

Economic Benefits of Gender Equality and Women Empowerment in the WB6

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Better.
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Outline

1. **RCC Women Economic Empowerment (WEE) Agenda**
2. **The current situation of women empowerment in the Western Balkan six (WB6)**
3. **Future prospects of women empowerment, economic benefits, and the Women Empowerment Index**
4. **Policy Recommendations**



WEE Agenda

- Common Regional Market Action Plan 2021-2024;
- RCC-UNDP Initiative on Women Economic Empowerment - Areas for Joint Actions in the WB;
 - Study on “Economic Benefits of Gender Equality and Women Empowerment in the WB6”;
 - Study on “Mapping of gender-related policies, programmes and mechanisms on gender disparity in STEM in WB”;
 - Regional Network of Women in STEM.

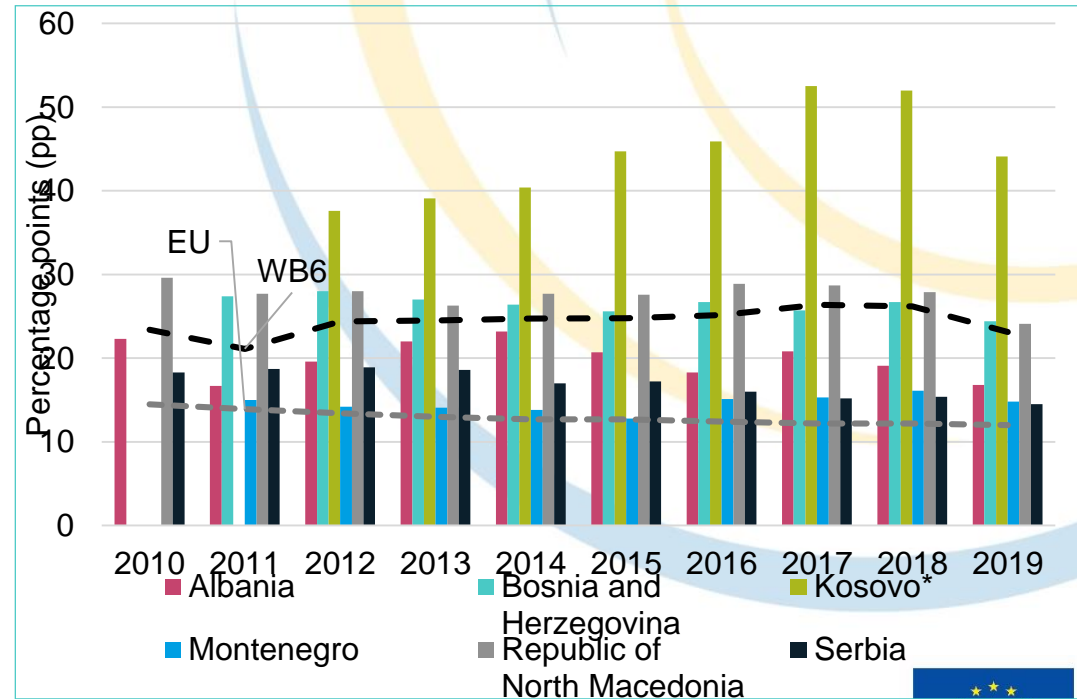


The current situation of women empowerment in the WB6



1. Work - Labour force participation

- There has been little change in the gender participation gap over time.
- There has been some improvement in female labour force participation in most regions, but male participation rate growth has outperformed women's.

