes more effective human resource management, applying a greater diversity of talent to the running of the business; and reducing staff turnover and increasing the quality

of output. Internationally known firms, such as Xerox, include diversity of the workforce as part of their measurement of Total Quality Management.

Various governments in the region and the EU Commission promote the inclusion of gender equality in corporate social responsibility:

“Deeply rooted societal changes such as the increasing participation of women in the labour market should be reflected in corporate social responsibility, adapting structural changes and changing the work environment in order to create more balanced conditions for both genders, acknowledging the valuable contribution of women, as strategies which will benefit the society as well as the enterprise itself.” (Commission of the European Communities 2002:19)

There is a great deal still to be done. Business awareness of the benefits of such practices needs deepening; gender equality needs to become an essential (not an optional) part of corporate social responsibility; and government needs to provide a supportive environment for this (including measures such as funding parental leave through the government budget).

In particular, it is important that the mainstreaming of gender equality in corporate social responsibility extend to the whole supply chain. In a globalized world the responsibilities of a company extend well beyond its home base. The Ethical Trading Initiative in the United Kingdom is an example of good practice. It brings together government, leading retail corporations and NGOs to work to extend corporate social responsibility throughout the international supply chain. Gender has been mainstreamed into this through the efforts of women NGO representatives and women researchers.

C. Developing a regional network on gender-sensitive economic analysis and policy

It is vital to develop more expertise in the region on gender-sensitive economic analysis and policy. In particular, it is important to develop greater understanding of the interaction of paid work for governments and business, and unpaid work for families and communities. Throughout most of the region women still have greater responsibilities for unpaid work than men.

Box 43 International Working Group on Gender, Macroeconomics and International Economics

The International Working Group on Gender, Macroeconomics, and International Economics (GEM-IWG) is a global network of economists that was formed in 1994 for the purpose of promoting research, teaching, policy making and advocacy on gender-equitable approaches to macroeconomics, international economics and globalization.

In 2003, GEM-IWG launched a Knowledge Networking Program on Gender, Macroeconomics and International Economics, a summer course and conference programme, in order to strengthen intellectual links among economists and practitioners from across the globe working on relevant issues. In July 2009, GEM-IWG, in collaboration with the Levy Economics Institute and the Department of Economics of the University of Utah, Salt Lake City, organized for example the 9th International Conference on engendering Macroeconomics and International Economics, which took place in New York.

The economists that are linked through the network continue to work together under regional and thematic groups. Regional groups comprise GEM-Asia, GEM-LAC (Latin America and the Caribbean), GEM-Africa, GEM-MENA (Middle East and North Africa), and GEM-Transition Economies. Thematic groups include Employer of Last Resort, Curriculum Sharing, Time Use, Fiscal Policy, Decent Work, Trade, Microfinance, Migration, and Poverty. Regional and thematic groups work on projects and hold conferences on relevant issues.

GEM-IWG has also launched a Working Paper series, which features working papers on gender issues from scholars both inside and outside the network and is designed to create an international forum for scholarly and policy-oriented work on these issues. The goals of the series include to increase the visibility of and centralize access to work in the area of gender, macroeconomics and international economics; to make research immediately available to the community, up to a year or more prior to the conclusion of the lengthy review and publication processes of standard academic journals; and to increase the international supply of this research by providing a publication venue for interested researchers, including Program graduates.

Source: GEM-IWG website, www.econ.utah.edu/genmac/index.html

This is particularly important in the context of demographic change. An ageing population raises new challenges in developing policy that takes account of the double responsibility for paid and unpaid work. The majority of care services for old and frail people in the region are still provided on an unpaid basis. Research in the Netherlands, for instance, shows that 84 per cent of all care for sick, old and invalided people is provided without charge by family, neighbours and friends. The unpaid carers not only give up their leisure time, they frequently have to give up their paid work, or reduce their hours of paid work, losing income estimated to be 1,000,000,000 Euros.

Governments throughout the region are relying on women to ease the problems caused by an ageing population, through incentives to women to have more children (through provision of cash benefits and child

care services); to participate more and longer in the labour market; and to undertake unpaid home-based care for frail elderly relatives. This will put tremendous burdens on women in the 55-65 age range, which have yet to be properly analysed and taken into account in economic and social policy.

Academic research shows that it is very fruitful to bring together teams of women and men experts in economic and social policy to develop gender-sensitive research and policies. The International Working Group on Gender, Macroeconomics and International Economics, for instance, has produced two special issues of the journal *World Development*⁸⁶ and runs an annual summer course (see Box 43). These need to be extended and supported by measures to incorporate gender analysis more fully into the training of economists, for instance through PhD programmes with a focus on gender equality and the economy. There is also need to support measures to increase the numbers of women in the economics profession, as some professional bodies in the region have already recognized.

⁸⁶ World Development (1995), Vol.23, NO.11 and (2000), Vol.28, Issue 7.

References

- Barnett, K and Grown, Caren. 2004. Gender Impacts of Government Revenue Collection: the Case of Taxation. Economic Paper 62, Commonwealth Secretariat, London.
- Calvert. 2004. The Calvert Women's Principles: A Global Code of Conduct for Corporations. Calvert Group, Bethesda, MD.
- Commission of the European Communities. 2002. Communication from the Commission concerning corporate social responsibility: A business contribution to sustainable development. Brussels.
- Elson, D. 2002. 'Gender Responsive Budget Initiatives: Some Key Dimensions and Practical Examples' in UNIFEM, Gender Budget Initiatives-Strategies, Concepts and Experiences, UNIFEM, New York.
- Elson, D. 2005. Monitoring government Budgets for Compliance with CEDAW, UNIFEM, New York.
- Grosser, K. and Moon, J. 2004. 'The Role of Corporate Social Responsibility in Gender Mainstreaming' International Centre for Corporate Social Responsibility, Nottingham University Business School.
- Himmelweit, S. 2002. 'Making Visible the Hidden Economy: the Case for Gender Impact Analysis of Economic Policy' Feminist Economics 8(1) 49-70.
- Sharp, R. 2003. Budgeting for Equity: Gender budget initiatives within a framework of performance-oriented budgeting, UNIFEM, New York.
- Department of Trade and Industry and H M Treasury. 2004. Gender Analysis of Expenditure Project: Final Report. Available online at: <http://www.hm-treasury.gov.uk/media/15E35/gender-analysis.pdf>

Gender responsive budgets

Elizabeth Villagomez

INTRODUCTION

Taking into account best practices in the incorporation of a gender perspective into the budget process, this note provides an overview of the progress achieved so far and the challenges that remain. It focuses on results and attempts to summarize the main elements around Gender Responsive Budgeting (GRB).

The paper summarizes first the key issues surrounding the application of gender responsive budgeting. It then briefly reviews initiatives in a selected number of ECE member countries aimed at introducing a gender perspective into the budget. It focuses mainly on results. Next, challenges and policy implications are identified and discussed. Finally, a way forward is proposed, including an institutional framework, mechanisms and tools, which could serve as a guideline for new initiatives in member countries.

The ECE region has had fewer experiences in GRB than other regions, but it is quickly accumulating more experiences across the national, regional and local levels. This gives it a twofold advantage in that it can learn both from well-established ongoing initiatives as well as from a number of publications and specific tools that have been produced in other regions or by international organizations such as UNIFEM and the Commonwealth Secretariat.

The growing recognition that macroeconomic policy plays an important role in living standards and economic opportunities for the population in general, and women in particular, is behind the economic rationale for introducing a gender perspective into budgets. There are costs associated with lower output, reduced development of people's capacities, less leisure and diminished well-being when macroeconomic policy, through its different instruments, creates further inequalities instead of reducing them (Elson, 2002a).

Thus, increasing people's access to resources and opportunities has positive economic effects. Given the importance of the budget as the key macroeconomic

policy document and main policy tool by Governments, both expenditures and revenues (fiscal policy), and the instruments used for each, are the focus of attention when introducing a gender perspective into the budget.⁸⁷

Three issues are important for understanding the application and use of different mechanisms and tools for gender responsive budgeting: (a) location, (b) scope or coverage, and (c) the budget cycle itself.

By "location", both geographical and political levels are meant. Thus, national, regional and local budgets can be analysed with a gender perspective depending on the political structures of countries and the geographical areas that the budgets cover. Decentralization processes are therefore extremely important for understanding and tracking the different competencies of government that are devolved or transferred to lower levels of government and which have a direct impact on the distribution of resources as well as on revenue collection (see Box 44).

Another important aspect is the way in which different groups organize GRB initiatives. This refers to the stakeholder or group of stakeholders that initiate or carry out the analysis and carry forward or advocate for the changes it suggests. Therefore Governments as well as parliamentarians or civil society groups, can organize these initiatives.⁸⁸

As to the scope or coverage, Sharp (2002) points out

⁸⁷ Although there are other important macroeconomic policy instruments such as exchange rates and monetary policy, the introduction of a gender perspective is more adequate to fiscal policy (see Elson, 2002a for a more detailed discussion). However, there are ongoing efforts in research and application of the relevance that the other two have in gender terms, although the links are more indirect than direct.

⁸⁸ International development agencies and bilateral aid and development agencies can also be involved in the initiative as initiators or as partners. The terms used are "inside" or "outside" government.

Box 44 Partnerships for gender budgeting

Membership in the European Union provides for the Baltic States, Lithuania in particular, new challenges and opportunities. One of these opportunities is to address differences between men and women through gender budgeting.

The objective of Lithuania's budget reform was to achieve a more sound and transparent utilization of limited resources. This required executing strategic planning in line with budget reforms, developing a relevant legal framework and creating an inter-institutional programme on equal opportunities. The legal framework included organic budget law, strategic planning methodology, a government resolution on equal opportunities and government resolutions on budgeting and timeframe. When it was approved in 2003, the programme addressed equal opportunities warrants, women's rights in the context of equal opportunities and clauses for its implementation.

Since gender budgeting initiatives are still in their pilot phases in Lithuania, they could benefit from joint collaborations across countries and dialogue between the political sphere and movements in civil society. The Lithuanian Government has already initiated pilot projects in partnership with Nordic countries, Poland, and all levels of national partnerships including municipalities. The pilot projects assessed the impact of government expenditures and revenues on the economic and social position of women. They also helped the Lithuanian government develop strategies that will bring about a gender sensitive allocation of resources.

Based on: Statement by Rimantas Kairelis, State Secretary, Ministry of Social Security and Labour and Head of Gender Equality, Lithuania. Beijing +10 Regional Preparatory Meeting, December 2004.

that gender mainstreaming and GRB have common goals with respect to introducing gender-awareness practices in policy formulation and implementation. GRB is in effect a gender mainstreaming device or strategy. In this sense, almost all policies that are reflected or can be reflected in budgetary terms, and which can in fact reduce or increase inequalities in the use and access to resources between women and men, can be looked at through a gender lens.

In terms of the impact that policies have on existing gender roles, one must take into account the role of the so-called unpaid economy, in particular the care activities that are usually undertaken by women and which are usually not accounted for in monetary terms in spite of their important contribution to social reproduction.

Finally, the process by which the budgets are planned, carried out and evaluated or audited is an area that affects the application of GRB. The stakeholders may want to target a specific phase of the cycle, which will determine largely the expected changes in budgetary allocations or changes in policy.

These efforts may or may not induce change in the overall money spent, but they can provoke changes between budget lines or changes in the programmes being financed. "Planning and appraisal [to identify objectives] are constrained by commitments to existing activities, which may be difficult to change. Audit and evaluation should feed back into planning and appraisal but at best will do so with a lag, since next year's budget must be

prepared before this year's budget has been audited and evaluated" (Elson, 2002b, p.17). Therefore, the timing and the possibilities of actually making relevant changes are closely linked to the phases of the budget cycle.

Furthermore, the type of budgeting models in the different countries can also make a difference to the effectiveness of GRB analysis and data used. Budget models based on past and expected results as a basis for decision-making – such as performance-oriented budgeting systems – are more likely to make use of the analysis and data that GRB analysis offers than those models that are driven by highly political decision-making (Sharp, 2003).

On the other hand the approval of budgets by parliamentary bodies and the scope that parliamentarians have in changing any part of the budget through political accords or other means is also a part of the budget process which should be taken into account, particularly by civil society groups advocating for changes to reduce inequalities.

Based on the above considerations, it is clear that the ultimate step towards adopting GRB as a common tool within the budgeting process is limited by both technical and political aspects.

It is important to note that in the ECE region there are still ongoing fiscal reforms that present both opportunities and limitations to the introduction of GRB. Moreover, there are decentralization processes that also affect

the location and scope of GRB both of which will affect budget cycles and models used.⁸⁹

PROGRESS MADE

The ECE countries, although with fewer experiences in GRB than other regions, is quickly accumulating more experience across the national, regional and local levels. It thus has a dual advantage in that it can learn from other well-established ongoing initiatives as well as take and adapt to its own needs publications and specific tools that have been produced in other regions or by international organizations such as UNIFEM, the Commonwealth Secretariat or UNDP as well as by bilateral donors.

The initiatives will not be described in depth, but references are given for those who are interested in exploring deeper. The idea is to give a general sense of the progress made by referring to specific countries and at the same time summarize the information by grouping the type of initiatives into location, scope and budget cycle. A overview table of selected country experiences is also provided.

It is important to take into account the complexities of the budget process and the difficulties in changing part or all of it in order to assess correctly what has been achieved so far. That is to say that anything from raising awareness about gender issues in the budget process, to analysis of the budget with a gender focus and development of tools, to actual changes in the budget or ensuring sustainability of the initiative, are all valid “results” or steps in the process. Although the main focus is on actual changes that have been achieved as a result of different strategies and analysis methods applied, other advances are also highlighted.

Location

The location at the geographical and political level is quite varied including joint government-civil society initiatives. The following examples illustrate the variety of approaches and some of the results obtained which are described in more detail under “Scope”.

The United Kingdom Women’s Budget Group (UK WBG) is perhaps the most successful example of GRB that

has been initiated by civil society at the national level or “outside” government initiatives. In addition to the changes in benefits and taxing that the group has been able to influence,⁹⁰ another major step achieved has been convincing HM Treasury to undertake a gender pilot project across three government departments. The main conclusions are included below under the analysis of “Scope”.

In the United States other outside government initiatives can be traced, although in these cases there has been no collaboration with government as shadow reports or alternative uses of the budget are produced which are used by activists for lobbying. At the moment there is only scant information on other initiatives outside government starting in Poland, Belarus, Hungary and the former Yugoslav Republic of Macedonia, albeit all are at a very early stage. These initiatives are both at the national and local level and cover different areas or departments (see Box 45). Although in the Russian Federation the Open Society Institute (OSI) piloted an outside government initiative in 2001, sustainability of the initiative proved difficult.

Both UNIFEM and UNDP are currently engaged in efforts supporting both government and NGOs to step up the efforts around introducing GRB at both national and regional level and building on the OSI pilot. In the case of UNIFEM the support to academics and NGOs to analyse the federal budget and Laws affecting budgetary policy decisions resulted in a number of recommendations affecting the redistribution of 50 LMRD roubles in the Federal Budget. The same initiative in the Komi Republic resulted in actual changes approved by the local government ranging from increases in the salaries of state employees, increases in pensions and improvements to funding of housing for women veterans of the Second World War, and improvements to the federal programme for children.

Sweden and France appear to have the best example of inside government practice and of continuity in presenting a report on a yearly basis as an annex to their main budgetary documents. However, there are important differences in approaches.

⁸⁹ This is particularly relevant in the case of Eastern Europe, Central Asia and the Causasus where these processes are now ongoing.

⁹⁰ Giving couples the choice of recipient of the Working Family Tax Credit (WFTC); allowing couples who share full-time employment hours and caring responsibilities to claim the full-time premium in the Working Tax Credit (WTC); payment of the Child Tax Credit to the main carer; [and taking into account the] effect on second earners in the new WTC compared with WFTC” (WBG brochure).

