

**ECONOMIC COMMISSION FOR EUROPE
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Item 8: Promoting sustainable development in the ECE region: some decisive factors
(c) The economics of gender in the European economy

**The Economics of Gender in the European Economy
Friday 27 April: 15.00-17.15 hours**

Concept Note

Gender equality, a traditional domain of sociologists and political scientists, is increasingly addressed by economists. Equality is seen as an asset and a smart choice for policies aimed at improving competitiveness and economic performance.

UN mandate and framework

Global UN conferences on women have played a catalytic role in promoting gender equality. The Beijing Conference in 1995 and its outcome document, the Platform for Action, gave a strong political mandate and policy framework. Its recommendations addressed 12 areas for action including the economy. Gender equality is also an integral part of the MDGs, financing for development and other UN global processes.

ECE and other regional commissions provide a platform for regional reviews of progress, exchange of good practices and region-specific recommendations. National gender machineries as well as NGOs are major partners in this process.

Trends in women's economic position

In many countries in the western part of the UNECE region, women became more active players in the economy and a driving force behind economic growth. To support this trend, more and more policy measures aim at helping both parents to combine work with family responsibilities. At the same time, the reverse trends were seen in the eastern part of the region due to a gender bias during the transition process in cuts in employment, changes in employment structure with women moving to lower paid jobs, cuts in social protection and resurgence of traditional views on women's role in a number of countries. Women's situation in post-conflict economies, such as in western Balkans, is in particular difficult. In a number of countries there was a substantial rise in female poverty.

Despite diversified trends, women in all countries of the ECE region still do not enjoy equality of economic opportunities. While there have been gains in progressive legislation, this needs to be translated into *de facto* opportunities, where challenges such as the clustering of women's jobs at the lower end of the labour market, the gender pay gap and the very low level of women's presence at decision-making positions are effectively addressed. At the moment, women's potential contribution to economic growth remains largely untapped.

Why do equal opportunities matter for growth and competitiveness?

Equality in economic opportunities is central to policy dilemmas in European societies in the context of ageing and the necessity to improve competitiveness of their economies while maintaining social cohesion.

In many countries women are a major source of new labour (except migration) necessary to ensure sustainability of pension system and cover for growing expenses on pensions, health care and other services for non-working population.

They are well educated and bring new ideas, priorities and tastes in developing new products and services to compete on global markets. Equal opportunities policies allow for the best allocation of human resources drawing on talents of women and men as entrepreneurs, managers and economic decision makers.

The Lisbon Strategy for EU countries reflects this thinking and especially the good economic performance of Nordic countries, which top the lists of the most equal but also the most competitive countries in the world, proves that gender sensitive economic policies pays off.

Countries in the eastern part of the UNECE region have to address similar issues as they look at combining economic restructuring with reduction of poverty and inequalities in the context of moving towards a market-based system in many welfare provisions. The experience of EU member countries could provide a “menu” of options related to equal opportunities policies and EU neighbourhood policies could support the process of convergence with relevant good practices.

Policy implications for Governments and the private sector

Mobilizing women’s economic potential has policy implications for Governments and the private sector. It also involves changes in market institutions, which still draw on a male breadwinner model where women are secondary earners and depend on a man for social benefits (including pensions). Moving to a dual earner model requires a link between paid and unpaid (caring) work and its more equal distribution among women and men.

Key areas where a gender perspective has to be introduced are:

- **Employment and labour market policy, including entrepreneurship, and welfare reforms.** While progress in mainstreaming gender in employment policy is encouraging in many countries, gender equality has only been a marginal concern in welfare reforms. Women have largely been forgotten as partners of these reforms, which include changes in a number of areas vital for women’s interests, such as family benefits and pensions. Pension reforms have particularly weakened the position of low-income women, making it likely that an even greater proportion of older women will live in poverty.
- **Budgetary policies – how the government raises and spends money.** Initiatives of Gender Responsive Budgeting (GRB) in the public sector have been undertaken in some parts of the region in the last few years, including the United Kingdom, the Nordic countries, Canada and Switzerland. A gender analysis of taxation, for example, could look into the content of tax rules in relation to the treatment of women as autonomous individuals, the incentive effects in relation to participation in different types of paid and unpaid work and the redistributive effect, that is, the impact on the gender gap in incomes. 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^[h1].
- **Equal opportunities policies in the private sector,** which is now “discovering” that it makes good business sense. Leading companies include gender equality criteria in initiatives for corporate social responsibility and measures for more effective development and management of human resources.