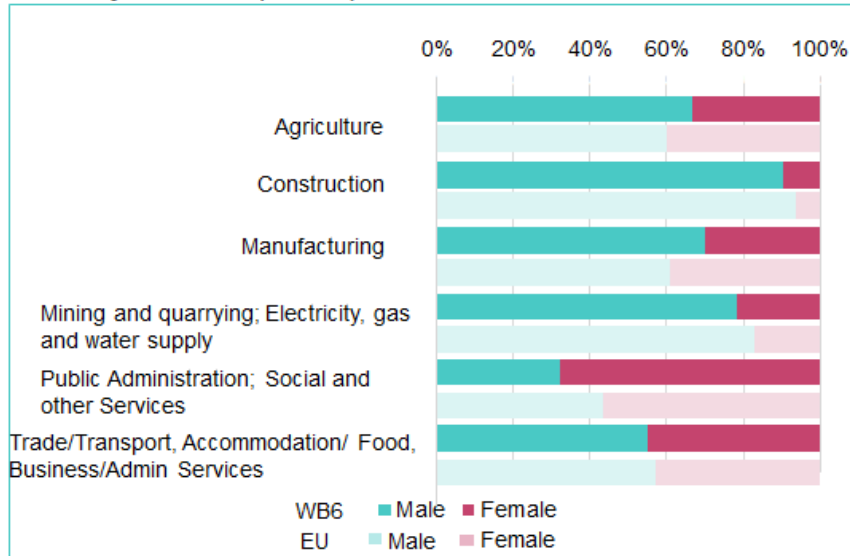


Source(s): Eurostat (LFSA_ARGAN); Agency for Statistics of Bosnia and Herzegovina (2020); ILO (EAP_2WAP_SEX_AGE_RT_A).



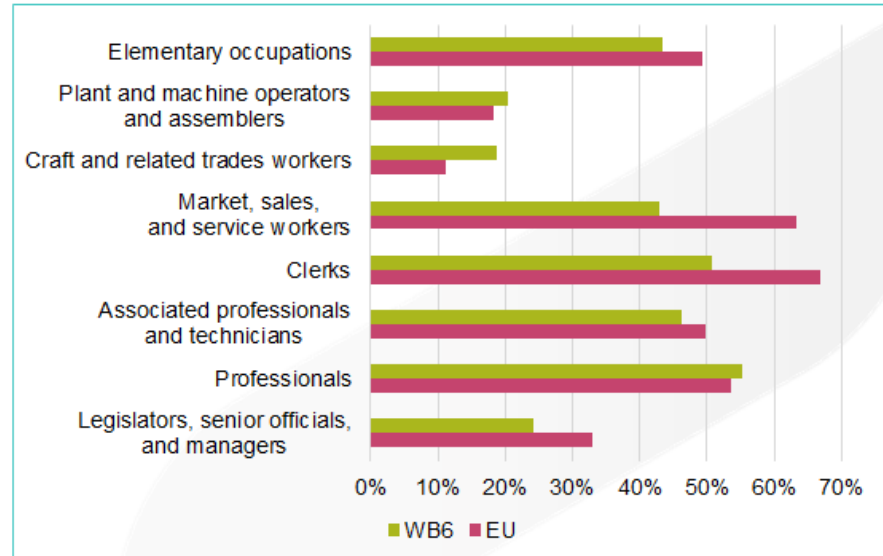
2. Work - Gender Segregation

By sector (2019)



Source(s): Eurostat (LFSA_EGAN2); ILO ([EMP_2EMP_SEX_ECO_NB_A), ASK (Economic activity by sex).

By occupation (2014-19)



Source(s): Eurostat (LFSA_EGAIS); ILO (EMP_TEMP_SEX_OCUC_MTS_NB_A); ASK (Employment by occupation and gender).



3. Money - Pay Gap

- Gender segregation in the labour market is one of the driving forces behind the gender pay gap.
- There is much variation by occupation.

| Gender pay gap in WB6, by occupation | 2014 |
|---|------------|
| Craft and related trades workers | 27% |
| Plant and machine operators, and assemblers | 25% |
| Elementary occupations | 20% |
| Service and sales workers | 17% |
| Professionals | 14% |
| Technicians and associate professionals | 13% |
| Managers | 8% |
| Clerical support workers | 2% |
| Total | 16% |

Source(s): ILO (EAR_4MTH_SEX_OCU_CUR_NB_A).

| Gender pay gap (unadjusted) | 2018 |
|-----------------------------|-------|
| Albania | 10.7% |
| Bosnia and Herzegovina | N/A |
| Kosovo* | 9.8% |
| Montenegro | N/A |
| Republic of North Macedonia | 15.3% |
| Serbia | 9.6% |
| EU | 14.1% |

Source(s): Eurostat (EARN_GR_GPGR2); Makstat (2019).



4. Knowledge - Transition to work

- ❑ The rate of early leavers from education in the WB6 shows little difference between men and women and these rates are lower than in the EU:
 - ❑ Over the period 2015-19, in the WB region, around 8.8% of women and 8.7% of men were leaving education before attaining at most a lower secondary education level.
 - ❑ This compares favorably to 12.9% of men and 8.9% of women being early leavers from education, on average, in the EU.