List of countries with GRB initiatives by location, scope and results

FF Country	Initiating institution/s	Stage	Political Location	Sectors/Departments Analysed	Instruments used	Results
Belgium	Federal Government		National	Ministry of Finance and Other Line Ministries	Using the three Categories of Expenditures: targeted at women, equal opportunities and General budget the analysis of the budget revealed data and analysis in some ministries for the first two and less for the third one	Recommendations and a second stage is planned involving civil society and parliamentarians
Canada	Civil Society	Continuous lobbying in order to introduce changes suggested	National	Tax and benefit systems	Beneficiary assessment and Alternative use of military spending and policies affecting women	Recommendations
France	Central Government	Assessing results and planning implementation of changes	National	Various departments	Gender-disaggregated Public Expenditure Incidence Analysis and Gender aware Budget Statement	Recommendations and monitoring of possible changes
Italy	Local Government	Assessing results and planning implementation of changes	Regional and Local	Labour market and transport based on analysis of indicators	Indicator based methodology, ad hoc for the specific circumstances of the regional level. To some extent also gender disaggregated analysis of the impact of the budget on time use	Recommendations
Russian Federation	Civil Society	Results have not been taken yet on board	National and Regional	Labour market and tax and benefit systems	Gender-disaggregated Revenue Incidence Analysis	Recommendations
Spain	Local Government	Assessing results and planning implementation of changes	Regional and Sub-Regional	Various departments	Beneficiary assessment and ad hoc analysis of programme expenditure	Recommendations
Sweden	Central Government	Assessing results and planning implementation of changes	National	Various departments	Gender-disaggregated Public Expenditure Incidence Analysis	Recommendations and monitoring of possible changes
United Kingdom	Civil Society	Continuous rapport with government and introducing changes suggested	National and Regional	Tax and benefit systems	Gender-disaggregated Revenue Incidence Analysis and Gender-disaggregated Analysis of the Impact of the Budget on Time Use	Changes in taxing and benefit policies
United States of America	Civil Society and local government	Continuous lobbying in order to introduce changes suggested	National and Local	Various departments at the local level	Beneficiary assessment	Recommendations

Box 45 Gender responsive budgeting in Gdańsk, Poland

Gender budgeting is a new concept for women's NGOs in Central and Eastern Europe. In 2003 the Network of East-West Women (NEWW) and NEWW-Polska conducted a two-day training session on gender budgeting for leaders of women's NGOs in the region during its annual conference. The following year, NEWW worked with academics and leaders from women's NGOs to design a pilot gender budget initiative for local budgets in Poland.

Gdańsk was chosen as the site for the pilot project due to the fact that, like many other Polish cities, it is in need of decentralization. The Polish Constitution states that local governments are responsible for a significant portion of public tasks. Local governments work as both territorial units and legal entities with control over public wealth. Hence, a strong need arises for both systemic and financial decentralization.

Decentralization involves delegating some tasks to local units together with tools of implementation. Delegation of power is a way of imposing obligation upon local governmental units with reference to the local population. It is important to note that Poland is among one of the least decentralized developed countries. Local governments spend about 11.2 per cent of GDP. Further, local governments spend about 34.5 per cent of public funds yearly. Decentralization increases transparency and ensures effective allocation of financial resources.

The objective of the pilot project was to create permanent instruments of controlling local authorities and their expenditures from a gender perspective. It was conceived as a means of monitoring the local government on a regular basis to ensure that public funding is spent adequately.

According to the Budget Act for 2000, the French parliament established the obligation by government to submit an annex to the draft Budget Act setting out the monies that are earmarked for promoting gender equality and those that are specifically dedicated to addressing women's needs.

The French case, although being highly laudable and a good practice in mainstreaming which is easily transferable to all ECE countries, does not present a deeper analysis and recommendations. The yearly report is a good starting point as an annual exercise in monitoring the status of women and the efforts towards gender equality throughout the entire French budget, but more is needed. In the most recent edition however, there is a more conscientious effort on the part of line ministries and regions to report on the spending of various programmes and projects in gender terms. For the 2007 exercise this annex has disappeared and a set-back for gender equality can be observed as gender equality has been subsumed as a programme under the Solidarity and integration mission.⁹¹ On the other hand, a look at the different indicators within different departments does reveal that in some cases sex-disaggregated indicators for monitoring progress have been included.

It is also important to note that there is an explicit objective in the 2004 document (p. 6) for specific objectives to be programmed in the coming years, which could facilitate the gender equality analysis of the budget. In addition,

the yellow paper includes a yearly scan of reports and academic papers produced on gender equality and the status of women.

Sweden has for over 10 years been producing an annual document on the distribution of economic resources between women and men. It is published in the budget proposal prepared by the section of the Ministry of Industry dealing with gender statistics. In 2003, the document was "upgraded" and moved to the Ministry of Finance. The upgrading was actually a part of the "121 point programme", part of a political agenda for negotiations among the socialist Government, the communist party and the green party.

The Government acknowledges the significance of the budget as the prime policy instrument and thus considers it highly important that gender analysis of all government policy areas be made within each of the corresponding ministries. The ministries are expected to set gender equality objectives and targets within the programmes they propose in the budget bill (Box 46).

In Belgium, there is also an ongoing national pilot initiative which might also be strengthened by a law requirement. However, the change of government in 2004 put this initiative on hold. All budget and gender mainstreaming officials of all federal administration and ministerial cabinets received training in the first step. Also, applying the three category expenditure framework

⁹¹ From 2007 the French government used performance-based budgeting http://www.minefi.gouv.fr/lol/5_1_8.htm.

Box 46 Nordic Council of Ministers Initiative on Mainstreaming a Gender Equality Perspective into the Budget :The Swedish Experience

One of the Nordic Council of Ministers' new initiatives is to support the Nordic Countries to mainstream a gender equality perspective into the national budget and budgetary process. Under this initiative Denmark, Finland, Iceland, Norway and Sweden have undertaken a joint 3-year project. The finance ministers and ministers responsible for gender equality have engaged in development work, exchanged ideas and experience concerning gender budgeting.

In 2004, the Swedish Government adopted a six-year Plan for the Implementation of Gender Mainstreaming at the Government Offices, focusing in particular on the budgetary process. The plan contains a number of key indicators that are followed up annually, for example, the extent to which statistics in the Budget Bill are disaggregated by sex, how many gender equality policy objectives have been identified in various policy areas, and how many gender equality analyses have been undertaken.

The plan is given concrete shape in annual action programmes adopted by the Government. The 2006 programme focuses on the Budget Bill. Here, the Government has stated that the goal for the 2007 Budget Bill is that all individually based tables and diagrams are to be presented, discussed or analysed by sex, unless there is a special reason for not doing so. The action programme also calls for further efforts to develop gender analyses in policy areas for the purpose of formulating activity-specific gender equality objectives in the instructions issued to government agencies (appropriation directions). It is important to note that among the Nordic countries now only Sweden and Iceland have government decisions requiring all public statistics to be disaggregated by sex.

So far, work has focused first and foremost on making the gender equality perspective visible in the financial governance of public agencies. This involves raising awareness, from a gender equality perspective, of the link between the objectives and funding of government operations, and their results. Extensive analysis work has been required for this purpose – so far, more than 120 analyses have been produced in the Government's 48 policy areas, and this has resulted in gender equality objectives in many of them. Today, about half of all government agencies operate under gender requirements, including specific objectives for their work in this field.

Development of methods and tools is one of the most important issues for the success of the initiative. The specific committee (JämStöd or gender mainstreaming support) was formed and developed new methods and tools including: a method for carrying out gender equality analysis; a method formulating gender equality objectives in a given policy area; a checklist for mainstreaming gender into budget bills; and a checklist for assessing the results achieved by government agencies on the basis of established gender equality objectives among others. These are all available on the intranet as well as a guide in the Ministry of Finance website.

Source: Mainstreaming a gender equality perspective into Nordic national budgets Final project report 2004-2006.

elaborated by Sharp and Budlender (1998)⁹² for all the departments to follow, it was discovered that some departments were already applying some rudimentary GRB analysis without labelling it as such, as it was necessary for their own work. Based on the availability of data and the willingness of a few administrations, a further step was to analyse in depth some areas of third type expenditures that are not usually evaluated in terms of their gender impact. One of the interesting findings of these first steps and analysis was that a “ listing of the meagre budgetary resources that were earmarked for the realisation of gender equality revealed that these represented a negligible fraction of overall federal budget in fiscal years 2001 to 2003, amounting to less than one

hundredth of one per cent of the federal budget”.⁹³

In Spain, changes in the law that regulates the procedure for the introduction of new law projects and regulations (Law 50/1997 of 27 November) explicitly require that a gender impact assessment be attached to each law or regulation project as of 13 October 2003. So far no information is available on how effective the introduction of this requirement has been. If applied, this should be a very efficient tool for mainstreaming gender into the national, regional and local budgets. In principle it would go a step further than the French initiative, as the focus is on gender impact assessment, not only on women's situation in each of the areas of the different departments.

In Italy, Spain, Switzerland and the United States, there

⁹² The three categories are: first level or spent on programmes that address gender imbalances, the second level is equal opportunity expenditures and the third level is general expenditures.

⁹³ In Holvoet, N. (2007). “Gender Budgeting in Belgium. Findings from a pilot project”, *European Societies*.

are also excellent within government local- and regional level initiatives, which show a variety of approaches and results as well as areas or departments covered. Here it is interesting to note that the tools usually recommended by experts were not wholly adequate for the needs of the local-level finances and that innovative methodologies have been applied to adapt or create new tools for analysis.

The Italian initiative was the result of a seminar that the Ministry for Equal Opportunities organized in 2000 on gender impact assessment of government budgets, which was attended by local administrators from all over Italy. The Ministry proposed a plan to implement gender responsive budgets at the central government level, but the newly elected government in 2000 did not follow it through. However, at the regional level, the idea took hold and by 2002 there were already four regional initiatives underway. The initiative of the Province of Genoa is reviewed below.

In the United States, the city of San Francisco, by unilaterally adopting CEDAW, has begun to gradually introduce gender responsive budgets into all its departments. It has produced a Handbook, and each year more departments are reported to have engaged in the analysis, but there are so far no reports on the changes that have resulted from this activity.

In the Swiss canton of Basel, the Office for Equality took the lead in introducing such budgets in 2003, although some previous documentation on expenditure in social areas had already been produced. While no changes in the budget could be recorded, politicians as well as journalists are now more sensitive to the issue, in spite of recent reductions in the resources of that Office.

In Spain, the pilot experience in the Basque country was the first in the country, and other initiatives at the local and regional level are now under way and have more advanced results. In both Switzerland and Spain, the central role of local or regional women's machinery has been crucial in the introduction of the concepts and analysis of the budgets, in collaboration with the corresponding departments.

Scope

The term "scope" refers to the areas or departments of government where gender responsive budgeting is applied. Although there are not many concrete examples of actual changes, there are many where this budgeting has been applied – either in awareness raising or analysis.

The United Kingdom Women's Budget Group (WBG) has been mainly concerned with the tax and benefit system. However, the latest development has been to engage in a pilot project looking into expenditure in three government departments⁹⁴. The report for this pilot project has been published⁹⁵ and although no direct changes were reported, the main conclusions were:⁹⁶

- The project has developed the tools and expertise within government which are necessary to carry out gender analysis;
- In order to conduct gender analysis in future, there needs to be clear buy-in from key stakeholders across government and a significant improvement in the availability of gender-disaggregated data;
- Gender analysis can contribute to the evidence base used to inform policy development, implementation and evaluation;
- A desire at EU level to reap these benefits suggests that any steps the United Kingdom can take to remain ahead of the game will put the United Kingdom in a strong position to shape potential EU work.

Another important step in linking women's situation to a specific policy to which the United Kingdom Government has given top priority is the WBG Poverty Working Group. Its goal is to present a case to the government to extend its anti-child poverty agenda to include women. In this case the WBG has drawn from the experiences of a wider group of NGOs and organized a meeting funded by Oxfam, called the "Voices of Experience", which brought together 35 women who are living in poverty, to share and discuss their experiences, and made policy recommendations to bring them out of poverty.

These have been taken on board by the WBG, which has held a meeting of its members to discuss and produced a discussion paper⁹⁷ that includes the following key issues related to women and children's poverty: housing, homelessness, and children in care; employment and childcare; "invisible women"; refugee and asylum seekers; benefits; and mental health.

In Canada in 1995 the Federal Plan for Gender Equality

⁹⁴ Department of Trade and Industry, Small Business Service; Department for Work and Pensions.

⁹⁵ <http://www.equalities.gov.uk/>

⁹⁶ Taken from *Gender Analysis of Expenditure Report* (Final Report), July 2004, HM Treasury, Department of Trade and Industry.

⁹⁷ Paper available at <http://www.wbg.org.uk/documents/WBGWomensandchildrenspoverty.pdf>.

Box 47 Gender Budgets in the Russian Federation

Gender Budgets project in the Russian Federation is being conducted during a period of full-scale reforms, which include fundamental changes in the budgetary-taxation relations of decentralisation, including devolvement of competencies in the social sphere from federal to regional level. Therefore, it can address two issues simultaneously. Firstly, it can increase gender sensitivity of the government and strengthen women's decision-making role in Russia through their participation in the budgeting process. Secondly, supervision and control of budgetary flows to the regions and to different population groups by civil society and permanent analysis and monitoring through gender budgeting methods can provide effective mechanisms for upholding human rights for both men and women.

This initiative was supported by the UNIFEM project "Gender Budgets in Russia" which started in 2004 and attracted high-level experts in budgeting and gender for the development of the methodology of gender budgeting in Russia. It also allowed cooperation of representatives of the executive and legislative power authorities, civil society, mass media and the experts. The **key results** achieved:

- Methodology of gender budgeting at federal and regional levels was elaborated, taking into account the changes made to the Budgetary Code in the context of decentralisation;
- Gender analysis of Federal (national, Russian Federation) and Regional (local, Komi Republic) budgets, and gender analysis of the set of Laws influencing budgetary policy decisions was conducted together for the first time in Russia (The Law on 'Minimum wage rate'; the Law on 'State allowances to citizens having children'; and the Law on 'Budget of Federal Fund for compulsory medical insurance');
- The following amendments were approved by the local government of the Komi Republic:
 1. Increase in salary rate of the state employees by 20 per cent;
 2. Special amendments to add to the pensions of women-veterans of the Second World War;
 3. Increase in funding for housing improvements for women-veterans of the Second World War;
 4. Increase the funding of the republican programme "Children of the Republic of Komi".

These recommendations represent the redistribution of approximately 50 mlrd roubles in the Federal budget to cover the expenditures of gender responsive measures

Source: UNIFEM Project "Gender Budgets in Russia" (2004-2005).

stated that gender-based analysis (GBA) should be used in designing policies and programmes. Status of Women Canada (SWC) has been using allocated funds to assist other ministries in their efforts, especially to introduce gender-based analysis through training and tools development. Several ministries have also undertaken their own capacity-building initiatives. The application is still variable but reported as improving. In 2000, the Federal Government built on this plan and approved the Agenda for Gender Equality. The Agenda explicitly mentions engaging civil society in Canada in the policy process in a sustained, structured manner. This will enable women's experience and perspectives to inform issues on public policy planning for the future.

Although the Canadian Federal Budget, which is delivered to Parliament by the Finance Minister, provides an overview of the economic environment, revenue and expenditure situation at a high level of aggregation, it generally does not address particular programmes in any detail – with the exception of key changes and additions that the Government is proposing that year to existing arrangements.

The documentation for this Federal Budget exercise in Canada therefore does not provide formal discussions of the gender impact on individuals of the many established federal policies and programmes. Over the years, where new measures warrant, there may be some gender impact information, including examples of where there is a significant impact on a particular population group – for instance, when child benefits were increased and taxes for low-income earners reduced. An example was given of the effects on a single-mother family. If a new initiative is women-specific, such as funding for women's health research, this also would be identified. Rather than analysing the gender impact systematically, it is specific groups are analysed. Given the highly decentralised federal system in Canada, it is possible that the introduction of GBA might be ongoing at provincial or local level, but this information is not readily available.

