Gender Inequality in Europe and Central Asia - Challenges and Opportunities

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Presentation Outline

• Status of gender equality in ECA
• Constraints to women’s economic empowerment
• Closing gaps between men and women
• Policy issues and trade-offs
ECA is a diverse region but common themes & some paradoxes

Highlighting a few areas:

• In human capital, reverse gender gaps but also critical pockets of disadvantage for women.
• Demographic shifts (mortality and migration) resulting in predominantly female elderly that is vulnerable to poverty.
• Labor market disadvantages for women.
• Legal rights not translating into asset ownership for women.
• Lack of investment in key sectors – e.g., childcare, eldercare.
• Bringing men in...
Significant progress has been made in health.
Higher male mortality

Source: Gender Data Portal
Gender gaps in education have largely closed in ECA, with more enrollment by women in tertiary education.

**Education in ECA, by gender**

Source: World Bank Gender Data Portal
Despite high education, women are less likely to participate in labor force than men in ECA.

Source: World Bank Gender Data Portal
And women as a share of the labor force is stagnant
Gender gaps in labor force participation are costly

Source: Promoting Women’s Access to Economic Opportunities in the Western Balkans Building the Evidence  PPT
For the same job, women are paid less - regardless of age, education, and location.

Adjusted gender wage gap (percent), 2009–2011, Drop in wages associated with being a women

- Tajikistan: -80
- Georgia: -66
- Estonia: -45
- Armenia: -42

Source: ECA RGAP (2017)
On average, women are disproportionately employed in services – but not in all countries.

Source: World Bank Gender Data Portal
What are the main constraints to women’s economic empowerment?
LACK OF MARKETABLE SKILLS
CARE RESPONSIBILITIES
LIMITED ACCESS TO ASSETS & FINANCE
NORMS AGAINST WOMEN’S EMPLOYMENT
GENDER-BASED VIOLENCE
LEGAL BARRIERS
At the tertiary level, there are gender differences in skills development.

Source: Munoz Boudet et al. (2019)
Women spend a disproportionate amount of time on unpaid work.
Care provided to parents and/or parents-in-law among women who report providing help in the previous year

Source: Levin et al., 2015. Gender and Generations Surveys.
Informal care provision predominates....

For the elderly...

➢ Receiving informal support enables healthier and more active aging, lower risk of social isolation, and later entry into institutionalized care facilities.

➢ Informal support from children is necessary to connect frail parents to appropriate formal care services.

➢ The majority of elderly prefer receiving care in their homes or in community-based settings.

➢ The realization of the potential impact of population aging on the fiscal sustainability of healthcare and LTC systems.

For children....

➢ The quantity and quality of parental support is correlated with educational opportunities and labor market outcomes.

➢ Through provision of informal grandparental childcare, parents can enable their children to remain or enter in the labor market.

➢ Adequate childcare will affect fertility decisions and reduce dependency rates over working adults.

Source: Rubiano, 2019
Account ownership is higher for men in most countries.
Among the unbanked, women are less likely than men to participate in the labor force.

Adults without an account by gender and labor force participation (%)

Source: Findex, 2017
Women own less land and housing than men.

Ownership of at least one dwelling solely, by gender and by country.

Source: Gender Relations In Europe And Central Asia Results From The Life In Transition Survey III, 2019.
Women’s participation in economic life is associated with norms

Agreement to “A woman should do most of the household chores even if the husband is not working”

Agreement to “It is better for everyone involved if the man earns the money and the woman takes care of the home and children”

Source: Gender Relations In Europe And Central Asia Results From The Life In Transition Survey III, 2019
Social norms limit women’s ability to fill leadership positions

Source: Gender Relations In Europe And Central Asia Results From The Life In Transition Survey III, 2019
Gender based violence is a global pandemic

- **35% of women worldwide** have experienced either physical and/or sexual intimate partner violence or non-partner sexual violence.
- **Globally, 7%** of women have been sexually assaulted by someone other than a partner.
- Globally, as many as **38% of murders** of women are committed by an intimate partner.
- **200 million** women have experienced female genital mutilation/cutting.
- In some countries, it is estimated to cost up to 3.7% of their GDP – more than double what most governments spend on education.
Gender based violence in ECA countries

Women subject of physical and or sexual violence in last 12 months (% women ages 15-49)

- Europe & Central Asia: 5%
- Kyrgyz Republic: 17%
- Poland: 3%
- Tajikistan: 19%
- Turkey: 11%
- Ukraine: 10%

Source: World Bank Gender Data Portal
Laws restrict women’s participation.