- ❑ In tertiary education, women account for a higher proportion of students than men. These proportions often remain high in STEM subjects.

- ❑ Gender gaps in digital skills are relatively narrow in the WB6 economies but, overall, the level of digital skills in the region is below that in the EU.

- ❑ A comparison of PISA results for mathematics performance for the WB6 economies between 2015 and 2018 shows that girls outperform boys in North Macedonia and Albania in both years - though WB6 economies perform below OECD average.

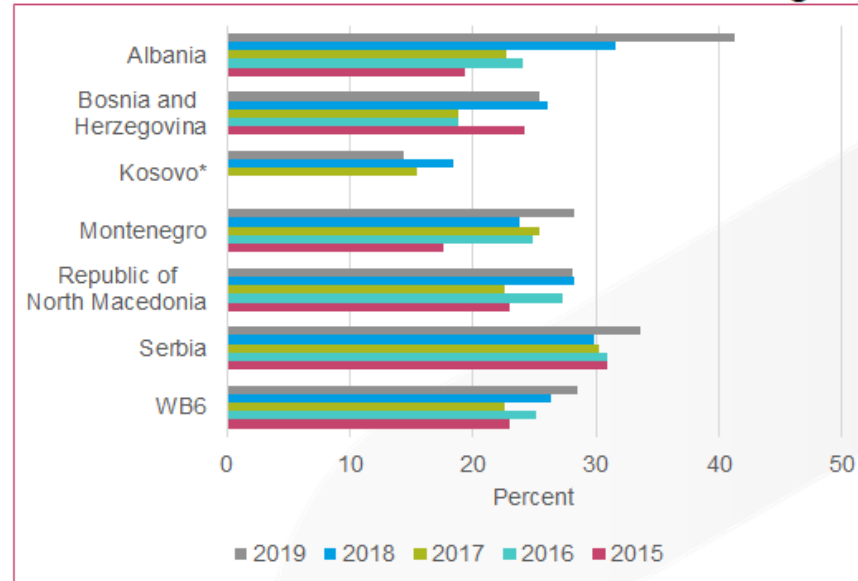
- ❑ Over the period 2015-19, employment outcomes for recent graduates have improved for both genders across WB6 economies (for which data were available), as well as in the EU.



5. Women in decision-making positions

- High education levels in women do not automatically translate into high/equal shares in decision-making positions.
- This low female representation in decision-making positions is one factor behind the gender pay gap.