The main points to highlight under the initiative in Genoa, Italy, which has been financed by European Union Social Funds⁹⁸, are related to the transferability of the experience and sharing of experiences, to the identification of relevant issues that should be addressed in the budgets with respect to inequality, and to the difficulties in using the analysis to achieve change. By building on the experiences from a pilot project in a small municipality in the province of Genoa, Sesti Levante, other municipalities are now undertaking the analysis based on indicators (quite similar to the analysis reported on Modena).⁹⁹

The initial analysis of indicators showed that the demand for services related to reconciling work with family life were particularly important. Therefore labour market policies, policies for services for different groups of the populations (children, adolescents, socially excluded, and older people) environmental policies (including transport policies) were identified as candidates to be analysed under a gender lens, which also coincided with areas that are the competence of local authorities. The exercise produced a reclassification of the budget taking these “areas” into account, both on the income and the expenditure side.¹⁰⁰

It is stated in the main goals and objectives of the project that following through with the local competencies, the “natural” way to advance in introducing these changes is that they become part of the local development agenda and policies. In addition an agreement between the three provinces, Genoa, Modena and Siena has been signed to exchange good practice and engage in networking activities. The agreement is open to any other local institutions wishing to join and build on the existing initiatives. The province of Parma, Turin and Ferrara and the City of Turin joined in 2006.

In the Basque country, the approach was departmental.¹⁰¹ The departments chosen were: culture, industry, trade and commerce, interior, territorial development and

environment, health, and transport and public works. Each of the departments chose a specific programme within their department, which, having applied gender impact assessment analysis, was especially relevant to their expenditure exercise. The exercises proved helpful in identifying lack of proper gender-disaggregated data as well as helping the different departments formulate recommendations conducive to changing the inequalities found. In all cases, the recommendations advocated not for more funds but rather for more equitable access to resources, employment within the same departments and further research into the gender-differentiated impact of the programmes. EMAKUNDE (the Basque Country Women’s Institute) and the Finance Department of the Basque Country are now seeking a common methodology to apply to all departments, focusing on both expenditures and revenues, but this has not yet been carried out.

In Basel, the initiative at the regional or cantonal level also produced an interesting study and a smaller publication with the main concepts and data produced for the wider public. The study covered all areas of the budget in the year 2000. Although faced with reductions in their staff, the Office for Equality has now the challenge to move forward the changes suggested by the analysis, although this will depend on continuing the political work with the different parties and departments involved in the decision-making process of the regional budget.

GAPS AND CHALLENGES

The preceding examples point to challenges and policy implications that can be structured around a number of main areas of discussion. They also present a number of lessons learned that could serve as guidelines for new GRB initiatives in ECE member countries.

Basically three challenges are apparent in most of the experiences reviewed:

- Weak understanding of gender issues in general (and thus the need to continue awareness raising);
- Inadequate or insufficient participation and buy-in by all stakeholders (the fiscal authorities in particular), which, in turn, is a crucial element of the third challenge;
- Sustainability of the initiative.

Other issues include developing the proper tools at the different levels of government, or lack of available data (see Box 48). The involvement of civil society is yet

⁹⁸ For more information on this initiative see <http://prono.provincia.genova.it/notizia.asp?IDNotizia=3759> (in Italian) and <http://www.genderalp.com/home.php3>.

⁹⁹ See <http://www.unece.org/gender/RegSympto.html>. There the analysis of indicators showed that labour market outcomes and related benefits and on the use of different transportation options were the areas where the budget analysis should concentrate.

¹⁰⁰ The report with the “new” budget can be downloaded at <http://www.genderbudget.it/> (in Italian).

¹⁰¹ The handbook in Basque, English and Spanish is available at: <http://www.emakunde.euskadi.net/u72-prehome/es/>.

another element that should be reviewed within most government initiatives.

The main challenge for the United Kingdom WBG, for example, will be to find mechanisms for turning the pilot project described above into an institutional procedure that will produce the necessary changes in the budget process (design, implementation and evaluation) in the future.

The main challenges that have been pointed out by the Basque Initiative are worth mentioning as they reflect challenges in the continuity as well as securing the buy-in from the main financial authorities at this regional level, but which are also relevant for initiatives at the national or local level:

- Continuity of the interdepartmental group in the analysis of the budget and improving the identification of entries that are relevant to gender equality;
- Commitment of the Department of the Economy, Finance and Public Administration as the main institution in charge of the basic rules for the budget;
- Establishment of a working group on taxing to analyse all the issues related to government income.

Another important challenge is finding adequate data for the analysis. What we have discussed relating to France and Sweden, as well as to Canada and Belgium, shows that the collection and processing of adequate data is fundamental to carrying out a serious gender impact analysis.

However, as the Italian case shows, in many instances data at the national level is not useful for sub-national efforts in GRB analysis. Alternative methods must be applied to reduce data collection costs. However, gender mainstreaming in itself can be useful in adapting not only survey type data but also administrative data, which is a basic element of GRB analysis. This is the case in the Basque Country initiative in Spain. Here, specific programmes in different departments were found to have enough gender-disaggregated data to apply gender impact assessments.

Institutional government initiatives (or “inside” government) such as those in Italy, Spain, Sweden, France and Canada vary in the level of government, the scope and the results. Although the involvement of civil society is limited (usually to experts in budgets and gender) or non-existent, the commitment to gender mainstreaming in all government policy formulation gives the initiatives a higher chance of continuity, although

there is certainly a degree of political will that could easily change as a result of elections or other changes in government. More on this is discussed below under “Institutional environment”.

INSTITUTIONAL ENVIRONMENT

Mechanisms and tools for such mainstreaming include gender-sensitive analysis and data on budgetary expenditure; raising gender awareness in ministries and institutions; building commitment at policy levels; establishing networks and synergies among all stakeholders.

The institutional processes vary across countries depending on the type of budgeting adopted, the cycle of the budget and political influence in how it is planned, executed and evaluated. In the ECE region, the involvement of civil society in the initiatives seems to be much weaker than in other regions of the world. However, the most influential and successful initiative led by the United Kingdom WBG must find a way to make the Government adopt GRB as part of its budget cycle and policymaking.

Although in France the involvement of civil society is more difficult given the status of law that has been given to the annual reports, much in the same manner that the OSI-sponsored Russian initiative proposed, or the possibility that the new law in Spain allows, the challenge will be to up-scale the practice to gender impact analysis in an effective and practical way.

It is important to note that civil society initiatives have limitations in influencing budget processes according to the political sympathies of those elected to government. Many of the initiatives identify changes in government or specific political situations that made it easier to introduce GRB. In addition, in some of the institutional government initiatives such as those in Italy, Spain, Sweden or France, and to a lesser degree Canada, the involvement of civil society is limited (usually to experts in budgets and gender) or non-existent. However, the commitment to gender mainstreaming in all government policy formulation gives the initiatives a higher chance of continuity.

Regarding tools, a large number of handbooks and reports are available that can show the basic applications and adaptations at the national or sub-national levels, which can be taken by countries that have not engaged in a GRB exercise. A number of web references are given below.

Box 48 Types of Statistics and Statistical Sources Needed for Gender-Responsive Budgets

The ability of a government to carry out useful gender budgeting crucially depends on the availability of appropriate data and statistics. Below, three specific examples are given for the different sources and types of data that are needed in order to conduct a gender-sensitive analysis of various policies.

1) Gender-aware Medium Term Macroeconomic Policy Framework

A gender-aware medium term macroeconomic policy framework incorporates gender analysis into the models on which medium term public expenditure planning is based. This can be done by disaggregating by sex the variables that refer to people, such as labour supply, or by including new variables to represent the unpaid care economy. Such a framework recognizes that women and men participate in economic activity in different ways and experience different costs and benefits from macroeconomic policies.

Data: data from the local budget (total budget, percentage of specific programmes for women within the budget, number of women using special public or publicly funded services, etc), basic labour market indicators by sex and age (activity rates, employment and unemployment rates, sectorial employment, occupational structure), tax-benefits system data by sex and age as well as other relevant characteristics such as lone parent status and widowhood etc.

Sources: specific questionnaires, labour force surveys, administrative data; satellite accounts on unpaid/informal economy

Administration in Charge: Central Government, Finance Ministry

2) Gender-disaggregated Revenue Incidence Analysis

Gender-disaggregated revenue incidence analysis is a calculation of the relative amount of direct and indirect taxes and user fees paid by women as opposed to men.

Data: Individual and household data of tax payers (different rates of taxation: effective, marginal), household data composition (number of members, ages, marital status, etc), income-expenditure data by sex and age and other relevant characteristics

Sources: administrative records of tax payers and service users, income-expenditure surveys

Administration in Charge: Central Administration, Finance Ministry, Tax Agency, Statistical Office

3) Gender-disaggregated Beneficiary Assessments

Gender-disaggregated beneficiary assessments are surveys or focus group studies designed to find out how men and women evaluate whether public services meet their needs and how existing patterns of public expenditure are in accord with their priorities.

Data: can include the data of the previous tools

Sources: questionnaires and focus group results, public services satisfaction surveys, labour force surveys etc

Administration in Charge: depending on decentralisation, central or regional/local governments in charge of public employment services

Source: E. Villagómez (2007) paper for the joint project of ECE and World Bank Institute "Capacity Building Program on Engendering National Statistical Systems for a Knowledge-Based Policy Formulation in CIS and SEE countries".

Although there are few examples of more tangible results in actually changing the course of any policy or fiscal policy in particular, the advances reviewed in the previous section do point to one of the established facts of GRB: no two initiatives are alike. The institutional processes in each country are very different, although they may have some similarities. Many factors play a role in the transferability across countries, including the tools, which need to be adapted to each specific case.

The different country examples analysed here point to

the need for going beyond the analysis and securing institutional support and continuity at all stages of the budgeting process. Decentralization is also an important element that is relevant in both expenditure and revenue.

AREAS FOR FURTHER ACTION

The areas for further action in strengthening GRB in the ECE region derive directly from the challenges and

the institutional processes needed to ensure that GRB remains permanently on government agendas and throughout the budget cycle. Furthermore the move into performance-based budgeting, not only in transition countries but also in well-established market economies such as Belgium, present an excellent opportunity to move GRB forward.

The areas for further action are linked to a mix of activities at the political and technical levels. The three main ones are as follows:

- **Continued awareness-raising** efforts around gender and budgets;
- Continued efforts to introduce a gender perspective into data **collection and analysis**;
- **Continued lobbying** and/or strengthening legally binding requirements, including international commitments to women and using other requirements linked to spending of public funds, as in the case of the EU structural funds and aid money, to use GRB as a tool for effectively mainstreaming gender into all government policies.

In both the first and the third of these, the role of civil society and women's machineries in continuing their lobbying and awareness-raising is crucial to driving the political aspects of the initiatives. In the second, general gender mainstreaming efforts can be used to increase the availability and quality of the data needed to carry out the analysis and to make decisions based on such an analysis.

The conclusions from the ECE Regional Symposium on Mainstreaming Gender into Economic Policies (Geneva, 2004) also point to the need to strengthen the data as well as to ensure proper sequencing of the exercises. The tools using beneficiary assessment, for example, can sometimes run into problems in that beneficiaries and recipients are not sufficiently differentiated, leading to an erroneous conclusion from the analysis as women have a greater probability of being recipients for their children or for the dependent adults they care for.

Another important point raised is the need to clearly differentiate between policy and budgeting. The links between the two should not be confused, and GRB should be viewed as a distinct process but complementary to the formulation of specific policies which should also be gender sensitive.

The assumptions about gender neutrality in the budget can be overcome by showing that unpaid care work is saving the government money, as cuts or insufficient social expenditure are assumed to be absorbed by households where women carry this weight disproportionately. The United Kingdom initiative in their focus on tax and benefit systems, but also now on poverty, is perhaps the best example of this.

Last but not least is the issue of government commitments to protecting women's economic rights and to gender equality either through international or national legal instruments. These commitments should have the same importance as such other commitments as military expenditure as a result of joining NATO, the signing of trade agreements, or accession to the EU.

REFERENCES

- Elson, D. (2002a) "Integrating Gender into Government Budgets within a Context of Economic Reform", in Gender Budgets Make Cents, Commonwealth Secretariat, Gender Affairs Department, London.
- (2002b) "Gender Responsive Budget Initiatives: Key Dimensions and Practical Examples" in Gender Budget Initiatives: Strategies, Concepts and Experiences, UNIFEM, NY.
- French Ministry of Economy (2001 and 2003) *Projet de finances pour 2001 (2003), États des crédits qui concourent aux actions en faveur des droits des femmes, Annexes Informatives Jaunes.*
- Holvoet, N. (2007). "Gender Budgeting in Belgium. Findings from a pilot project", European Societies (forthcoming in 2007).
- Sharp, R and Budlender, D (1998) *How to do a gender-sensitive budget analysis: Contemporary research and practice*, AusAID and Commonwealth Secretariat.
- Sharp, R (2003) *Budgeting for Equity, Gender Budget Initiatives within a framework of performance based budgeting*, UNIFEM, NY.
- (2002) "Moving Forward: Multiple Strategies and Guiding Goals" in *Gender Budget Initiatives: Strategies, Concepts and Experiences*, UNIFEM, NY.
- Villagomez, E. "Gender Responsive Budgets: issues, good practices and policy options", ECE Regional Symposium on mainstreaming Gender into Economic Policies, Geneva, January 2004.
- <http://www.oecd.org/dataoecd/33/13/1905258.pdf> - Best practices for budgetary transparency from the OECD.
- <http://www.olis.oecd.org/olis/2001doc.nsf/87fae4004d4fa67ac125685d005300b3/c1256985004c66e3c1256a5300380be4?OpenDocument>
- http://www.sfgov.org/site/dosw_page.asp?id=19795 - The City and County of San Francisco Department on the Status of Women Gender Analysis guidelines.
- http://hdr.undp.org/docs/publications/background_papers/2002/Bakker_2002.pdf - Background paper for Human Development Report 2002 on Fiscal Policy, Accountability and Voice: The Example of Gender Responsive Budget Initiatives for the Poverty Eradication and Democracy in the Developing World Report.
- <http://www.gender-budgets.org> - Web site of the UNIFEM-IDRC-Commonwealth Secretariat initiative including various links and documents.

Challenges for gender statistics

Angela Me

INTRODUCTION

Strategies to improve the production, presentation and dissemination of statistics reflecting the realities of women and men have been developed and are applied in many European countries. There is considerable variation in timing and strategies among the member countries, with countries that have pioneered the development of the field of gender statistics differing from those that have established their gender statistics programmes only in the last 15-20 years.

With the considerable progress that has been achieved to date in reducing the gap between women and men and in improving the production of statistics, it may be argued that data are regularly produced and disseminated by sex and that gender equality is no longer one of the main concerns. Although the situation may appear satisfactory, the paper argues that there is still the need to invest in gender statistics in establishing gender analysis as one of the pillars for studying human development. New challenges are in converting into regular programmes of data collection what is now based on ad hoc initiatives (such as the measurement of time-use and domestic violence) and in developing instruments for gender analysis that go beyond the traditional aspects of women's and men's participation in the society. There is a need to scrape the surface and, for example, to look at the quality of employment and access to the labour market rather than to measure only employment and unemployment. A lot still needs to be done to further standardize indicators, establish links between official statistics and policies, and to engender the production and dissemination of statistics particularly in those areas where there is little tradition of gendered analysis such as business statistics, transport and communication statistics. A question that gender statisticians will also need to answer in the near future is how to measure gender disparities in a multicultural environment.

Box 49 What ARE gender statistics

Gender statistics are statistics that adequately reflect the situation of women and men in all policy areas - they allow for a systematic study of gender differentials and gender issues.

A gender issue is any issue or concern determined by gender-based and/or sex-based differences between women and men. Gender issues are all aspects and concerns of how women and men interrelate, their differences in access to and use of resources, their activities, and how they react to changes, interventions, and policies.

The impact on women and men needs to be considered in every step of statistical production and in all statistical fields. Concepts and methods used in data collection need to be adequately formulated to ensure that they reflect existing gender concerns and differentials. Additionally, social and cultural factors must be taken into consideration as they can result in gender-based biases in data collection, analysis, and presentation.

Source: ECE Gender Statistics Web-site (<http://www.unecce.org/stats/gender/>)

Why are gender statistics important?

Gender statistics are important for at least three reasons. Firstly, they raise public awareness on the plight and prevailing conditions of women and men. They provide policymakers with sufficient baseline information to institute favourable changes to existing policies affecting women and men differently. Finally, they provide an unbiased source of information to monitor the actual and real effects of government's policies and programmes on the lives of women and men.