Progress in effective mainstreaming of gender equality in economic decision-making across the region, in both government and business, requires more research, the development of a regional network of men and women economists to work on gender-sensitive economic policy, the provision of gender-disaggregated data, but also more dialogue with policy makers and exchange of good practices, many of which are just emerging and are in a pilot phase.

Implications for the work of international organizations and financial institutions

More attention to gender equality as an economic issue has implications also for the work of international organizations, including financial institutions such as the World Bank. The new World Bank Group Action Plan (2007-2010) aims at empowering women to compete in four key markets: land, labour, product and financial markets and reduce transaction costs through infrastructure interventions. Moreover, it commits the World Bank to intensify gender mainstreaming into economic and sector work and into lending operations in infrastructure, agriculture and the financial sector, to mobilize resources (Development Grant facility), and to work on the improvement of knowledge and statistics on the relationship between gender equality, growth and poverty reduction as well as targeted communication and training.

What does ECE do for the equality of economic opportunities?

<http://www.unece.org/oes/gender/Welcome.html> [h2]

ECE activities in gender and the economy follow a mainstreaming approach and are coordinated, and often initiated, by the Office of the Executive Secretary. These activities follow the guidance from Commission sessions and sectoral committees as well as recommendations from regional reviews under the Beijing process.

A new geopolitical situation after EU enlargement has increased the interest in a pan-European dialogue and exchange of experiences. Main activities include:

- **Regional reviews of the Beijing process** (*Beijing +5 and Beijing +10*) provide a road map for member countries for further progress, especially in the gender and economy area;
- **Establishment and development of a Gender Statistics Website** with a comprehensive set of gender data for the 56 UNECE member countries and capacity building activities in South Eastern Europe and CIS countries
- **Raising awareness and identifying good practices** related to economic policies (*Regional Symposium 2004*); support to women's entrepreneurship (*Forums of women entrepreneurs in 2001 and 2003, two publications of good practices on access to financing and ICT*);
- **Mainstreaming gender** into economic cooperation in central Asia under the framework of SPECA (*project Working Group on Gender and Economy*), including policy-oriented research on MDG and economic empowerment of women and training workshops for women entrepreneurs supported by the Government of Israel;
- **Mainstreaming gender into the World Summit of Information Society (WSIS) process** (*Round Tables at a regional meeting in Bucharest 2001, WSIS Geneva 2002 and WSIS Tunis 2005*);
- **Sectoral activities related to the forest sector** (five workshops/seminars organized by the Team of Specialists on Gender and Forestry)¹; **housing sector** (*Country Profiles and policy guidance on social housing*) and **trade** (*Multiplier Point Network*).

The future

The UNECE reform in 2006 re-affirmed the need for particular attention to be paid to the gender dimension of development as a priority cross-cutting theme and for strengthening mainstreaming efforts, taking into account the economic areas addressed by the regional Beijing +10 review (E/ECE/1434/Rev.1, par. 79).

In line with the reform, UNECE will continue to play its role as a regional platform to review progress, exchange experiences and discuss a new approach to gender equality as a crucial factor for smart economics. One illustration of this work direction is the proposal to organize a regional meeting to review progress and identify good practices in the area of "women and the economy" in the context of preparations for the Beijing+15 review (see document E/ECE/1447).

¹ Under the Joint FAO/ECE/ILO Committee on Forest Technology, Management and Training