Share of women in middle and senior management

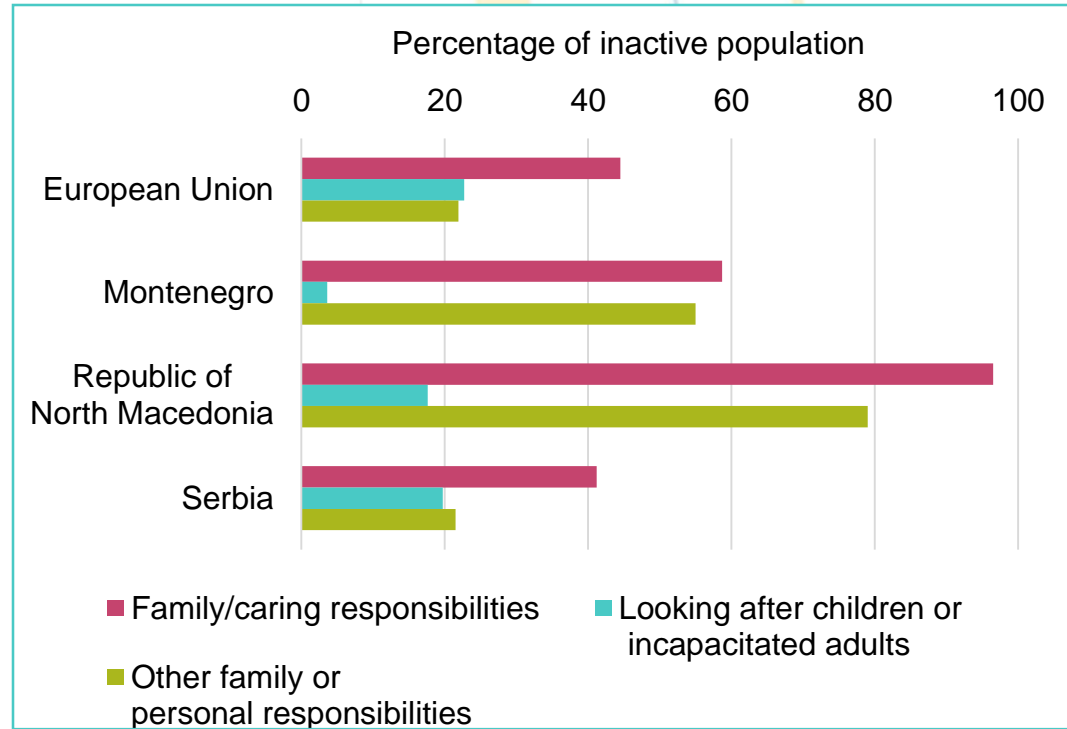


Source(s): ILO (SDG_0552_OCU_RT_A).



6. Time in care activities

- Caring responsibilities are an important barrier for women to enter the labour market.
- The Covid-19 pandemic might hinder further improvement of the gender equality.



Source: Eurostat (LFSA_IGAR).

Future prospects of women empowerment, economic benefits and the Women Empowerment Index (WEI)



The impact of Covid-19

- The Covid-19 pandemic has affected female labour market participation, putting at risk the improvement in gender participation and employment gaps.
- Women are more likely than men to have moved from employment to inactivity rather than from employment to unemployment.
- The improvement in employment gender gaps between 2019Q2 and 2020Q2 is mostly driven by loss in male employment.

Covid-19 impact on employment rates by gender (%)

| | 2019 Q1 | | 2019 Q2 | | 2020 Q1 | | 2020 Q2 | | 2019Q2-2020Q2 | 2020Q1-2020Q2 |
|-----------------------------|---------|------|---------|------|---------|------|---------|------|---------------|---------------|
| | M | F | M | F | M | F | M | F | Δ gap | Δ gap |
| Albania | 67.4 | 53.3 | 68.4 | 54.6 | 68.7 | 54.2 | 66.2 | 53.2 | -1pp | -2pp |
| Bosnia and Herzegovina | N/A | N/A | N/A | N/A | 59.6 | 35.9 | 60.1 | 36.3 | N/A | N/A |
| Kosovo* | 43.0 | 13.3 | 45.9 | 13.7 | 44.0 | 14.1 | 36.2 | 12.1 | -8pp | -6pp |
| Montenegro | 61.0 | 48.0 | 64.5 | 49.3 | 59.6 | 49.1 | 56.4 | 46.0 | -5pp | 0 |
| Republic of North Macedonia | 63.2 | 44.4 | 64.9 | 43.6 | 64.9 | 46.1 | 63.3 | 45.4 | -3pp | -1pp |
| Serbia | 64.0 | 53.4 | 67.5 | 54.3 | 66.1 | 55.3 | 66.6 | 53.7 | 0pp | 2pp |
| EU | 72.9 | 62.4 | 73.8 | 63.2 | 73.2 | 62.8 | 72.1 | 61.8 | 0pp | 0pp |
| WB6 (excl. BiH and KOS*) | 63.9 | 49.8 | 66.3 | 50.5 | 64.8 | 51.2 | 63.1 | 49.6 | -2pp | 0pp |

Source(s): Eurostat (LFSQ_ERGAED); Instat Albania (Labour Force Survey, Employment Rate); Kosovo* Agency of Statistics (Number of employed people and employment rate); Regional Cooperation Council (Employment rate).



The impact of automation

- The progress toward gender parity in the area of work could be at risk by megatrends such as automation.
- Women and men face a similar scale of potential job losses and gains, but in different occupations or sectors.
- In the WB6, women have a high share of the employment in occupations with high automation potential due to high levels of routine cognitive work (e.g. clerks).
- At the same time, women are well represented in sectors such as healthcare and social assistance, with low automation potential.