Box 50 ECE assessment of gender statistics programmes in Western Europe and North America

Information collected through a questionnaire sent by ECE to Gender Statistics Focal Points (GSFP) in July 2004, shows that although most of the countries have an active programme of gender statistics, gender is still not completely mainstreamed in national statistical systems. Nine of the 22 countries do not have any legal or regulatory framework to guide the production and dissemination of gender statistics. Only six countries included gender in their statistical regulations (law 4, regulation 4, action plan 3) while ten countries have statistics mentioned in some gender-equality regulations (law 6, regulation 3, and action plan 8). In the large majority of countries gender statistics programmes are coordinated by a GSFP. GSFP are mostly located in the department of social and demographic statistics and their interaction with the other departments is weak. Almost half of the GSFP reported not to have an interaction with the department of agriculture statistics, 11 not to relate with the economic department or collaborate only partially, and 6 reported they do not interact with the methodology unit. This is an indication of how gender is still confined to the area of social and demographic statistics and the lack of appropriate tools in the national statistical offices (NSO) to stretch the gender statistics programme in all areas where data on individuals are treated.

The picture that emerges from the questionnaire on the relationships between GSFP and users is encouraging. Only three countries reported the absence of contacts with national users but some countries reported the existence of permanent mechanisms to facilitate the regular communication with users. Looking at the availability of data, 14 countries reported gaps in at least one area. The areas where data are most scarce are violence against women (VAW) and decision-making (in one third of the countries). Informal employment, time use, and entrepreneurship are other areas where countries declared not to have data. The production and dissemination of sex-disaggregated data is satisfactory for income poverty and migration, but for VAW, human trafficking, and informal employment there is no production of sex-disaggregated data in about half of the countries. Almost all NSOs have published gender statistics publications in the last 5 years. Frequency and coverage of the publications vary among countries. Almost half of the surveyed countries obtained external financing to carry out the work on gender statistics in the majority of cases for surveys and studies. National ministries on gender equality or social affairs are among the most common sponsors.

Source: Draft Report on the Status of Official Statistics related to gender equality in Western Europe and North America, by Enrico Bisogno, Angela Me and Francesca Comincini.

GENDER STATISTICS: DATA DISAGGREGATED BY SEX AND BEYOND

Gender statistics are not statistics about women. Gender statistics are about measuring the different roles that women and men have in society. Therefore gender statistics are statistics that adequately reflect the situation of women and men in all policy areas.

Producing statistics that adequately reflect gender issues implies that all statistics are produced taking into consideration the different socio-economic realities women and men face in society. This means that all data – both those on individuals as well as those not directly related to individuals – are collected, compiled, and analysed, taking into consideration that gender-based factors influence women and men differently – this can be called the *gender mainstreaming of statistics*.

Since 1995, there has been a growing concern to collect sex-disaggregated data and gender issues are often taken into account in the collection of social and demographic statistics. However, the process of mainstreaming gender into the entire process of production, analysis and dissemination of official statistics has not yet been completed. Challenges still remain in the production of sex-disaggregated data and

in the collection and analysis of issues related to women and men in society.

Are all data sex-disaggregated?

Gender issues exist in all spheres of society and are relevant to the production of statistics in all fields. They should therefore intervene at every step of the production process. In reality not all statistics where sex disaggregation would be relatively straightforward are in effect produced or analysed with gender breakdowns. Statistics that have been traditionally developed in economic areas such as business, transport, agriculture and services are in many countries still approached in a gender-blind manner. Business registers, for example, may not include information on the sex of the owner or managers of the enterprise. Agriculture surveys and censuses often do not record the sex of the landowner. These gaps limit the scope of studies undertaken to monitor women and men in leading positions since they prevent a gender analysis in those areas where gender disparities could be wider.

An area that is still particularly difficult to analyse for the lack of sex-disaggregated data is entrepreneurship. There is an increasing awareness of the importance

of women entrepreneurs as a group that may respond differently from men entrepreneurs to political and economic changes. And although it has been recognized that women's entrepreneurship is an important untapped source of economic growth¹⁰², it is still difficult in some countries to collect sex-disaggregated data particularly for small and medium-sized enterprises (SME). An analysis done by ECE on the status of statistics on women's and men's entrepreneurship¹⁰³ revealed that the main obstacle is the lack of sex-disaggregated data on owners and managers of enterprises¹⁰⁴. Many national registers such as business, tax, insurance registers and chambers of commerce where information on the "demography" of business is collected, do not record or disseminate the sex of the concerned person. Therefore, if data have become available on the sex distribution of the self-employed (collected through labour force surveys), reliable data on achieved sales, employment, growth, and survival according to the sex of the entrepreneur is still missing for the majority of countries¹⁰⁵.

Issues related to the improvement of the availability of data on women's and men's entrepreneurship have been highlighted in important fora such as the 2003 ILO International Conference of Labour Statisticians and the OECD workshop on improving statistics on SMEs and entrepreneurship held in Paris from 17-19 September 2003 (as a part of the Bologna process)¹⁰⁶. These two meetings initiated a process that has brought to the attention of statisticians and policymakers the need to integrate gender into business registers and statistics. However, also emphasized were the difficulties that

persist due to the reluctance of statisticians involved in business statistics to jeopardize the data collection because providing "information disaggregated by sex may lead to refusal to respond to the survey given the increased response burden"¹⁰⁷. Additional complications arise when attempting the mainstreaming of gender into registrations created for administrative purposes such as tax and insurance records and chambers of commerce. These are maintained by administrations outside the national statistical offices, which do not immediately see the advantage of adding sex into the records.

The roles of women and men in society: need for improved statistics

The production of gender statistics requires more than just collecting official data disaggregated by sex. Concepts and methods used in every stage should adequately reflect any gender-based biases in social norms, attitudes and economic life, to correctly evaluate the contribution of women and men to the society. Engendering statistics therefore goes beyond the mainstreaming of sex into the normal process of data collection and dissemination. It looks into those areas where additional data collection or analysis is required in order to highlight unbalanced roles or inequalities. Some of these areas are analysed below.

Time use statistics

Since 1995 various steps have been taken to improve the quality and availability of data to measure unremunerated work in national and international organizations. In response to the Beijing Platform for Action, the United Nations Statistics Division drafted an International Classification of Activities for Time-Use¹⁰⁸, Eurostat developed an activity classification to measure paid and unpaid work and some countries developed their own national classification. In parallel to these standardization efforts countries implemented an increasing number of time-use surveys.

The implementation of time-use surveys, however, is still an ad hoc event in the majority of countries and the number of ECE countries that have recently carried out time-use surveys is limited. The key role of time-use surveys in adequately measuring the participation of women and

¹⁰² *Issues related to statistics on women's entrepreneurship*, Paper prepared by the Secretariat of the OECD Workshop on Firm level statistics, 26-27 November 2001 (see <http://www.oecd.org/dataoecd/11/12/2668264.pdf>).

¹⁰³ Giovannelli C., Gunnsteinsdottir H., Me A. (2003), *The Status of Statistics on Women and Men's Entrepreneurship in the ECE Region*, paper presented at the OECD Workshop on Improving Statistics on SME's and Entrepreneurship, Paris 17-19 September 2003 (see <http://www.oecd.org/dataoecd/2/36/9252934.pdf>).

¹⁰⁴ According to a survey conducted by ECE on the availability of sex-disaggregated data on entrepreneurship only 13 countries (of the 39 that replied) had statistical data on the number and/or percentage of enterprises owned or managed by women and men.

¹⁰⁵ Delmar F. (2003), *Women Entrepreneurship: Assessing Data Availability and Future Needs*, paper presented at the OECD Workshop on Improving Statistics on SME's and Entrepreneurship, Paris 17-19 September 2003 (see <http://www.oecd.org/dataoecd/50/48/14723090.pdf>).

¹⁰⁶ http://www.oecd.org/document/38/0,2340,en_2649_34233_2789222_1_1_1_1,00.html

¹⁰⁷ *Final Report of the 17th International Conference of Labour Statisticians*, Geneva 24 November-3 December 2003, page 9, (see <http://www.ilo.org/public/english/bureau/stat/download/17thicls/final.pdf>).

¹⁰⁸ <http://millenniumindicators.un.org/unsd/methods/timeuse/tuaclass.htm>

Box 51 ECE assessment of gender statistics programmes in Eastern Europe and CIS countries

Information collected through a questionnaire sent by ECE to Gender Statistics Focal Points (GSFP) in July 2004, shows that there are problematic areas in the field of gender statistics. Sex-disaggregated data are lacking for the majority of countries in some of the key gender issues and particularly in: Participation in decision-making, Gender attitudes, Participation in elections, Entrepreneurship, Domestic violence, Poverty, Informal employment, Time-use, School attendance.

In terms of outputs and organization of gender statistics programmes, among the 27 countries that responded to the questionnaire, three – Croatia, Serbia and Montenegro, and Slovakia – never produced gender-specific publications and do not have any specific programme on gender statistics. Other countries produced at least one publication of the type “Women and Men in ...”, however, these publications have often been developed on an ad hoc basis and supported by donors rather than by government funds. In countries where these publications were produced, users (particularly civil society and NGOs) were not always involved in the process and were not always aware of their existence.

Twelve out of the 27 countries did not have any regulation or law governing the production of gender statistics. In countries where there is such a legal framework in place, the laws are often not very specific and they do not provide details as to what type of data the NSOs should gather and what kind of analysis they should perform. Only three countries have a Gender Statistics Unit: the Czech Republic, Kazakhstan, and Turkey and less than a third of the Gender Focal Points interact on a regular basis with other statistical departments outside the social and demographic field (where most Focal Points are located). Due to these lapses in organization and the lack of enforcement of existing legal frameworks, sex-disaggregated data are not prevalent in on-going (not gender-specific) publications. Only 10 out of 27 countries reported the regular publishing of sex-disaggregated data on individuals. In addition countries that reported the regular breakdown by sex of all data on individuals may not actually do so. As emerged from the country visits, when sub-classifications are considered (such as status on employment or industry) sex is not included for “lack of space” as reported by some of the staff of NSOs.

Not all countries in the region are at the same stage of development in gender statistics. Two groups of countries emerged from the assessment: one regularly produces gender-specific publications, has an active programme on gender statistics and works toward a better mainstreaming of gender into the production and dissemination of national statistical offices. Another group of countries is at an earlier stage of development in gender statistics. Gender specific publications are rare (or non-existent) and often supported only by donors. These countries are still struggling to establish a regular and active gender statistics programme within the area of social and demographic statistics and to improve the presentation of the data and their relationship with the users.

Source: Draft Report on the Status of Official Statistics related to gender equality in Eastern Europe and CIS countries, by Angela Me, Dono Abdurazakova, Anca Grozav, Enrico Bisogno, Hrund Gunnsteinsdottir, and Costanza Giovanelli (2006).

men in the economy is increasingly been recognized by policymakers but the magnitude of information provided by time-use surveys still needs to be fully explored. Like income and expenditure surveys are key sources for the income-related economic statistics, time-use surveys have the potential to become a major source in studying the social participation of people. They can in fact collect information on:

- Productive work, including the invisible part of the economy which needs to be integrated into a Government’s decision-making (unpaid work and the amount undertaken and the extent to which this supports the economy and the general functioning of the society);
- Paid employment (the relationship between different uses of time and the factors which hinder or help people participation in the labour market and information on the categories of workers that are more difficult to measure);

- Health (the amount of caring work done and the activities people perform that have an impact on health status);
- Income support (the use of time by recipients of social security benefits);
- Education and training (how much has been undertaken and by whom);
- Social networks.

Poverty and gender statistics

Whether monetary poverty affects women and men in a different way is still an open question in many countries. Conventional measurements of monetary poverty have been generally based on levels of income or consumption of households and the analysis of poverty from a gender perspective has always been limited by the lack of data on income/consumption at individual level. Studies on intra-household distribution and use of resources show that individuals within the household may have

different preferences and may not pool their income. Moreover, assets controlled by women have in general a more positive and significant effect on expenditures for children than those controlled by men¹⁰⁹.

There are few and limited studies carried out to analyse if poverty (income/consumption) affects women and men differently and the main issue is the identification of indicators that could differentiate women and men within the concept of household. In some countries studies have used indicators based on the concept of head-of-household and compared for example the number of poor households headed by women with the number of poor households headed by men.

However, often the meaning of head-of-household used in surveys or census is far from the leading role that women and men actually play in the households and indicators based on this concept are not very relevant to analyse gender disparities. Indicators have been suggested¹¹⁰ on the base of single person households or single-parent households (with children). These indicators are particularly relevant for countries in Europe and North America where single-person households are numerous given the high number of elderly men and women (but particularly women) living alone.

Examples of other indicators that can be measured from household-income data are female spouses with no own income in poor and non-poor households and poverty magnitude with and without the income contribution of female spouses¹¹¹.

Some European countries can produce income data by sex based on tax registers, but these are only few. One the main problems is related to the taxation systems that often allow joint tax filing of spouses and prevent the recording of individual incomes. Another problem is related to the difficulties of linking income records with other social-economic characteristics available in other registers.

In general there are very few studies that analyse poverty by gender and even if the indicators listed above can be measured using household income data (widely available in all the Western countries) they are not very

popular in international, regional, and national poverty studies. It can be concluded that a lot still needs to be done to mainstream gender into poverty analysis or to include poverty in gender studies¹¹².

Statistics on gender-based violence

“Gender-based violence or violence against women has been identified as a major public health and human rights problem throughout the world but lack of reliable data on the root causes, magnitude, and consequences of the problem has been a major obstacle in the search for solution”¹¹³. Gender-based violence is probably the area of gender statistics where data are scarcer and quality is poorest and yet where data are most needed. Substantial work has been done by governments, United Nations and other international organizations, NGOs and researchers to strengthen survey methodologies, develop common indicators and address the challenges of comparing data over time, and between different countries and regions. However, there is still a chronic lack of relevant data on the nature, prevalence and incidence of the various types of Violence Against Women (VAW) together with a scepticism among civil society and policymakers on the existence of this as an issue. The 1993 United Nations Declaration on VAW¹¹⁴ provides the definition of VAW as:

“any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or private life”

Article 2 of the same declaration also specifies that VAW “shall be understood to encompass, but not be limited to, the following:

- *Physical, sexual and psychological violence occurring in the family, including; battering; sexual abuse of female children in the household; dowry-related violence; marital rape; female genital mutilation; other traditional practices harmful to women; non-spousal violence; neglect and abuse of girl children; violence related to exploitation;*

¹⁰⁹ *The World's Women 2000 Trends and Statistics*, United Nations publication Sales No. E.oo.XVII.14 page 125.

¹¹⁰ Report of the ECE-UNDP Task Force on Gender Statistics Website for Europe and North America, September 2002.

¹¹¹ See United Nations Economic Commission for Latin America and the Caribbean website on gender statistics: <http://www.eclac.org/mujer/proyectos/perfiles/default.htm>.

¹¹² The lack of suitable indicators to measure poverty and gender was also emphasized by meetings of the United Nations Interagency Expert Group Meeting on Millennium Development Goals indicators March 2004 (New York) and October 2004 (Geneva).

¹¹³ See WHO Website: <http://www.who.int/gender/violence/multicountry/en/>.

