

# **Win-Win: How wo(men) can benefit Central and Eastern Europe in the post-COVID-19 recovery**

## **POLICY PAPER**

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### **Introduction**

Women represent half of the world's population and thus half of the world's economic potential. Gender equality is a fundamental human right, but also a necessary foundation for the establishment of peaceful societies with sustainable development. In this context, the empowerment of women and the strengthening of their rights positively and effectively benefit productivity and economic growth.

However, despite this demonstration of the positive impact of gender equality, much remains to be done to achieve full equality of rights between men and women. UN-Women, the United Nations entity, recalls that in 2021, no country has so far achieved gender equality, including the G7 countries with the highest incomes. The health crisis and its impact on economies has only increased these gender inequalities.

### **The post-COVID 19 world: an international setback in gender equality**

According to the World Economic Forum's Global Gender Gap Report<sup>1</sup>, as the impact of the COVID-19 pandemic continues to be felt, the narrowing of the global gender gap has increased by one generation, from 99.5 years to 135.6 years. The impact of the COVID-19 crisis on the situation and the rights of girls and women has shown the consequences that a pandemic can have on women in terms of health, an upsurge in domestic violence and social, economic fractures. The COVID-19 crisis has therefore had a greater impact on women globally.

The consequences of the pandemic in terms of reduced activity and job loss are particularly severe for women. The annual report of the ILO and the OECD<sup>2</sup> shows that if women were at the forefront of the COVID-19 crisis, notably as workers in essential sectors, they were the first victims of the crisis. Globally and in all regions and income groups of countries, women have been more affected than men by job losses. Globally, ILO modeled estimates suggest that job loss for women was 5.0 percent in 2020, compared to 3.9 percent for men.

### **The Generation Equality Forum: a new momentum for gender equality at global level**

During the Generation Equality Forum Paris<sup>3</sup>, French President Emmanuel Macron pleaded for an "equal economic recovery" against an "anti-feminist virus" and announcing the establishment of a global equality fund and a global acceleration plan, a global roadmap for gender equality that aims to deliver on the promise of the Beijing Conference Agenda for Gender Equality and achieve the Sustainable Development Goals.

This event organized by UN Women and co-chaired by France and Mexico, in partnership with civil society, is a major global inflection point for gender equality. The Forum launched a 5-year course of action to achieve irreversible progress towards gender equality, based on a series of concrete, ambitious and transformative actions, including \$ 40 billion in financial commitments.

There is thus an arsenal of mechanisms at global level which assumes that gender equality is a crucial issue for economic recovery. It is therefore up to CEE countries in search of winning solutions for their growth to use them as tools to obtain results at national, regional or local level.

### **Globsec Tatra Summit 2021: A call to make gender equality the engine of post-pandemic economic growth**

The 10th edition of the Globsec Tatra Summit focused on the geopolitical, economic issues of the post-pandemic world. The focus group on the question of the economic contribution of women and men in CEE countries set out to work on the economic challenges and opportunities linked to the issue of gender equality in CEE countries.

The work and the reflection were made around GLOBSEC's Report on *Absent Voices: Missing the Female Perspectives in CEE*<sup>4</sup>, the McKinsey report *Win-win: How empowering women can benefit Central and Eastern Europe*<sup>5</sup>, but also around the expertise and experiences of the participants.

The McKinsey study and its key figures clearly illustrate the existence of a divestment in the economic potential of women and a glass ceiling for women harmful to the economies of CEE countries. According to the study, women represent 52% of the overall population in the seven Central and Eastern European countries analyzed and more than 60% of university graduates. Yet they represent only 45 percent of the working population. Moreover, according to the same study, although women make up over 60 percent of university graduates in CEE countries, only around 37 percent of all managers are women. Women occupy about one-fifth of managerial positions and 8 percent of CEO positions, 44% of leading companies in Central and Eastern Europe do not have a single woman in a managerial position.