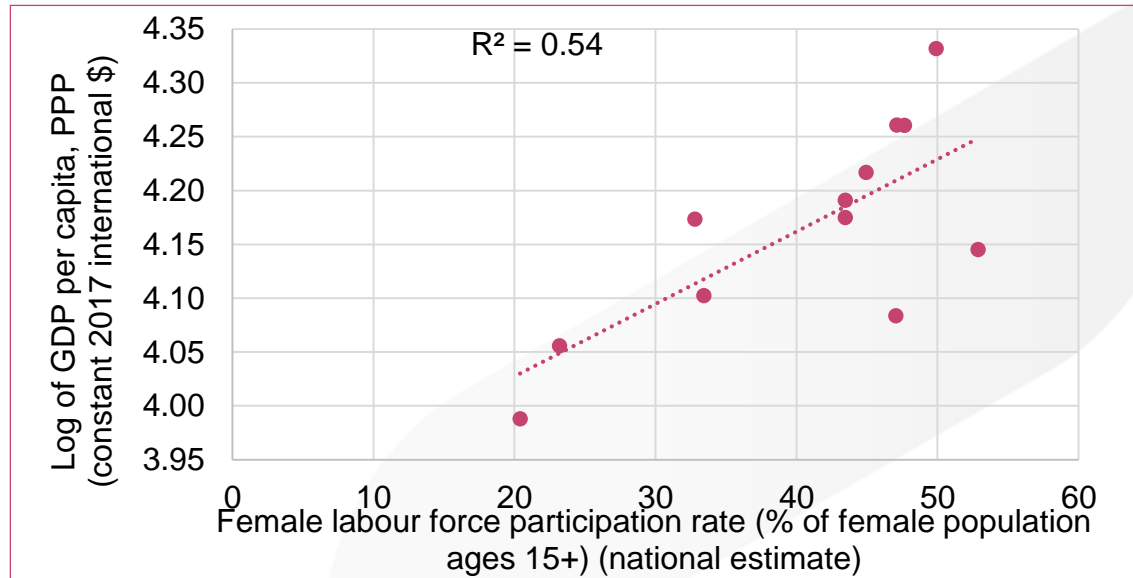




The economic benefits of women empowerment

- A positive relationship between female labour participation and GDP per capita exists.
- Two scenarios:
 - **Rapid progress**
 - assuming a higher rate of implementation of additional gender equality measures.
 - **Slow progress**
 - assuming a slower rate of implementation of additional gender equality measures.

Female labour participation vs. economic development, 2015 and 2019



Source: World Bank WDI database



GDP per capita rises...

- Raising female labour participation to close the participation rate gap will increase labour supply as a result of additional women entering the labour force.
- An increase in the labour supply will, in turn, increase the productive capacity of the WB6 economies.

... when reducing the gender participation gap

| | Female labour force participation rates | | GDP per capita | |
|-------------------------------|--|---|--|---|
| | % difference from Baseline Slow progress 2035 | % difference from Baseline Rapid progress 2035 | % difference from Baseline Slow progress 2035 | % difference from Baseline Rapid progress 2035 |
| Albania | 2.5 | 5.0 | 0.4 | 0.8 |
| Bosnia and Herzegovina | 10.8 | 21.5 | 1.5 | 3.3 |
| Kosovo* | 14.5 | 36.4 | 2.1 | 5.6 |
| Montenegro | 4.7 | 9.3 | 0.7 | 1.4 |
| North Macedonia | 6.6 | 13.1 | 0.9 | 2.0 |
| Serbia | 2.0 | 4.0 | 0.3 | 0.6 |
| WB6 | 5.0 | 10.0 | 0.7 | 1.5 |

Source(s): Cambridge Econometrics calculations.



GDP per capita rises...

- Raising female gross hourly earnings to close the gender pay gap will increase labour costs.
 - An increase in income levels will, in turn, increase consumption in the WB6 economies.
- The estimates of future changes in the gender pay gap, by economy, are based on assumptions to 2035 about the effectiveness of gender equality measures to reduce it.
- The impact of a reduction in gender pay gap on GDP is lower because there are offsetting effects between higher incomes and higher labour costs.

... when reducing the gender pay gap

| WB6 | % difference from Baseline Slow progress 2035 | % difference from Baseline Rapid progress 2035 |
|----------------|---|---|
| Gender pay gap | 1.5 pp | 4 pp |
| GDP per capita | 0.04 | 0.13 |

Source: Cambridge Econometrics calculations.