¹¹⁴ See [http://www.unhcr.ch/huridocda/huridoca.nsf/\(Symbol\)/A.RES.48.104.En?Opendocument](http://www.unhcr.ch/huridocda/huridoca.nsf/(Symbol)/A.RES.48.104.En?Opendocument)

- *Physical, sexual and psychological violence occurring within the general community, including: rape; sexual abuse; sexual harassment and intimidation at work, in educational institutions and elsewhere; trafficking in women; forced prostitution;*

- *Physical, sexual and psychological violence perpetrated or condoned by the State: violation of the human rights of women in situations of armed conflict though murder, systematic rape and sexual pregnancy; forced pregnancy; forced sterilization; forced abortion; coercive/forced use of contraceptives; female infanticide; prenatal sex selection.”*

This definition gives a good framework to analyse VAW and its components, however, it also shows the complexity of the phenomenon and the challenges related to its measurement. The traditional sources used to study VAW are police or court records, but these sources have several limitations. Although records based on police or courts could be improved in order to better mainstream gender into their collection, processing and dissemination¹¹⁵, they remain a bias source of information on VAW. Given the sensitivity of the subject and the predominant culture where domestic violence may not be seen as a crime, women tend to underreport the offences¹¹⁶ and therefore statistics based on reporting cases heavily underestimate the phenomenon. Surveys dedicated to measuring violence against women are better tools for collecting information on VAW since the women do not need to officially report the violence. Also, if properly designed, they reflect the actual occurrences of victimization rather than what is reported to officials. Some international organizations such as the World Health Organization (WHO) and the United Nations Interregional Crime and Justice Research Institute (UNICRI) embarked on projects to develop survey methodologies to be implemented in several countries in a standardized format to obtain estimates of the prevalence of VAW which would allow for inter-country comparison. A list of standard indicators should

be developed at regional and international level with the objective of clarifying what it needs to be measured to study VAW and regional and international guidelines should be developed to further improve the collection of data on VAW in official statistics. Among the issues that need to be analysed are¹¹⁷:

- How to ask women about their experience with violence and to design the questionnaire so that women are asked about violence in a less direct way as possible;
- The reference period of victimization (lifetime, previous six months, one year, five years);
- What information should be collected on the victimization event;
- How to assure the safety of the women and make sure that the data remain confidential and the women will not be affected by revealing their stories.

More work also needs to be carried out to understand the feasibility of including ad hoc modules on on-going surveys when there are not enough resources available to carry out specialized surveys.

The involvement of national statistical offices in measuring VAW was also acknowledged by the United Nations General Assembly, where the United Nations Statistical Commission was requested to develop and propose “a set of possible indicators on violence against women in order to assist States in assessing the cope, prevalence and incidence of violence against women”¹¹⁸.

Within the framework of the Conference of European Statisticians, a ECE Task Force is working to address some of the issues highlighted above. The objectives of the task force are:

- To exchange and promote methods for specialized VAW surveys;
- To promote training for NSOs and users in the field of VAW;
- To define common concepts, develop a core set of indicators and identify a minimum set of questions

¹¹⁵ See *Improving the Statistics on violence against women*, by Sylvia Walby, paper presented at the Expert Group meeting on “Violence against women: a statistical overview, challenges and gaps in data collection and methodology and approaches for overcoming them”, Geneva 11-14 April 2005, organized by the United Nations Division for the Advancement of Women in collaboration with ECE and WHO.

¹¹⁶ The low legal culture of women, who do not know their own rights, do not know that they could be protected; the absence of the law or its imperfection; gender stereotypes, they all contribute to discourage women to report violence, particularly domestic violence.

¹¹⁷ See the report of the Expert Group meeting on “*Violence against women: a statistical overview, challenges and gaps in data collection and methodology and approaches for overcoming them*”, Geneva 11-14 April 2005, organized by the United Nations Division for the Advancement of Women in collaboration with ECE and WHO (See <http://www.un.org/womenwatch/daw/egm/vaw-stat-2005/documents.html>).

¹¹⁸ General Assembly Resolution 61/143 on *Intensification of efforts to eliminate all forms of violence against women* adopted on 19 December 2006.

for a short-module that can be incorporated into on-going surveys;

- To create guidelines for collecting data on VAW in the domain of official statistics.

As part of its work, the task force has finalized a report on the experience of countries to collect statistics on VAW through sample surveys. The evidence gathered by this report sheds light on the different approaches and methodologies used in this field. It also shows that much work needs to be done in order to introduce harmonization¹¹⁹.

Labour statistics

In the last decade many countries in Europe and some in Central Asia have consolidated the regular collection of data on employment and nowadays labour force surveys are carried out regularly in many countries on a quarterly or annual basis and provide gender data on employment and unemployment in a sustainable way. The traditional focus of these activities has mainly been on employment and unemployment but there is now a growing awareness that this is insufficient to look at the gender disparities in the work environment. The simple participation of women and men in the labour force measured as employment and unemployment does not tell us anything about the nature and quality of employment where the inequalities may be higher. New aspects related for example to access to the labour market, segregation, work conditions, type of contracts, earnings, and flexibility of working-time arrangements need to be explored.

The International Conference of Labour Statisticians recently stressed some of the issues related to the inclusion of gender concerns in the production of labour statistics not only for promoting “gender equality but also for improving labour statistics themselves”¹²⁰. A checklist of good practices for gender mainstreaming in labour statistics was also approved by the Conference (see Box 52). One of the key elements of the Conference’s output is the recognition that “when presenting statistics it is important to cross-classify them according to personal

and family circumstances, but also to the institutional context (e.g. fiscal regulations), as well as the work environment (e.g. working time flexibility, childcare facilities etc.)”¹²¹.

Segregation in the labour market and decision-making is also a relevant issue for analysing gender disparities. While indicators on activity status, employment/unemployment can provide important information on the participation of women and men in paid activities, it is important to produce statistics on the structure and the different components because it is in the different sectors, occupations, and statuses where the gender segregation is higher. Studying the types of segregation in the labour market is particularly relevant because if horizontal segregation¹²² does not necessarily mean an unequal participation of women and men in employment, vertical segregation¹²³ is an indicator of discrimination. Decision-making in the labour market and economics is one of the areas where the segregation is higher. Tables 1 and 2 (p. 136) present selected indicators on the representation of women and men in economic decision-making centres in 2003 in Europe. The statistics were produced in an ad hoc initiative undertaken by the Council of the European Union under the Italian EU Presidency and give an example of the data that could be collected on a regular basis in order to better analyse gender disparities in economic decision-making.

The gender pay gap remains the most general indicator for monitoring disparities in the labour market in Europe. This indicator may not be easy to interpret because it reflects more than one aspect of segregation, however, it is still powerful in describing in one number the different role women and men have in employment.

Since 1999 ILO has also been promoting the concept of decent work described as “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity”¹²⁴ which includes six dimensions: (i) opportunity for work; (ii) productive work; (iii) freedom of choice of employment; (iv) equity in work; (v) security at work; and (vi) dignity at work. These aspects are particularly relevant for gender

¹¹⁹ *Analysis of National Surveys Carried out by the countries of the Conference of European Statisticians to Measure Violence Against Women*, report of the ECE task force on measurement of violence against women presented at the meeting of the CES Group of Experts on Gender Statistics (http://www.unece.org/stats/documents/2006.09_gender.htm).

¹²⁰ Final report of the 17th International Conference of Labour Statisticians, Geneva 24 November-3 December 2003, page 8, (see <http://www.ilo.org/public/english/bureau/stat/download/17thicls/final.pdf>).

¹²¹ Op.cit. page 9..

¹²² There is horizontal segregation when women or men are concentrated in areas that do not have a hierarchical order.

¹²³ There is vertical segregation when women or men are concentrated in areas that have a hierarchical order (in terms for example of power, salary, or prestige).

¹²⁴ ILO, *Decent Work: Report of the Director General, International Labour Conference, 87th Session*. Geneva 1999.

Box 52 Checklist of good practices for gender mainstreaming in labour statistics

- Labour statistics should satisfy the requirements listed in the checklist, not only to address gender concerns, but also to understand better the real situation of the labour market.
- Political will is essential for producing statistics in general, and engendered statistics especially. It is needed at all levels, within the various data collection agencies and all agencies which do not produce statistics but which have administrative information that can be used by statistical agencies.
- It is important to specify at least a list of subject matters among the topics to be covered. These could be similar to the ones identified by the Office in the General Report with some modifications that include statistics that portray the life cycle or life course approach, lifelong learning and the arrangement of working time, including part-time work. A change of wording was proposed, to convey the idea that incorporating gender into labour statistics is at the core of all statistics that are produced.
- All measurement methodologies are valuable for producing labour statistics that are gender mainstreamed. These statistics should be produced as frequently and as timely as regular labour statistics and should be part of regular publications. Among the possible sources, time-use surveys stand out as essential, in particular for the improved measurement of informal jobs and non-SNA activities.
- When presenting the statistics, it is important to cross-classify them according to personal and family circumstances, but also according to the institutional context (e.g. fiscal regulations) as well as the work environment (e.g. working-time flexibility, childcare facilities, etc.).

Source: *Final Report of the Seventeenth Conference of Labour Statisticians*

statistics since they identify areas where gender analysis is more needed.

There is experimental work in progress to identify indicators that could monitor decent work or quality of work. ILO has proposed a set of thirty indicators¹²⁵ and work is in progress in the region to review this list and make it more relevant for developed countries¹²⁶.

ORGANIZATION OF GENDER STATISTICS PROGRAMMES TO MAINSTREAM GENDER INTO STATISTICS

The integration of gender into the production, dissemination and analysis of statistics has come a long way in the last twenty years. Gender statistics programmes have been built into NSOs and other statistical departments and there is an increased awareness of the importance of providing gender analysis for policy formulation and monitoring. However,

these programmes have often been confined in areas related to the collection and dissemination of social and demographic statistics making it difficult to influence the inclusion of gender in other fields of statistics. Recognizing that gender is an issue related to all fields of statistics related directly or indirectly to individuals, it is important that gender be mainstreamed in all areas of statistics to make sure that data collection and dissemination take proper consideration of gender-related issues in all fields.

A key to success of gender mainstreaming is the **strategic positioning** of gender statistics programmes. From specialized areas, typically social and demographic, gender statistics programmes should move to where the overall planning of statistical programmes takes place, typically in the office of the chief statistician¹²⁷. The presence of one department whose main task is the collection and analysis of gender statistics is NOT mainstreaming. That will only occur when everyone does gender statistics as an essential part of their work and the capacity to do it exists across the whole national statistical office. Important factors for this to happen are

¹²⁵ Anker, R., Chernyshev, I., Egger, Ph., Mehran, F. and Ritter, J., *Measuring Decent Work with Statistical Indicators*. Policy Integration Department, Statistical Development and Analysis, Working Paper No. 2. International Labour Office, Geneva, October 2002.

¹²⁶ For example joint ECE-ILO-Eurostat meetings on quality of work were held in May 2005 and April 2007. Currently the list comprises 53 indicators.

¹²⁷ The advantage of having a unit to oversee the whole mainstreaming process was also emphasized at the 17th Conference of Labour Statisticians (see <http://www.ilo.org/public/english/bureau/stat/download/17thicls/final.pdf> page 11).

the commitment of top managers to the cause of gender statistics and the establishment of gender adviser offices reporting directly to the chief statistician. The objectives of a gender statistics adviser office should be:

- To build good interactions with all departments irrespective of the field;
- To help other subject-area specialists to develop a gender perspective with a view that any issue with a human involvement may affect women and men differently and therefore needs to be equipped with statistics by sex (see above section on sex-disaggregated data);
- To coordinate the development of standards related to the collection of gender-relevant topics;
- To coordinate gender analysis.

This process is consistent with the general United Nations definition of gender mainstreaming: “... *the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels* ...”¹²⁸. Many countries and international organizations are adopting the strategy of centralizing the gender approach into institutions. OECD for example has appointed a Gender Coordinator in the General Secretariat “... to assist in integrating a gender perspective into the substantive work of the organization ...”¹²⁹. In ECE the gender specialist also reports to the Executive Secretary.

GENDER STATISTICS IN A MULTICULTURAL SOCIETY

The definition of gender roles in a society mainly depends on social norms, cultural background, religious beliefs, and people's attitudes. Gender statistics programmes differ in different countries and focus on those areas where gender disparities are higher according to the prevailing social and domestic environment where women and men live. If in developed countries major concerns relate to issues such as the reconciliation of work and family responsibilities and the balanced representation of women and men in powerful positions, in developing countries issues are more related to basic social services, work participation, and stereotyped roles that women are expected to fulfil.

¹²⁸ Report of the Economic and Social Council for 1997, United Nations 1997.

¹²⁹ See http://www.oecd.org/department/0,2688,en_2649_18518332_1_1_1_1_1,00.html.

Due to the migration movements that the world is currently experiencing it is expected that in the near future people in Europe will live in a multicultural society. How much will this affect the role of women and men in Europe? How much should this change the way gender statistics are collected and analysed? These are questions that are difficult to answer now, but that gender statisticians should be ready to address in the near future.

IMPROVING THE DIALOGUE BETWEEN USERS AND PRODUCERS OF GENDER STATISTICS

Gender statistics have a life only if used to monitor equal opportunities, to argue and convince policymakers of the need to change, or to advocate and inform programmers. Gender statistics are not an end by itself. Statistical data become meaningful to the extent that they are converted into usable and actionable information for policy decision¹³⁰ and therefore it is important that producers and users of gender statistics work very closely to assure the relevance of the information produced.

In the last 15 years awareness of the need to strengthen the collaboration between users and producers of gender statistics has increased particularly when it comes to defining priorities and developing new methodologies in data collection¹³¹ ¹³². However, there is still little consideration on the need to improve users' understanding of how to make an optimal use of gender statistics for policy formulation and monitoring. Statisticians need to be more proactive in promoting the application of gender analysis for informed decisions. This means improving the knowledge and understanding of how to approach users including analytically reviewing users' needs, encouraging users to be more pro-active in their requests for data and appreciating the value of statistics for their projects development and monitoring.

Transforming statistics on gender for policy formulation and monitoring is a challenging task. Even if policymakers increasingly use statistics to support their

¹³⁰ *Integrating Unpaid work into National Policies*, ESCAP and UNDP 2003, United Nations publication Sales No. E.03.II.F.14.

¹³¹ See for example: *Engendering Statistics, a Tool for Change*, B. Hedman, F. Perucci, P. Sundstrom, published by Statistics Sweden ISBN 91-618-0859-8, *Handbook for Promoting National Statistical Reports on Women and Men*, United Nations publication Sales No. E.97.XVII.10.

¹³² In the United Kingdom for example users of gender statistics create a group that formally advise the national statistical system in the collection and dissemination of gender statistics.

decisions, there is still a lack of understanding of how best to use them to develop new policy programmes. This is particularly relevant in areas where statistics have become available only recently such as time-use data. These types of data are more often used for advocacy purposes than for formulating appropriate programmes.

Recently the United Nations Economic and Social Commission for Asia and Pacific (ESCAP) in collaboration with UNDP produced a book on Integrating Unpaid Work into National Policies¹³³ where a framework for integrating unpaid work into national policies was presented. This includes:

- Collection and analysis of time-use data;
- Valuation of time-use data;
- Situation assessment and analysis;
- Policy formulation;
- Advocacy for policy action.

TOOLS TO SUPPORT GENDER STATISTICS IN THE REGION: ECE ACTIVITIES

ECE Gender Statistics Website and Database

<http://www.unecce.org/stats/gender>

One of the tools to integrate statistics with policies is the website that ECE in collaboration with the UNDP Regional Support Centre in Bratislava has developed on gender statistics. The main focus is on the production, dissemination and use of gender related data. In addition to statistics, this site elaborates on some of the main gender issues relevant to the ECE region, and provides examples of policies and other initiatives within that context. This website also links these gender issues to the statistical indicators framework developed by the ECE/UNDP gender statistics Task Force. Part of the website is the ECE Gender Statistics Database which was released in May 2003 to monitor the situation of women and men in all ECE member countries, and to evaluate the effectiveness of policies. Data is available for the years 1980, 1990, 1995, and from 2000 onwards on an annual basis.

To ensure comparability, the data provided are in most cases in line with international standard definitions. However, for data not in line with international standard definitions, additional information about the data, or metadata, is provided.

The framework used in the website and the database provides the basis for the development of gender statistics in the region to allow ECE countries to play a complementary role in the development and dissemination of engendered statistics. By the same token, it allows policymakers and other users ready access to these data enabling them to monitor progress towards national and international goals and targets.

Technical cooperation

ECE continues its efforts to help countries to strengthen their capacities in producing, disseminating and analysing gender-related data. In 2004, 2005 and 2006 regional and subregional workshops on gender statistics were conducted in Turkmenistan, Uzbekistan and Geneva in collaboration with the UNDP Regional Support Centre in Bratislava, UNFPA, and the World Bank Institute. The main objective of these workshops were to improve the production, presentation and use of statistics to monitor gender equality through an improved dialogue between users and producers of gender statistics that could contribute to:

- A better understanding of gender equality issues by staff of NSOs;
- A better consideration of gender sensitive issues in the collection and dissemination of official statistics (going also beyond sex-disaggregated data);
- A better use of existing statistics and data sources and the development of additional statistics;
- A better use of statistics for developing and monitoring gender equality policies.