Women, Business and the Law 2020 score, by region

Women, Business and the Law in ECA in 2020

Source: Women, Business and the Law 2020
What works to close gaps between women and men
CARE RESPONSIBILITIES

CHANGING PATTERNS OF OCCUPATIONAL SEGREGATION

ACCESS TO FINANCE

SOCIAL NORMS

GENDER-BASED VIOLENCE

LEGAL BARRIERS
The organization of care – for children or the elderly is closely linked to three interrelated factors:

1. **Household-level capacity to provide care**
2. **Extent of available services and support structures**
3. **Social norms about the distribution of responsibilities**

- Formal caregiving will never completely erase the need for informal care, but depending on its design it can compensate, substitute or complement it.
- Different societal ‘care regimes’ play a role in the distribution of care tasks between formal and informal provision.
- The degree of substitutability of formal and informal care depends on the recipient’s needs (in terms of time, knowledge, and money).
- The ideal policy mix will vary by country – with a focus on systems, financial incentives, flexible work arrangements and provision of care.

Source: Why Should We Care About Care
- Increased availability of formal childcare options results in improved employment rates and working hours

- There is no ‘one-size fits all’ approach to care
  - On-site childcare centers vs. childcare subsidies
  - Home-based care for elderly → reduced absences from work for adult daughters in Norway (Loken et al. 2014).

<table>
<thead>
<tr>
<th>Direct public provision</th>
<th>Indirect public provision</th>
<th>No public involvement</th>
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<tbody>
<tr>
<td>Government owned or contracted centers.</td>
<td>Private centers with public subsidy.</td>
<td>Community-based centers with NGO funding.</td>
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<tr>
<td>Fully or partially public funded and operated daycare.</td>
<td>Privately provided and operated centers receiving public funding (to families or operators).</td>
<td>Privately owned and operated centers with no public subsidy.</td>
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<tr>
<td>France, Denmark, Germany, Argentina, Brazil and Chile. Nicaragua and Bolivia (targeting low income population).</td>
<td>Ecuador, Chile and Mexico (NGOs).</td>
<td>Mozambique, transitioned from NGO-funded community-driven preschools, to formal government institutions.</td>
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Accessible, affordable and quality formal care

Source: Rubiano, 2019
Supporting informal caregivers

• Care-related allowances (both in-kind and cash) aim to promote quality care and recognize the work of caregivers but may have negative repercussions on caregivers’ labor market outcomes.
  • Full time caregivers - government can purchase the service
  • Externalizing services such as childcare can create new jobs for older women
  • Service coupons for community volunteers

• Child allowances intend to promote fertility but may also depress women’s employment.

• Consider explicit and implicit incentives related to the receipt of these allowances.

• Basic training for family members and community volunteers.
Working with the private sector

• Governments have an important role as regulators to establish and monitor quality and safety standards within care centers.
• Study of German firms reveals that family-friendly measures, including childcare, can result in an ROI of 25% (ILO 2014).
• IFC’s New Tackling Childcare Advisory Program: Putting IFC’s Tackling Childcare Research into practice:
  • Firm-level needs: assessing, addressing and measuring; global guidance and toolkit for employer-supported childcare (Bangladesh, Pakistan).
  • Firm-level business: measurement and communication of business case through case studies (Interloop & Packages Limited in Pakistan).
  • Market work: exploring IFC investment potential in nascent care markets; gauge employer readiness for compliance with childcare; examine care needs & arrangements of WMSMEs (India, Bangladesh).
  • Upstream policy work: collecting childcare policy data; measuring policy impact on families & firms; developing a policy good practices tip sheet.
Increasing access to finance

- Reducing gender-based barriers in the business environment
- Creating opportunities to improve working conditions for female employees, market segmentation, and inclusion of women in community relationships
- Supporting business skills and financial capability trainings for women
- Building the business case for equal economic opportunities for men and women
Policy recommendations to improve A2F of female entrepreneurs

1. Support policy reform and regulations to improve the business environment for female-led MSMEs

2. Boost financial education and management capabilities of female entrepreneurs

3. Provide advisory services to financial institutions to operationalize business case for serving female-led MSMEs

4. Develop dedicated support programs aimed at expanding supply of credit for female-led MSMEs

5. Address social constraints that limit women’s ability to lead and grow MSMEs

6. Continue to address data gaps

Source: Promoting Women’s Access to Economic Opportunities in the Western Balkans Building the Evidence  PPT
Norms can be changed

Informational interventions (targeting men):

• In Riyadh, Saudi Arabia, “information about other men’s positive attitude toward women’s employment impacts the willingness of men to let their wives join the labor force.”
• Joint couple training to promote gender equality (Ghana)