Women Empowerment Index (WEI)

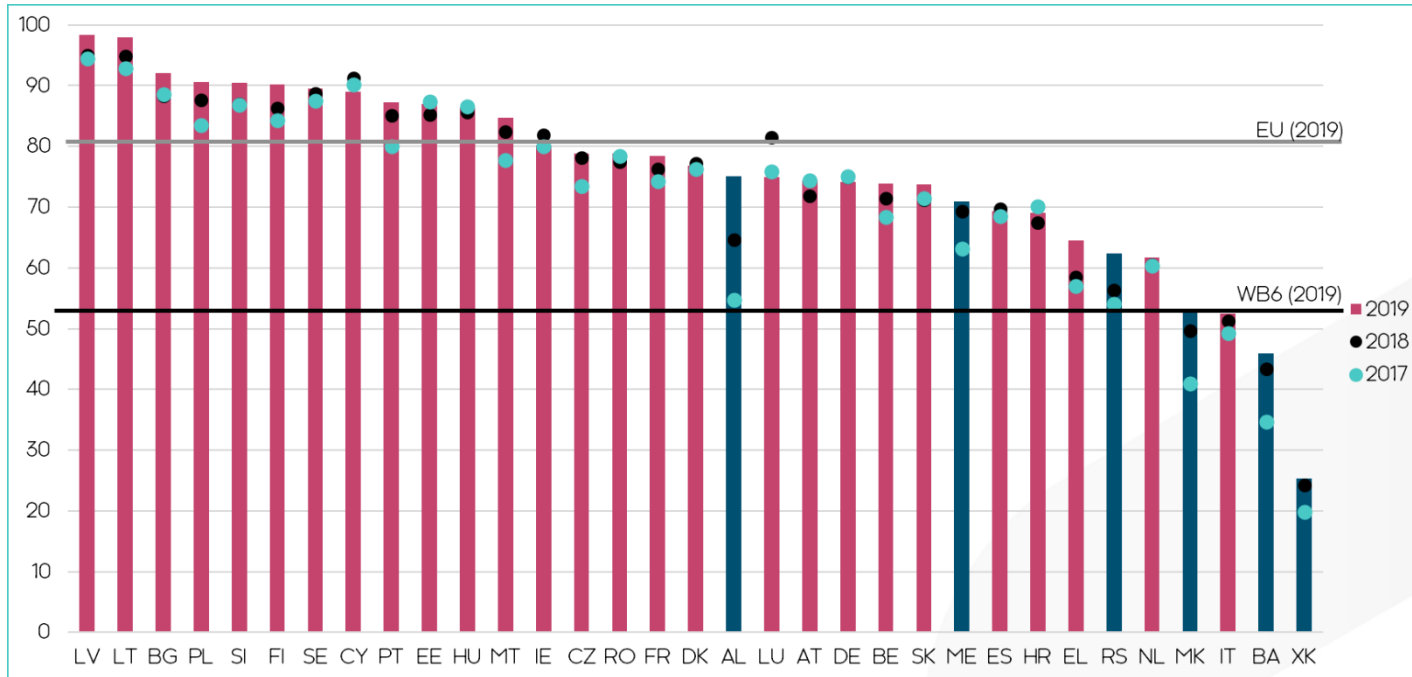
- The long-term opportunity and challenge for the WB6 economies lies in improving the economic empowerment of women.
- The Women Empowerment Index (WEI) measures the performance of WB6 and EU economies in terms of the economic empowerment of women.
- Results of this index are driven by the gender employment gap and the share of women in middle/senior management.
- Progress has been made in all WB6 economies between 2017-19.

| WB6 Economy | Index score (2017) | Rank (2017) | Index score (2019) | Rank (2019) |
|-----------------------------|--------------------|-------------|--------------------|-------------|
| Albania | 54.8 | #28 | 75.1 | #18 |
| Montenegro | 63.1 | #25 | 70.9 | #24 |
| Serbia | 54.2 | #29 | 62.4 | #28 |
| Republic of North Macedonia | 41.0 | #31 | 53.0 | #30 |
| Bosnia and Herzegovina | 34.6 | #32 | 45.9 | #32 |
| Kosovo* | 19.8 | #33 | 25.4 | #33 |

Source: Cambridge Econometrics calculations.



Women Empowerment Index



Source: Cambridge Econometrics calculations.

Policy Recommendations



1. Comprehensiveness of policy approach and institutions

Policy trends and challenges

All WB6 economies have made efforts to set up relevant institutions and introduce coordination and gender-responsive budgeting mechanisms. Coordination and gender mainstreaming needs to be perceived as permanent task.