Currently ECE is implementing a World Bank-funded capacity building programme on Engendering National Statistical Systems for a Knowledge-Based Policy Formulation in CIS and SEE countries. The project includes the development of training tools (Manual, web-portal), the implementation of regional and national workshops, finalization of analytical publications on the situation of women and men in the region and the provision of advisory services.

Work sessions on gender statistics

ECE offers to its member countries a forum where gender statistics experts can meet and discuss selected topics. Traditionally, meetings are held every two years. The last one took place in October 2008 in Geneva.

¹³³ See footnote 130.

Among the objectives of this meeting were¹³⁴:

- To review the work of the task forces on engendering national statistical systems, measuring violence against women and time use surveys;
- To provide a forum where users and producers of gender statistics can exchange information and improve the production, dissemination and analysis of statistics on women and men.

¹³⁴ <http://www.unece.org/stats/documents/2008.10.gender.htm>.

Table 1 Indicators on the representation of women and men in economic decision-making centres

Top Firms — Women among members and chiefs of executive boards of the 50 top firms publicly quoted on the national stock exchange (2003)

Country	Total			Women % as president	Men % as president	Total number of women members of executive board	Total number of men members of executive board	Total number of members of executive board	Women % on executive board	Men % on executive board
	women	men	total							
Austria	1	49	50	2.0	88.0	7	159	166	4.2	95.8
Finland	1	49	50	2.0	88.0	43	365	408	10.5	89.5
Germany	0	50	50	0.0	100.0	3	320	323	0.9	99.1
Greece	1	49	50	2.0	88.0	32	484	516	6.2	93.8
Ireland *	0	20	20	0.0	100.0	18	225	243	7.4	92.6
Italy	1	49	50	2.0	88.0	6	443	449	1.3	98.7
Luxembourg	3	47	50	6.4	93.6	37	403	440	8.4	91.6
Spain	0	50	50	0.0	100.0	8	552	560	1.4	98.6
Sweden	2	48	50	4.2	95.8	42	392	434	9.7	90.3
United Kingdom	1	49	50	2.0	98.0	57	579	636	9.0	91.0
Total	10	460	470	2.1	97.9	253	3922	4175	5.9	94.1

* Only 20 top firms were consulted

Table 2 Indicators on the representation of women and men in economic decision-making centres

Central Banks — Women and men in the decision-making bodies of Central Banks (2003)

Country	Number of women in decision-making bodies	Number of men in decision-making bodies	Total number of persons	Women % of total	Men % of total	Number of women chairs	Number of men chairs	Total number of chairs	Women chairs % of total	Men chairs % of total
Austria	1	17	18	5.6	94.4	0	2	2	0.0	100.0
Belgium	7	28	35	20.0	80.0	0	3	3	0.0	100.0
Denmark	12	23	35	34.3	65.7	1	2	3	33.0	66.6
Finland	3	10	13	23.1	76.9	0	2	2	0.0	100.0
France	3	11	14	21.4	78.6	0	3	3	0.0	100.0
Germany	0	8	8	0.0	100.0	0	1	1	0.0	100.0
Greece	1	68	69	1.4	98.6	0	4	4	0.0	100.0
Ireland	0	9	9	0.0	100.0	0	1	1	0.0	100.0
Italy	0	18	18	0.0	100.0	0	3	2	0.0	100.0
Luxembourg	2	10	12	16.7	83.3	0	3	2	0.0	100.0
Portugal	0	6	6	0.0	100.0	—	—	—	—	—
Spain	1	27	28	3.6	96.4	0	3	3	0.0	100.0
Sweden	3	3	6	50.0	50.0	0	1	1	0.0	100.0
United Kingdom	7	23	30	23.3	76.7	0	3	3	0.0	100.0
Total	40	261	301	13.3	86.7	1	29		3.3	96.7

— No data

Annex

Statistical Tables

Table 1 Demographic trends

	Life expectancy				Fertility rate		Mean age of women at the birth of their first child	
	2000		2006		2000	2006	2000	2006
	Female	Male	Female	Male				
Western Europe								
EU-15								
Austria	81.2	75.2	82.8	77.2	1.4	1.4	26	..
Belgium	81.0	74.6	82.3	76.6	1.6	1.7	..	..
Denmark	79.2	74.5	80.7	76.1	1.8	1.8	27	..
Finland	81.3	74.3	83.2	76.0	1.7	1.8	27	..
France	83.0	75.3	84.4	77.3	1.9	2.0	28	29
Germany	81.2	75.1	82.4	77.2	1.4	1.3	29	30
Greece	80.6	75.4	81.9	77.2	1.3	1.4	28	29
Ireland	79.2	74.0	82.2	77.4	1.9	1.9	27	29
Italy	82.8	76.9	84.2	78.5	1.3	1.4	..	..
Luxembourg	81.3	74.6	81.9	76.8	1.8	1.6	29	29
Netherlands	80.8	75.6	82.1	77.8	1.7	1.7	29	..
Portugal	80.2	73.2	82.3	75.5	1.6	1.4	27	..
Spain	82.9	75.8	84.4	77.7	1.2	1.4	29	29
Sweden	82.0	77.4	83.1	78.8	1.5	1.8	28	..
United Kingdom	80.4	75.6	81.8	77.4	1.6	1.8	29	30
New EU-12								
Bulgaria	75.0	68.4	76.3	69.2	1.3	1.4	24	25
Cyprus	80.4	75.3	82.2	78.4	1.6	1.4	26	..
Czech Republic	78.5	71.7	79.9	73.5	1.1	1.3	25	27
Estonia	76.2	65.2	78.6	67.4	1.4	1.6	24	25
Hungary	76.2	67.6	77.8	69.2	1.3	1.3	25	27
Latvia	76.1	64.9	76.4	65.4	1.2	1.4	24	25
Lithuania	77.5	66.8	77.1	65.3	1.4	1.3	24	25
Malta	80.3	76.2	81.9	77.0	1.7	1.4	..	..
Poland	78.1	69.8	79.8	71.0	1.4	1.3	25	26
Romania	74.8	67.8	76.2	69.2	1.3	1.3	24	25
Slovakia	77.5	69.2	78.4	70.4	1.3	1.2	24	26
Slovenia	79.9	72.2	82.0	74.4	1.3	1.3	27	28
Other Developed Countries								
Canada	81.9	76.7	83.0	78.4	1.5	1.6	30	..
Iceland	81.6	77.8	82.9	79.5	2.1	2.1	26	26
Israel	81.1	76.7	82.5	78.7	3.0	2.9	..	27
Norway	81.5	76.0	82.9	78.2	1.8	1.9	27	28
Switzerland	82.8	77.0	84.2	79.2	1.5	1.4	29	..
United States	79.3	74.1	80.2	75.1	2.1	2.1	25	25

	Life expectancy				Fertility rate		Mean age of women at the birth of their first child	
	2000		2006		2000	2006	2000	2006
	Female	Male	Female	Male				
South- Eastern Europe								
Albania	78.6	72.1	78.0	73.9	2.0	1.4	..	..
Bosnia and Herzegovina	76.7	71.3	77.5	72.1	1.3	1.2	24	25
Croatia	76.7	69.1	79.4	72.6	1.4	1.4	26	27
Montenegro	76.3	71.0	76.6	71.5	1.8	1.6	26	25
Serbia	74.8	69.7	75.9	70.6	1.5	1.4	25	26
The former Yugoslav Republic of Macedonia	75.2	70.8	76.2	71.7	1.9	1.5	24	25
Turkey	72.8	68.1	74.0	69.1	2.3	2.2	..	..
Eastern Europe								
Belarus	74.7	63.4	75.5	63.6	1.3	1.3	23	24
Republic of Moldova	71.4	64.0	72.4	64.6	1.3	1.2	22	23
Russian Federation	72.4	59.2	73.3	60.5	1.2	1.3	..	..
Ukraine	73.6	62.3	73.8	62.3	1.1	1.3	22	23
Caucasus								
Armenia	75.8	70.1	76.0	69.7	1.3	1.4	22	23
Azerbaijan	75.1	68.6	75.4	70.1	2.0	2.3	24	24
Georgia	74.9	67.5	78.4	69.7	1.5	1.4	24	24
Central Asia								
Kazakhstan	71.6	60.2	72.0	60.7	1.8	2.4	23	24
Kyrgyzstan	72.0	63.8	71.7	63.5	2.4	2.7	23	24
Tajikistan	70.3	66.1	..	..	3.5	3.3	22	..
Turkmenistan	71.8	64.9	72.9	66.2	2.9	2.6	24	25
Uzbekistan	73.2	68.4	74.9	70.2	2.6	2.4	23	24

Source: ECE Gender Statistics Database, <http://www.unecce.org/stats/data.htm>

Notes

Life expectancy at birth is the average number of years a newborn is expected to live, if the prevailing patterns of mortality at the time of her/his birth were to stay the same throughout her/his life.

Total fertility rate is the average number of children that would be born alive per woman if all women lived to the end of their childbearing years and bore children according to the age-specific fertility rates of a given year.

Mean age of women at birth of first child is the weighted average of the different childbearing ages, using as weights the age-specific fertility rates of first-order births.

Country-specific footnotes for table 1 are on page 150

Table 2 Gender and employment

	Share of women in labour force (Age 15+)		Economic activity rate				Share of women in employment as percent of all employed in each sector of activity						Gender pay gap	
	2000	2006	Female		Male		Agriculture		Industry		Services		2000	2006
			2000	2006	2000	2006	2000	2006	2000	2006	2000	2006		
Western Europe														
EU-15														
Austria	44	46	49	53	69	68	46	46	20	22	54	55	..	26.9
Belgium	43	44	44	46	62	61	27	29	19	19	51	53	15.6	13.4
Denmark	47	47	60	61	71	71	25	22	25	23	56	55	..	..
Finland	48	48	58	57	69	65	30	29	24	22	59	59	21.5	20.3
France	46	47	49	51	63	63	31	28	24	23	54	56	18.6	..
Germany	44	46	49	53	67	66	35	32	24	25	55	55	..	..
Greece	40	41	40	43	65	65	42	43	20	17	42	45	..	..
Ireland	41	42	47	53	71	73	11	10	22	17	53	56	20.9	..
Italy	39	40	36	38	62	61	31	31	24	22	44	48	..	..
Luxembourg	40	44	41	49	66	60	..	..	12	14	47	50	..	..
Netherlands	43	45	54	58	73	73	31	29	19	18	50	53	21.8	..
Portugal	45	47	53	56	70	70	51	49	29	28	54	55	29.8	32.8
Spain	40	42	41	47	66	68	26	28	17	16	47	53	18.5	..
Sweden	48	48	57	68	65	74	24	21	23	20	57	56	14.7	19.1
United Kingdom	45	46	54	56	70	70	23	23	22	20	54	54	26.9	23.7
New EU-12														
Bulgaria	47	47	45	46	56	57	38	35	39	38	54	54	24.2	16.8
Cyprus	43	44	49	54	73	73	36	30	23	20	48	52	26.0	26.3
Czech Republic	45	44	52	51	69	69	32	32	30	29	55	54	..	24.3
Estonia	49	50	51	55	66	67	38	32	32	32	61	61	..	..
Hungary	45	46	42	43	59	59	23	25	33	30	54	55	21.0	12.2
Latvia	48	48	49	52	65	68	43	35	34	29	57	60	21.4	17.6
Lithuania	50	50	55	51	67	62	41	41	39	33	60	60	18.3	17.9
Malta	30	31	30	30	70	68	..	..	23	16	35	37	13.0	0.0
Poland	46	45	50	47	64	62	44	43	27	26	56	56	..	..
Romania	46	45	58	48	71	63	50	47	37	38	52	51	..	13.1
Slovakia	46	45	52	51	68	68	29	24	32	28	58	56	24.9	26.4
Slovenia	46	46	51	53	64	66	47	44	35	30	54	56	13.3	..
Other Developed Countries														
Canada	46	47	59	62	72	73	26	27	24	23	54	55	29.4	28.0
Iceland	47	46	80	78	88	87	23	21	22	20	58	56	41.3	..
Israel	46	47	48	50	61	61	18	16	23	22	54	54	..	36.6
Norway	47	47	69	68	78	75	25	22	20	18	56	56	14.5	..
Switzerland	44	46	58	60	78	75	36	32	22	22	53	53	23.3	21.5
United States	47	46	60	59	75	74	26	25	25	21	54	54	26.4	21.3

	Share of women in employment as percent of all employed in selected occupational areas (by ILO/ISCO)					
	Legislators, senior officials, managers		Professionals		Clerks	
	2000	2006	2000	2006	2000	2006
Western Europe						
EU-15						
Austria	28	29	50	44	67	70
Belgium .....	..	..	54	55	62	64
Denmark	24	25	41	43	71	73
Finland	27	30	58	50	82	80
France	35	28	38	44	76	76
Germany	27	29	37	40	68	68
Greece	25	27	47	48	67	60
Ireland	26	31	52	55	74	74
Italy	14	33	54	45	55	59
Luxembourg	27	26	37	46	56	58
Netherlands	27	27	42	47	68	69
Portugal	31	33	55	57	62	61
Spain	32	32	48	52	60	65
Sweden	31	32	51	50	74	69
United Kingdom	35	35	46	44	73	77
New EU-12						
Bulgaria	30	32	63	67	75	74
Cyprus	14	16	45	53	75	76
Czech Republic	25	29	52	50	79	75
Estonia	40	34	72	69	69	74
Hungary	34	37	58	57	81	76
Latvia	37	41	68	69	83	84
Lithuania	42	40	71	68	81	80
Malta	18	18	44	43	56	55
Poland	33	35	63	65	74	68
Romania	27	30	49	52	72	71
Slovakia	31	28	62	58	78	69
Slovenia	30	33	61	59	69	64
Other Developed Countries						
Canada	36	36	52	52	78	77
Iceland	29	30	51	52	83	80
Israel	28	32	48	48	68	69
Norway	25	33	42	44	72	64
Switzerland	23	31	33	34	71	70
United States	41	42	55	57	76	75

Table 2 (continued)

	Share of women in labour force (Age 15+)		Economic activity rate				Share of women in employment as percent of all employed in each sector of activity						Gender pay gap	
	2000	2006	Female		Male		Agriculture		Industry		Services		2000	2006
			2000	2006	2000	2006	2000	2006	2000	2006	2000	2006		
South-Eastern Europe														
Albania	41	40	55	44	78	65	..	..	..	..	..	..	31.1	..
Bosnia and Herzegovina .....	..	37	..	31	..	56	..	37	..	20	..	43	..	..
Croatia	46	46	..	43	..	56	48	48	31	28	52	54	..	11.0
Montenegro .....	..	44	..	29	..	41	..	42	..	25	..	49	..	..
Serbia	45	43	49	43	66	60	36	38	38	26	50	51	..	6.7
The former Yugoslav Republic of Macedonia	40	39	42	43	64	67	..	39	..	34	..	41	17.5	..
Turkey	31	26	42	25	76	72	45	46	15	15	18	20	..	..
Eastern Europe														
Belarus	49	53	53	53	66	55	..	..	..	..	..	..	19.0	20.2
Republic of Moldova	50	49	56	..	64	..	50	48	37	34	58	58	..	..
Russian Federation	48	49	..	48	..	57	39	39	37	35	56	59	..	..
Ukraine	49	..	51	..	64	..	..	..	..	..	..	..	29.1	27.2
Caucasus														
Armenia	48	48	55	43	69	52	42	46	40	32	51	50	48.1	40.8
Azerbaijan	48	48	43	47	50	53	54	45	33	34	46	54	..	49.5
Georgia	46	..	55	..	75	..	54	49	20	21	49	51	38.7	50.9
Central Asia														
Kazakhstan .....	..	49	..	65	..	75	..	47	..	31	..	57	38.5	..
Kyrgyzstan	47	42	57	54	69	77	46	41	31	23	46	51	32.4	..
Tajikistan .....	..	..	..	..	..	..	..	..	..	..	..	..	56.8	44.7
Turkmenistan	54	53	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	53	56	..	..	..	..	..	..	..	..	..	..	..	..