Edutainment to change norms and perceptions around women’s labor force participation and/or to present positive role models against violence

Private sector strategies to change norms in companies through corporate commitments e.g. endorsement of Women’s Empowerment Principles, WEF Gender Parity Task Force

Increase women in male dominated sectors

• Providing information on the earnings opportunities in male-concentrated sectors.
• In Kenya: info exposure (expected earnings and a video of female mechanics) increases women’s preference by nine percentage points
• Exposure through apprenticeships and by including male mentors
Norms can be changed: FYR Macedonia ‘Yes You Can’

Program on Socio-emotional skills

- The program worked through teachers and directly with students to promote a change in attitudes and beliefs about:
  - Effort and Grit (perseverance)
  - Self-efficacy
- All students saw a positive increase in their socio-emotional skills
- Teachers, after a one day training, also reported change in beliefs on the value of effort and their role in incentivizing it
- The program had a positive impact in the grades of one specific sub-group: Roma students, who were especially targeted with anti-stereotype messages.

- Gains in grades among Roma students are equivalent to 2 full weeks of schooling.
- The intervention was very cost-effective, about $18 per student in the short run (including design costs), to $10 per student in the long run, for changes in grades, and less than half of that for changes in beliefs.

Source: Promoting Women’s Access to Economic Opportunities in the Western Balkans Building the Evidence PPT
Legal and regulatory reforms have made significant progress in ECA

- One economy in ECA has received an overall score of 100 in the WBL index: Latvia.

- Of the 40 economies worldwide with scores higher than 90, nine are in ECA.

- Mobility and Assets are the top scoring indicators among Europe and Central Asia economies, signifying that women in the region have freedom of movement and equal property rights compared to men.

- Over the last two years, Women, Business and the Law captured five reforms toward gender equality in Europe and Central Asia.
  - Armenia enacted legislation protecting women from domestic violence.
  - Cyprus introduced 10 days of paid paternity leave.
  - Georgia made access to credit easier for women by prohibiting gender-based discrimination in access to financial services. Georgia also enacted civil remedies for sexual harassment in employment.
  - Moldova lifted restrictions on women’s ability to hold jobs deemed dangerous. It also eliminated restrictions on women’s ability to work in certain industries. Now, such restrictions are limited to women who are pregnant, nursing or postpartum.
Despite progress, more work to be done

- **Pay**: Economies in Europe and Central Asia have the longest lists of jobs prohibited for women. In 13 of the 25 economies in the region, women cannot work in the same industries as men.

- **Parenthood**: Twelve economies do not mandate paid paternity leave. Similarly, 10 do not mandate any paid parental leave.

- **Pension**: In 19 economies, the ages at which men and women can retire with full pension benefits is unequal. However, many economies are gradually increasing and equalizing retirement ages.

Two of the three negative reforms captured by WBL 2020 took place in ECA. Both were in the area of Pension.

- Bosnia and Herzegovina adopted a new law that allows women and men to retire with partial benefits at ages 56 and 61 respectively. The ages are set to equalize in 2026.

- Moldova introduced different mandatory retirement ages for women and men. Employers may now terminate the contracts of women at age 58 and 6 months and of men at age 63. The ages are set to equalize in 2028.
Exercise caution with policy tradeoffs

• Reducing child poverty in Poland with steep marginal tax rates due to the benefit withdrawal rules disincentivized women working.

• Mandating pay transparency to address gender pay gaps might compress wage gaps but not raise women’s wages (recent evidence from Denmark).

• The design of parental leave and uptake by fathers may increase labor market gaps.

• Such examples highlights the need for complementary reforms (especially in child care) and engaging men.
Spotlight: Emerging Innovations in ECA

**WB: Promoting women’s employment through procurement processes**
In Albania, less than 5 percent of employed women work in construction. The **Albania Regional and Local Roads Connectivity Project** ($50m.) promoted women’s employment in the construction industry by requiring bidders to submit an action plan articulating steps to promote women’s employment. Based on this successful initiative, the **WB’s first ever Gender DPL in Albania** will support the Albania Public Procurement Agency to enforce mechanisms for non-discrimination in all public bids and define a code of conduct as part of the 2020 labor code reform.

**IFC: Using bonds to finance women-owned enterprises**
In Turkey, IFC launched a **$75 million gender bond issued by GarantiBank**. This was the first private sector gender bond in emerging markets dedicated to financing enterprises and companies owned or managed by women. All financing raised through the issue is earmarked for on-lending to GarantiBank’s women-owned small businesses.