Recommendations

Systematically scrutinise laws, regulations of institutions and policy measures in terms of their impact on women's access to employment and quality of employment, including career progression.

Ensure sustainable financing of measures. Regularly monitor the implementation of measures and policies of different ministries and stakeholders aimed at promoting economic empowerment of women.

Regularly calculate the women empowerment index, the gender pay gap, adjusted for hours worked and differentiated by occupational group and sector, gender segregation of employment.



2. Legal framework against discrimination

Policy trends and challenges

WB6 economies have made some progress to improve antidiscrimination legislation, but implementation mechanisms have not improved sufficiently.

Recommendations

Mechanisms need to be in place to support the implementation of the law and women need to be aware of their rights, which is often not the case in WB6 economies.

Raise awareness about all forms of gender discrimination targeted at employers, the chambers of commerce, social partners, education institutions, labour inspectorates, and legal institutions.

Strengthen institutional capacities to effectively implement the legal framework in particular in Bosnia and Herzegovina and Kosovo*.



3. Reconciling work and family life

Policy trends and challenges

Insufficient access to affordable and quality child care and elderly care is a major employment barrier for women. It varies across the economies, and between rural and urban areas. There is a link between higher female employment rate and access to family care in WB6 (as in the EU and OECD). Possibilities for fathers to take parental leave have been introduced in some economies, but take-up could be higher.

Recommendations

Continue to expand access to affordable and quality childcare; monitor attendance rate of children of all age (including pupils), expand child care in rural areas, monitor quality of education.

Implement gender-sensitive pedagogical concepts.

Expand affordable and quality elderly care.

Avoid disincentives for employers to employ young woman and improve employment protection for pregnant women.

Encourage fathers to take parental leave.

Promote the implementation of flexible working time schemes.



4. Lengthening working lives

Policy trends and challenges

Long periods of inactivity of women enhance the risk of poverty.
There is an important gender gap in the retirement age, with women retiring at younger ages than men.
Employment rates of older workers are lower than for prime age workers.

Recommendations

Narrow the gender gap in retirement age, by raising the statutory retirement age of women.

Implement policies that allow combining work and pensions.

Support labour market access after a career break, implement measures to reduce undesired extended career breaks.

Promote employment of older workers outside the agricultural sector and further reduce age discrimination.



5. Human Capital Development

| Policy trends and challenges | Recommendations |
|--|--|
| <p>Enrolment of young women in tertiary education has increased substantially but middle-aged and older women have mostly a low level of educational attainment.</p> | <p>Increase further the educational level of women, in particular of young people from disadvantaged socio-economic backgrounds.</p> |
| | <p>Develop and implement vocational guidance in order to attract more young women into STEM and young men into female-dominated occupations both at university and VET institutions.</p> |
| | <p>Implement remedial education and upskilling programmes for middle-aged and older women.</p> |
| | <p>Improve the quality of education by revising curricula and textbooks to overcome gender segregation and Increase digital skills for both girls and boys.</p> |



6. Promote Entrepreneurship

Policy trends and challenges

WB6 economies have implemented entrepreneurship programmes for women, but at a low scale. The gender gap in entrepreneurship is still large.

Recommendations

Scale up programmes to support women's entrepreneurship.

Encourage and support women in rural areas to make investments to increase productivity and diversify supply and supply chains.

Implement enforcement of women's property rights.

Provide advisory services to financial institutions in order to improve credit risk assessment, develop new products, and expand services to female-led micro enterprises and SMEs.

Initiate and coordinate mentorship programmes for women.

Improve reporting of gender-disaggregated data on entrepreneurship and land property.



7. Active Labour Market Programmes

Policy trends and challenges

WB6 economies have mostly adequately targeted active labour market programmes at women, including from rural area and women with a low skills level. However, budgets for ALMPs remain very low, Public Employment Services remains understaffed and related social services have poor capacities.

Recommendations

Intensify efforts to reach out to inactive and informally employed women, and to place women into formal employment.

Significantly increase budgets for upskilling mid-level and low-skilled unemployed adults.

Provide upskilling for women returning to the labour market.

Increase regional mobility by providing transportation support to unemployed women if they take up employment (e.g. in the form of vouchers).

Implement a gender dimension in employment strategies for disadvantaged groups (e.g. Roma).

Develop and implement dedicated start-up programmes.

Strengthen capacities of social services at local level and cooperation between social end employment services.





Thank you!

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