Source: ECE Gender Statistics Database, <http://www.unece.org/stats/data.htm>

Labour force/economically active population includes all the persons who are either employed or unemployed.

The *employed* are all the residents above a specified age who, during a specified brief period, either one week or one day, were in the following categories:

- (a) paid employment:
 - (a1) at work: persons who, during the reference period, performed some work for wage or salary, in cash or in kind;
 - (a2) with a job but not at work: persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job;
- (b) self-employment:
 - (b1) at work: persons who, during the reference period, performed some work for profit or family gain, in cash or in kind;
 - (b2) with an enterprise but not at work: persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.

	Share of women in employment as percent of all employed in selected occupational areas (by ILO/ISCO)					
	Legislators, senior officials, managers		Professionals		Clerks	
	2000	2006	2000	2006	2000	2006
South-Eastern Europe						
Albania .....	..	..	..	..	..	..
Bosnia and Herzegovina .....	..	..	..	..	..	..
Croatia	25	26	55	58	70	74
Montenegro .....	..	..	..	..	..	..
Serbia .....	..	25	..	53	..	51
The former Yugoslav Republic of Macedonia .....	..	27	..	53	..	47
Turkey .....	..	8	..	35	..	38
Eastern Europe						
Belarus	46	..	67	..	88	..
Republic of Moldova	33	39	63	62	81	82
Russian Federation	36	39	60	61	89	90
Ukraine	37	38	65	66	84	82
Caucasus						
Armenia .....	..	..	..	..	..	..
Azerbaijan .....	..	5	..	54	..	44
Georgia	19	33	60	62	89	66
Central Asia						
Kazakhstan .....	..	36	..	67	..	78
Kyrgyzstan .....	..	35	..	62	..	74
Tajikistan .....	..	..	..	..	..	..
Turkmenistan .....	..	..	..	..	..	..
Uzbekistan .....	..	..	..	..	..	..

Notes

The *unemployed* are all the persons above a specific age who, during the reference period, were:

- (a) without work, i.e. were not in paid employment or self-employment, and
- (b) currently available for work, i.e. were available for paid employment or self-employment during the reference period, and
- (c) seeking work, i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment.

For additional information, see the *International Conference of Labour Statisticians (ICLS)*.

Economic activity rate is the share of the labour force (employed + unemployed) in the total population aged 15+.

The three main sectors of *economic activity* (agriculture, industry and services) are major groupings of the International Standard Industrial Classification of All Economic Activities, Third Revision (ISIC Rev.3).

Gender pay gap is the difference between average monthly earnings of male employees and of female employees as a percentage of average monthly earnings of male employees.

Country-specific footnotes for table 2 are on pages 150-151

Table 3 Unemployment rates disaggregated by sex

	Unemployment rate								Long-term unemployment rate (age 15+)			
	Total (age 15+)				Youth (age 15-24)				2000		2006	
	2000		2006		2000		2006		Female	Male	Female	Male
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Western Europe												
EU-15												
Austria	4.6	4.8	5.2	4.3	6.0	4.7	9.3	8.9	27.0	29.3	25.1	29.7
Belgium	8.3	5.3	9.3	7.4	19.5	14.5	22.6	18.8	56.7	55.9	52.6	49.8
Denmark	5.0	4.0	4.5	3.3	5.7	6.6	7.5	7.9	20.0	20.1	20.8	20.8
Finland	12.0	10.3	8.1	7.4	21.6	21.1	18.4	19.0	22.4	26.9	22.1	28.4
France	12.2	8.5	9.6	8.1	21.9	17.6	23.6	20.8	40.8	38.4	41.4	42.7
Germany	8.3	7.6	10.1	10.3	6.2	8.8	11.3	14.2	53.1	50.1	56.6	56.2
Greece	17.0	7.4	13.6	5.6	38.1	21.5	34.7	17.7	61.3	49.6	59.0	46.5
Ireland	4.3	4.4	4.1	4.6	7.0	6.8	8.1	9.1	24.1	47.6	21.5	39.4
Italy	14.9	8.3	8.8	5.4	31.9	23.1	25.3	19.1	61.2	61.4	51.2	47.9
Luxembourg	3.1	1.8	6.2	3.5	7.2	6.0	15.2	16.3	20.1	26.4	26.0	34.4
Netherlands	3.5	2.2	4.4	3.5	6.5	4.9	7.1	6.1	27.2	26.0	40.3	45.8
Portugal	4.7	3.1	9.0	6.5	11.6	6.2	18.4	14.5	41.3	47.4	49.3	51.3
Spain	20.3	9.5	11.6	6.3	32.5	18.1	21.6	15.0	46.8	36.3	24.3	18.3
Sweden	5.0	5.9	7.3	6.9	9.9	11.0	21.9	21.0	27.7	33.1	13.2	17.0
United Kingdom	4.8	6.1	4.9	5.7	11.0	13.2	12.0	15.7	18.9	33.8	16.2	26.8
New EU-12												
Bulgaria	15.8	16.6	9.3	8.6	30.7	36.1	20.3	18.9	58.7	58.8	56.4	55.0
Cyprus	7.3	3.2	5.4	3.9	13.0	6.9	11.2	9.9	31.9	15.2	21.3	17.0
Czech Republic	10.5	7.3	8.8	5.8	17.0	18.5	18.7	16.6	50.7	49.2	55.2	53.1
Estonia	11.5	14.6	5.6	6.2	24.1	23.8	14.7	10.0	46.5	47.6	45.6	50.6
Hungary	5.8	7.2	7.8	7.2	10.8	13.6	19.8	18.6	43.6	50.6	44.1	46.1
Latvia	13.4	15.0	6.2	7.4	21.6	21.2	14.7	10.5	57.1	57.3	30.6	41.1
Lithuania	13.6	18.2	5.4	5.8	28.3	32.3	9.6	10.0	45.9	53.7	45.1	43.6
Malta	6.5	6.2	8.9	6.5	12.3	14.9	14.9	17.8	56.6	63.1	29.2	47.8
Poland	18.3	14.6	14.9	13.0	37.1	33.4	31.6	28.3	48.7	40.4	57.7	54.7
Romania	6.4	7.5	6.1	8.2	17.2	22.2	20.2	22.3	48.0	50.2	58.1	57.6
Slovakia	18.6	19.4	14.7	12.3	33.8	39.7	27.0	26.4	54.9	54.5	75.9	76.8
Slovenia	7.1	6.8	7.2	4.9	18.3	14.6	16.8	11.6	60.3	64.9	48.9	49.7
Other Developed Countries												
Canada	6.7	6.9	6.1	6.5	11.4	13.8	10.4	12.8	9.4	11.7	..	..
Iceland	2.6	1.3	3.1	2.6	4.0	6.4	..	..	7.4	6.4	9.3	8.1
Israel	9.2	8.4	9.0	7.9	16.8	17.1	19.1	17.3	17.1	20.4	29.8	35.4
Norway	3.3	3.6	3.3	3.4	10.0	9.9	8.5	9.0	6.7	13.5	19.8	26.3
Switzerland	3.1	2.3	4.7	3.4	4.1	5.7	..	..	29.6	28.1	42.5	34.9
United States	4.1	3.9	4.6	4.6	8.9	9.7	9.7	11.2	5.3	6.7	9.2	10.7

	Unemployment rate								Long-term unemployment rate (age 15+)			
	Total (age 15+)				Youth (age 15-24)				2000		2006	
	2000		2006		2000		2006		2000		2006	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
South-Eastern Europe												
Albania	19.3	14.9	16.8	11.8	..	..	..	..	90.7	88.6	..	..
Bosnia and Herzegovina .....	..	..	34.9	28.9	..	..	65.7	60.2	..	..	..	..
Croatia	17.3	15.0	12.7	9.8	..	..	31.1	27.2	51.1	56.0	61.1	59.0
Montenegro .....	..	..	30.1	29.1	..	..	58.2	60.4	..	..	88.8	77.5
Serbia .....	..	..	24.7	17.9	..	..	55.5	43.2	..	..	84.3	76.7
The former Yugoslav Republic of Macedonia	34.9	30.5	37.2	35.3	62.4	58.1	61.0	59.0	83.6	83.2	86.2	86.4
Turkey	6.3	6.6	10.3	9.7	11.9	13.7	19.7	18.2	29.8	18.2	39.5	27.0
Eastern Europe												
Belarus	2.4	1.7	1.5	0.8	..	..	..	..	16.7	6.2	12.6	6.4
Republic of Moldova	7.2	9.7	5.7	8.9	14.9	16.6	15.9	18.0	56.1	63.5	..	..
Russian Federation	10.4	10.8	6.8	7.5	22.2	19.5	17.3	15.9	50.0	42.7	43.5	40.1
Ukraine	11.6	11.6	6.6	7.0	25.3	23.3	15.3	13.2	46.8	44.1	25.5	23.6
Caucasus												
Armenia .....	..	..	34.3	22.4	..	..	63.4	50.0	75.4	70.1	74.4	69.8
Azerbaijan	1.4	1.0	6.5	7.1	..	..	16.7	15.7	..	..	..	..
Georgia	9.7	11.0	11.7	15.2	18.7	21.1	32.2	29.2	..	..	..	..
Central Asia												
Kazakhstan .....	..	..	9.2	6.4	..	..	14.7	10.0	..	..	..	..
Kyrgyzstan .....	..	..	7.5	8.8	..	..	14.2	15.8	..	..	..	..
Tajikistan	9.6	9.0	..	..	..	..	..	..	..	..	..	..
Turkmenistan .....	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan .....	..	..	..	..	..	..	..	..	..	..	..	..

Source: ECE Gender Statistics Database, <http://www.unecce.org/stats/data.htm>

Notes

Unemployment rate is the share (in per cent) of the unemployed in the labour force (employed + unemployed).

Long-term unemployed are the persons who have been unemployed for 12 months or more.

Long-term unemployment rate is the share of the long-term unemployed in the total unemployed population.

Country-specific footnotes for table 3 are on pages 151-152

Table 4 Gender and education (Female as Percent of total for both sexes in the respective column)

	Upper and post secondary students		Students in total tertiary education		Tertiary students by field of study (by UNESCO/ISCED 1997)							
	2000-2001	2006-2007	2000-2001	2006-2007	Science		Health and welfare		Social sciences, business and law		Engineering, manufacturing, construction	
					2000-2001	2006-2007	2000-2001	2006-2007	2000-2001	2006-2007	2000-2001	2006-2007
Western Europe												
EU-15												
Austria	48.1	48.8	50.4	53.7	33.3	34.4	62.8	66.6	51.6	55.4	18.7	22.9
Belgium	51.6	51.7	52.8	54.9	30.8	29.9	71.7	73.5	52.5	53.7	18.5	20.1
Denmark	50.9	51.5	56.5	57.6	33.2	35.4	80.4	80.3	47.1	50.7	26.2	33.3
Finland	52.8	51.9	53.9	54.0	41.8	39.7	83.6	84.2	62.5	61.9	18.2	18.9
France	49.5	49.8	..	55.3	..	35.9	..	70.7	..	61.1	..	24.1
Germany	47.5	47.4	48.7	49.7	32.6	35.0	71.7	73.4	45.2	48.8	18.8	18.2
Greece	51.2	48.4	..	50.4	..	37.2	..	66.5	..	55.4	..	25.9
Ireland	52.9	48.2	54.7	55.2	45.1	42.6	76.3	79.0	60.2	56.1	18.7	17.1
Italy	49.2	48.7	56.0	57.2	49.6	50.3	62.9	65.5	56.7	57.4	26.5	28.8
Luxembourg	49.4	49.2	..	..	..	..	..	..	..	..	..	..
Netherlands	48.6	49.1	50.5	51.6	23.4	16.2	75.1	73.6	46.3	46.9	11.9	15.2
Portugal	51.7	52.4	57.0	54.0	49.9	48.3	75.8	76.6	60.0	58.3	27.8	25.1
Spain	52.4	52.8	52.5	54.0	37.2	33.8	73.4	74.9	57.4	58.8	25.5	28.1
Sweden	57.2	54.4	59.1	59.9	45.4	43.2	80.6	80.4	61.2	61.1	29.3	28.1
United Kingdom	49.2	50.9	54.5	57.2	40.0	37.2	78.2	77.0	52.4	54.9	16.6	20.4
New EU-12												
Bulgaria	49.5	48.1	56.3	53.7	55.1	46.8	63.9	67.5	60.9	60.6	36.9	31.1
Cyprus	49.9	48.9	58.0	50.1	36.0	35.2	73.4	62.1	57.1	45.4	7.8	18.6
Czech Republic	49.6	50.4	50.1	54.7	24.0	32.9	73.1	75.0	56.0	62.0	25.8	24.7
Estonia	53.2	53.3	60.1	61.1	38.9	37.6	85.7	89.6	60.6	65.8	28.1	26.1
Hungary	50.2	50.1	54.8	58.3	31.7	28.2	74.3	75.5	60.4	65.3	20.1	18.6
Latvia	51.6	51.2	61.8	63.9	38.8	30.3	83.6	87.3	62.1	68.1	24.9	21.0
Lithuania	51.9	50.3	59.8	60.0	42.0	32.0	79.9	83.6	66.2	69.0	30.6	24.1
Malta	44.8	46.1	54.8	57.4	31.6	34.8	62.1	68.1	49.9	57.5	23.3	29.2
Poland	49.2	47.6	58.0	57.4	49.5	36.3	69.1	73.6	62.1	62.1	21.7	27.1
Romania	50.9	49.8	53.5	56.1	59.8	56.8	64.7	68.3	60.2	62.2	26.6	30.4
Slovakia	50.4	50.0	51.3	58.9	31.9	36.6	73.6	82.2	57.5	63.6	27.1	29.2
Slovenia	50.2	49.0	56.1	58.3	30.8	33.6	79.2	79.0	62.7	66.5	24.7	24.7
Other Developed Countries												
Canada .....	..	..	..	..	..	..	..	..	..	..	..	..
Iceland	50.9	52.4	62.7	64.1	40.6	38.1	79.2	85.0	58.2	59.8	25.7	32.0
Israel	48.4	48.7	56.7	55.8	36.9	40.4	67.2	76.8	61.6	56.0	26.9	27.8
Norway	48.9	47.8	59.2	60.2	33.7	35.5	81.2	80.4	55.9	57.2	24.0	24.9
Switzerland	47.0	47.0	..	47.6	..	29.3	..	70.2	..	47.1	..	14.5
United States	50.7	49.7	55.9	57.3	..	38.6	..	79.7	..	56.2	..	16.2

	Upper and post secondary students		Students in total tertiary education		Tertiary students by field of study (by UNESCO/ISCED 1997)							
					Science		Health and welfare		Social sciences, business and law		Engineering, manufacturing, construction	
	2000-2001	2006-2007	2000-2001	2006-2007	2000-2001	2006-2007	2000-2001	2006-2007	2000-2001	2006-2007	2000-2001	2006-2007
South-Eastern Europe												
Albania	49.4	47.8	61.4	58.4	63.5	56.7	72.4	69.6	49.2	52.3	24.0	28.5
Bosnia and Herzegovina	49.8	49.7	..	55.2	..	..	..	..	..	..	..	..
Croatia	50.3	49.9	52.5	54.1	42.3	41.8	70.6	73.1	65.4	64.0	24.9	26.5
Montenegro	50.9	50.0	..	..	..	..	..	..	..	..	..	..
Serbia	51.0	50.4	53.8	55.3	65.8	66.0	71.7	74.0	59.2	56.5	28.7	33.4
The former Yugoslav Republic of Macedonia	47.6	47.1	55.8	54.5	57.5	40.6	69.9	73.6	61.5	56.8	28.5	32.4
Turkey	37.5	43.4	40.5	..	40.1	..	54.8	..	43.3	..	21.7	..
Eastern Europe												
Belarus	48.3	47.0	56.2	57.5	..	54.9	..	82.8	..	72.0	..	29.1
Republic of Moldova	51.1	52.1	56.3	57.9	..	..	..	..	..	..	..	..
Russian Federation	49.9	47.4	55.8	56.1	51.8	62.0	78.3	75.3	66.7	67.1	22.0	31.1
Ukraine	48.6	48.4	..	54.3	..	56.6	..	79.5	..	66.4	..	28.7
Caucasus												
Armenia	59.3	55.1	54.6	54.7	49.4	25.5	50.2	72.2	44.9	46.7	26.6	23.3
Azerbaijan	49.0	50.1	41.6	45.7	..	..	..	..	..	..	..	..
Georgia	50.8	51.7	49.0	52.0	66.4	56.8	73.3	74.7	36.9	43.4	26.4	35.2
Central Asia												
Kazakhstan	50.5	50.3	54.1	58.2	..	..	..	..	..	..	..	..
Kyrgyzstan	52.6	51.8	50.8	56.1	65.0	49.3	62.0	50.3	44.2	53.5	28.8	33.0
Tajikistan	38.9	40.3	23.9	27.4	..	..	..	..	..	..	..	..
Turkmenistan .....	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	47.7	48.7	44.3	41.0	..	57.0	..	44.5	..	22.4	..	11.0

Source: ECE Gender Statistics Database, <http://www.unece.org/stats/data.htm>

Notes

Upper and post secondary levels correspond respectively to levels 3 and 4 of ISCED 1997 classification. Tertiary level is not included.