This situation is counterproductive because the study reveals on the one hand that the managerial skills of women and their skills are indisputable. On the other hand, by investing sustainably in better integration of women into the labor market, the region, which currently has 630,000 job offers in its constituent countries, could easily overcome this problem with the 2.5 million women likely to join the labor market if the countries of Central and Eastern Europe made efforts to bridge gender inequalities.

### **She-Cession Vs. CEEHer**

These data enabled us to engage in a discussion on the issue of competitiveness and economic growth. The pandemic has accentuated gender inequalities, and many recent studies from the IMF have argued that the crisis is causing a “she-cession”<sup>6</sup> where women’s labor market outcomes and prospects have deteriorated disproportionately.

But at the same time this “she-cession” offers us immense opportunities. This crisis can and must push CEE countries to understand how women's rights and gender equality are a real lever for transformation and innovation. At a time when we have to invent a new system and a new model of society, gender equality unlocks immense potential. It pushes us to question our ways of thinking, producing, doing, consuming. Fighting stereotypes, defending parity and women's rights are all future investments that transform and empower society as a whole.

In the absence of women, companies are deprived of untapped talent and huge profits. Tackling gender inequalities is a necessity, but seeing the economic potential resulting from gender diversity, a more meaningful inclusion of women in management teams are imperatives in terms of economic performance.

The McKinsey report found that stepping up efforts to close the gender gap in CEE could unlock as much as €146 billion in annual GDP by 2030 (Exhibit 1)—an 8 percent increase over a business-as-usual scenario. This could put the region squarely back on a path to dynamic growth following the COVID-19 pandemic.

Governments, employers and workers should come together, imagine and coordinate urgent, sustainable actions and gender sensitive policy responses to rebuild a better future for women and

men in CEE countries. There are many avenues for building this winning equality for the economy: Dialogue, consultation and collaboration between governments, workers and employers and their representatives, the main thing is to put in place responses that must be effective and sustainable.

CEE countries can take advantage of this global momentum for equality instilled at the Generation Equality Forum and use it as a new axis to stimulate the potential of women and men in the labor market but also their economic development. We are facing a **She-cession**, a recession that affects women more aggressively, the answers must therefore be in an approach on the common **CEE-her**, to restore visibility, power, leadership, to women in order to boost Economic Growth.

Participation of women in the economic and political sphere is not linked to a question of ambition, nor of capacity or skills but to cultural and structural brakes which slow down the affirmation of women's leadership. Therefore, if women are ready and if the economy would benefit from seeing them assert themselves and flourish in all spheres, how to make this ambition a reality now and without delay?

**Act now: CEE countries can take the leadership of gender equality for a winning economy.**

Changing the dominant paradigm during the post-COVID-19 period and rebuilding a better future for all women is not only a common wish, it is also a collective imperative for the success of men and women. CEE countries have the knowledge, skills and resources to be successful.

The measures taken on the basis of a voluntary approach have so far produced limited results. What about establishment of quotas, sanctions or more restrictive measures? The implementation of constrained and imposed measures for all CEE countries should be considered. These measures do not provide complete answers to gender inequalities, but they have shown their effectiveness in terms of correcting the structural obstacles that persist.

Opening of a social dialogue within CEE countries in order to take a new course removing the cultural barriers, can be another step forward in the region. It is not about excluding, polarizing or creating tensions within societies but adopting an inclusive, effective and sustainable approach based on multidimensional actions.

The roadmap for gender equality for CEE countries must be based on reforms of the legal framework, policies aimed at promoting equal access to the labor market, individual responsibility, but above all on collective efforts to fight entrenched social norms. To succeed, it is necessary to change the negative view around the gender equality and place it at the same level as new trends, winning solutions for a sustainable economic future such as digitization or the fight against climate change.

These recommendations are key avenues for work to be shared, which public and private sector organizations in CEE countries can use to:

- ❖ **Affirm** gender equality as a winning solution for economic growth and a development policy in its own right
- ❖ **Communicate** on tools and good practices and guarantee equal access to the labor market.
- ❖ **Evaluate** the systems already in place in CEE countries.
- ❖ **Modernize** the action of CEE countries in favor of gender equality.
- ❖ **Work together** to provide equal economic opportunities for women and men.
- ❖ **Win** and succeed in taking a new course for economic and sustainable growth.