Upper secondary education (level 3) typically begins at the end of full-time compulsory education for those countries that have a system of compulsory education. The entrance age to this level is typically 15 or 16 years.

Post secondary education (level 4) captures programmes that straddle the boundary between upper secondary and post-secondary education from an international point of view. Level 4 programmes can, considering their content, not be regarded as tertiary programmes. They are often not significantly more advanced than programmes at level 3 but they serve to broaden the knowledge of participants who have already completed a programme at level 3.

Tertiary students are those enrolled in level 5A, 5B or 6 of the ISCED 1997 for the academic year concerned. Level 5A corresponds to tertiary programmes that are largely theoretically based and are intended to provide sufficient qualifications for gaining entry into advanced research programmes and professions with high skill requirements. Level 5B corresponds to tertiary programmes that are practically oriented/occupationally specific and are mainly designed for participants to acquire practical skills. Level 6 is reserved for tertiary programmes leading to the award of an advanced research qualification according to ISCED 1997.

Country-specific footnotes for table 4 are on page 152

Table 5 Public life and decision-making

	Share of female members of national parliament (per cent)		Share of female government ministers (percent)		Share of female central bank board members (percent)	
	2000	2008	2000	2006	2000	2006
Western Europe						
EU-15						
Austria	27	33	36	50	..	0
Belgium	23	35	..	20	..	25
Denmark	37	38	43	20	..	33
Finland	37	42	39	44	33	25
France	11	18	29	19	..	14
Germany	31	32	31	38	0	0
Greece	9	15	..	16	8	0
Ireland	12	13	20	20	0	8
Italy	11	21	15	23	..	0
Luxembourg	17	23	33	14	11	11
Netherlands	36	39	27	29	0	0
Portugal	17	28	17	12	17	12
Spain	28	36	12	50	0	20
Sweden	43	47	..	41	..	50
United Kingdom	18	20	..	20	26	21
New EU-12						
Bulgaria	11	22	19	17	14	14
Cyprus	7	14	0	0	0	0
Czech Republic	15	16	0	13	14	0
Estonia	18	21	13	14	0	25
Hungary	8	11	6	15	0	15
Latvia	17	20	7	22	33	25
Lithuania	18	23	8	15	27	20
Malta	9	9	..	14	..	20
Poland	13	20	5	18	..	11
Romania	7	9	..	14	..	22
Slovakia	14	19	..	13	..	11
Slovenia	10	12	20	12	9	0
Other Developed Countries						
Canada	20	21	29	22	..	17
Iceland	35	33	33	33	0	0
Israel	13	14	..	10	..	0
Norway	36	36	42	47	29	43
Switzerland	23	29	29	29	0	0
United States	13	17	..	24	..	17

	Share of female members of national parliament (per cent)		Share of female government ministers (percent)		Share of female central bank board members (percent)	
	2000	2008	2000	2006	2000	2006
South-Eastern Europe						
Albania	5	7	..	6	..	22
Bosnia and Herzegovina	29	12	17	12	..	..
Croatia	21	21	11	31	8	7
Montenegro .....	..	11	..	6	..	0
Serbia .....	..	22	..	6	..	38
The former Yugoslav Republic of Macedonia	8	30	..	16	..	22
Turkey	4	9	0	5	..	0
Eastern Europe						
Belarus	5	29	..	6	..	18
Republic of Moldova	9	22	7	29	40	0
Russian Federation	8	14	0	..	..	25
Ukraine	8	9	7	0	..	19
Caucasus						
Armenia	3	9	0	6	0	29
Azerbaijan	12	10	..	0	..	0
Georgia	7	6	11	5	..	11
Central Asia						
Kazakhstan	10	16	..	16	..	22
Kyrgyzstan	10	26	12	6	..	44
Tajikistan	15	18	..	12	..	0
Turkmenistan	26	16	..	..	..	..
Uzbekistan	7	18	..	..	..	..

Source: ECE Gender Statistics Database, <http://www.unecce.org/stats/data.htm>

Notes

Members of parliament are the persons elected to the lower or single house by the persons entitled to vote in the country. The parliament is the legislative or deliberative assembly; one or more chambers or assemblies that form (or form part of) the legislature of a country. Data refer to the lower or single house. Data reflect results of most recent election.

Ministers are high officers of state entrusted with the management of a division of governmental activities.

Central Bank is the institution which is charged with regulating the size of the money supply in a nation, the availability and cost of credit, and the foreign exchange value of its currency. The boards of Central Banks are the decision making bodies. Data on 30 June of the year.

Country-specific footnotes for table 5 are on page 152

Footnotes for Tables 1-5

General Note

Cyprus: Data cover only the area controlled by the Republic of Cyprus.

Table 1

France: Data do not cover overseas departments (DOM).

Life expectancy

Serbia: From 2000: data do not cover Kosovo and Metohia.

Fertility rate

Azerbaijan: Data do not cover Nagorno-Karabakh. *Georgia*: From 1995: data do not cover Abkhazia and South Ossetia (Tshinvali). *Israel*: Data cover East Jerusalem and Israeli residents in certain other territories under occupation by Israeli military forces since June 1967. *Republic of Moldova*: From 2000: data do not cover Transdniestra. *Serbia*: Data do not cover Kosovo and Metohia. *Turkey*: Data come from the national population projections, which are based on Population Census (2000) and Turkey Demographic and Health Survey (2003).

Mean age of women at the birth of their first child

General note: Data come from registers, unless otherwise specified. *Azerbaijan*: Data do not cover Nagorno-Karabakh. *Belgium*: Data refer to children born in marriages. *Canada*: 2000: data refer to 1999. *Cyprus/Luxembourg*: Data are based on events and not on fertility rates. *Georgia*: Data do not cover Abkhazia and South Ossetia (Tshinvali). *Germany*: Data refer to children born in marriages. *Republic of Moldova*: From 2000: data do not cover Transdniestra. *Serbia*: Data do not cover Kosovo and Metohia. *Tajikistan*: 2000: data refer to 1999.

Table 2

France: Data do not cover overseas departments (DOM). *Republic of Moldova*: Data do not cover Transdniestra. *Serbia*: Data do not cover Kosovo and Metohia.

Share of women in labour force (age 15+)

General note: Data come from the Labour Force Survey (LFS) unless otherwise specified. Data from the LFS and from population censuses normally comply with the definition provided. *Albania*: 2000: official estimates. *Armenia*: 2006: official estimates based on 2001 Census. *Belarus*: 2000: data refer to 1999 and come from Population Census. 2006: data are based on administrative registers and may not cover all active persons. *Croatia*: 2000: data refer to 1998. *Estonia/Finland*: Data refer to the economically active population aged 15-74. *Kyrgyzstan/Malta/Russian Federation/Turkey*: 2000: data refer to 1999. *Sweden/United States*: 2000: data refer to the economically active population aged 16+.

Economic activity rate

Armenia: 2006: official estimates based on 2001 Census. *Azerbaijan*: 2000: data are based on administrative registers and may not cover all active persons. *Belarus*: 2000: data refer to 1999 and come from Population Census. *Finland*: Data refer to the economically active population aged 15-74. *Malta*: 2000: data refer to 1999. *Russian Federation*: data do not cover the Chechen Republic. *Sweden/United States*: 2000: data refer to the economically active population aged 16+. *Turkey*: 2000: data refer to 1999. Data refer to the economically active population aged 12+.

Share of women in employment as percent of all employed in each sector of activity

General note: Data come from the Labour Force Survey (LFS) unless otherwise specified in country footnotes. Data from the LFS and from population censuses normally comply with the definition above. *Albania*: Data are based on administrative registers. *Armenia*: 2006: official estimates based on 2001 Population Census. *Belarus*: Data are based on administrative registers. *Canada*: Data do not cover the three northern territories (Yukon, Northwest and Nunavuk). *Estonia*: Data refer to the population aged 15-74. *Finland*: Data refer to the population

aged 15-74. *Iceland*: Data refer to the population aged 16-74. *Kyrgyzstan*: 2000: data are based on administrative registers. *Russian Federation*: Data refer to the population aged 15-72. *Sweden*: Data refer to the population aged 16-64. *Ukraine*: Data refer to the population aged 15-70. *United Kingdom*: Data refer to the population aged 16+. *United States*: Data refer to the population aged 16+. Agriculture excludes forestry and fishing. *Uzbekistan*: Data are based on administrative registers.

Gender Pay Gap

Albania: 2000: data refer to October 1998. *Armenia/Poland/Slovenia*: 2000: data refer to 1999. *Azerbaijan*: 2006: data refer to 2007. *Belarus*: Data refer to December of each year. Collection method: enterprises-based data (non-state enterprises are excluded). *Bulgaria*: Data refer to employees under labour contract. *Canada*: 2000: data refer to age group 16 +. *Croatia*: Data exclude employees in craft and trade. *Cyprus*: Data includes family allowances and the value of payments in kind. *France*: Data cover only Metropolitan France. *Georgia*: Data do not cover Abkhazia and South Ossetia (Tshinvali). *Hungary*: Data refer to enterprises with 5 or more employees. *Iceland*: Data refer to average income from employment. *Kyrgyzstan*: Data refer to November of each year. Collection method: enterprise-based data. *Latvia*: Data refer to I quarter of each year. *Netherlands*: Overtime payments are excluded. 2000: Data refer to December. *Norway*: Reference period III quarter of each year. Data includes variable additional allowances, bonuses, commissions. Not including payment for overtime work. Education is classified by the Norwegian Standard Classification of Education. Rev. 2000. *Republic of Moldova*: Data refer to September. Enterprises with 20 people and more. *Romania*: The average gross wage and salary contains the total remuneration in cash and in kind. Data refer to October of each year. *Spain*: Data refer to net income amounts. *Switzerland*: Data refer to October of each year. Earnings components: basic gross salary, allowances for Sunday, night or shift work, 1/12 of 13th salary and 1/12 of annual irregular payments. *Tajikistan*: Data refer to December of each year. *The former Yugoslav Republic of Macedonia*: Data refer to net payments. *United States*: Data refer to median usual weekly earnings.

Share of women in employment as percent of all employed in selected occupational areas

General note: Data come from the Labour Force Survey (LFS) unless otherwise specified. Data from the LFS and from population censuses normally comply with the definition above. *Azerbaijan*: Data are based on administrative registers. 2006: data refer to 2007. *Belarus*: 2000: data refer to 1999 and come from Population Census. Data refer to the national classification of occupations. *Canada*: Data do not cover the three northern territories (Yukon, Northwest and Nunavuk). *Estonia*: Data refer to the population aged 15-74. *Finland*: Data refer to the population aged 15-74. *Georgia*: Data do not cover Abkhazia and South Ossetia (Tshinvali). *Iceland*: Data refer to the population aged 16-74. *Russian Federation*: Data refer to the population aged 15-72. *Sweden*: Data refer to the population aged 16-64. *United Kingdom*: Data refer to the population aged 16+. *United States*: Data refer to the population aged 16+. Data do not cover the armed forces. Occupation groups: "Professionals" includes "Technicians and associate professionals".

Table 3

General note: Data come from the Labour Force Survey (LFS) unless otherwise specified. *France*: Data do not cover overseas departments (DOM). *Republic of Moldova*: Data do not cover Transdniestra. *Russian Federation*: 2000: data do not cover the Chechen Republic. 2006: data cover the Chechen Republic. *Serbia*: Data do not cover Kosovo and Metohia. *Ukraine*: Data do not cover the persons who are still living in the area of Chernobyl contaminated with radioactive material. Data do not cover the persons who are living in institutions and those who are working in the army.

Unemployment rate – total (age 15+)

Albania: 2000: data refer to registered unemployment. *Armenia*: Data refer to registered unemployment and to the population aged 16-63. *Belarus*: Data refer to registered unemployment. *Finland*: Data refer to the population aged 15-74. *Russian Federation*: Data refer to the population aged 15-72. *The former Yugoslav Republic of Macedonia*: Data refer to the population aged 15-74. *Ukraine*: Data refer to the population aged 15-70. *United Kingdom/United States*: Data refer to the population aged 16+.

Unemployment rate – youth (age 15-24)

General note: For the following countries, data come from the comparable harmonized unemployment statistics produced by EUROSTAT and OECD: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta,

Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States. *Armenia*: Data refer to registered unemployment and to the age group 16-24. *Azerbaijan*: Data refer to registered youth unemployment. *Sweden/United Kingdom/United States*: Data refer to the age group 16-24. *Tajikistan*: Data refer to the registered youth unemployment.

Long-term unemployment rate

Albania/Armenia/Belarus: Data refer to registered long-term unemployment. *Canada*: Data do not cover the three northern territories (Yukon, Northwest and Nunavuk). *Kyrgyzstan*: 2000: data refer to registered long-term unemployment. *Switzerland*: Data refer to the permanent resident population. *The former Yugoslav Republic of Macedonia*: Data refer to the population aged 15-74. *Ukraine*: Data refer to the population aged 15-70.

Table 4

Albania: 2006-2007: data refer to 2005-2006. *Republic of Moldova*: Data do not cover Transdniestria.

Upper and post secondary pupils

Albania: Data refer to level 3 of ISCED 1997 classification. *Armenia*: Data include pupils in private schools. *Croatia*: Data refer to level 3 of ISCED 97 classification. *Hungary*: 2000-2001: data refer to 1999-2000. *Iceland*: Data refer to level 3 only. *Israel*: Data refer to ISCED level 3 only. 2000-2001: data exclude pupils in schools related to the Ministry of Religious Affairs. *Montenegro*: 2006-2007: data refer to 2005-2006. *Sweden*: Data include adults enrolled in upper and post secondary level classes. *United Kingdom*: Data refer to ISCED level 3.

Students in total tertiary education / Tertiary students by field of study

Bosnia and Herzegovina: 2006-2007: data refer to 2005-2006. *Croatia*: 2000-2001: data for level 6 are not available. *Germany*: Data on students at level 6 of ISCED 1997 are not available. *Republic of Moldova*: Data include college graduates awarded higher educational diploma till 2002. *Uzbekistan*: Data do not include doctoral degree candidates.

Table 5

Georgia: Data excludes Abkhazia and South Ossetia (Tshinvali). *Republic of Moldova*: Data excludes Transdniestria.

Share of female central bank board members

Armenia: Data refer to Chairman, Deputy Chairman, and Bank Board. *Austria*: Data refer to President, vice-president, and governing body. *Georgia*: Data excludes Abkhazia and South Ossetia (Tshinvali). *Germany*: The structure of the Deutsche Bundesbank and the maximum number of members of the decision-making body was reorganized in 1992 and 2002. *Hungary*: Data refer to President and deputy presidents. *Israel*: Data refer to Governor and deputy governors. *Republic of Moldova*: Data excludes Transdniestria. *Turkey*: Data refer to Governor and vice governors.