## Recommendations

### 1- Equality at the center. Engage in a central dialogue on the issue of gender equality.

- Make the issue of equality central by opening a public debate and social dialogue on this issue, avoiding any polarization or exclusion, but based on pragmatism, inclusion and civic participation.

- Define a government strategy for equality, action plans, priorities, timelines, objectives, expected results and /or targets, and effective policy planning in public institutions to promote gender equality.
- Support measures with information and awareness campaigns on the issue of gender equality.
- Engage relevant government and non-government stakeholders to ensure comprehensive coverage of gender issues.
- Adopt a dual approach to reduce equality gaps through both gender mainstreaming and specific targeted actions to promote gender equality.

## **2- Integrate issues of equality between women and men in all policies and measures of CEE countries.**

- Ensure the exemplary nature of the State in matters of gender equality.
- Adopt public policies that systematically take into account the impact on gender in a transversal manner, relying in particular on the framework.
- Encourage the development of investment targeting gender equality policies.
- Encourage companies, in which the State is a partner, to act more for gender equality with a national label for gender equality.
- Eliminate discriminatory laws against women.

## **3 - Tackle the origins. Fight against stereotypes from an early age by encouraging professional diversity and gender equality in education.**

- Strengthen awareness and the fight against stereotypes in childcare places (from 0 to 3 years old) up to higher education.
- Develop specific attention to this issue in terms of guidance in the choice of studies.
- Ensure gender diversity within schools, among teaching and educational staff and the training of teaching and educational staff in the fight against gender stereotypes.
- Integrate more strongly into international campaigns encouraging girls to opt for STEM (Science, Technology, Engineering, Mathematics) training. These sectors generally have difficulty attracting female talent.

## **4 - Establish training for equality between women and men, throughout life and in all sectors.**

- Ensure that all employees receive in-depth training on company policies and practices on gender equality and the empowerment of women.
- Invest in training in new technologies for all female employees and even those in non-technology-related jobs to give them the qualifications and skills necessary to take on new roles within the company.
- Establish a mentoring program and engage female employees as mentors to create a strong inclusive culture.

## **5- Guarantee the leadership of women and promote their access to responsibilities in their professional careers.**

- Ensure that all policies, strategies and programs, including recruitment, and promotion, support women of diverse backgrounds and abilities.
- Implement a fair recruitment process to encourage the emergence of a pool of highly qualified and diverse talent.
- Make a lasting change in corporate culture and move towards a culture of inclusion by including gender equality in the organization's strategy and on the agenda of management bodies (executive committees and committees of management).
- Advance gender diversity in boards of directors and governing bodies
- Set precise and transparent criteria in terms of equal pay.

## **6 - Women in Politics - Ensuring a balanced participation of women and men in political decision-making.**

- Mobilize for greater participation of women in government at all levels, as well as in parliaments, justice systems and other public institutions.

- Incorporate political commitment at the highest level to promote gender equality in public life by developing a comprehensive framework to encourage balanced representation of women and men in public decision-making positions.
- Consider regulatory measures to promote gender diversity in parliamentary and executive assemblies, including parliamentary committees and leadership positions.
- Integrate work-life balance and family-friendly work practices at the highest level in public institutions and promote gender-sensitive working conditions, for example by revising internal procedures of public institutions, reconsidering traditional working hours.
- Facilitate opportunities for leadership development, mentoring, networking and other training programs in public institutions, promoting female role models in public life and encouraging 'active engagement of men in promoting gender equality.
- Monitor the gender balance in public institutions, including in leadership positions and groups, through regular data collection.

### **7 - Women means Good Business - Supporting women entrepreneurs.**

- Invest in businesses run by women to limit obstacles to finding funding and investors.
- Develop entrepreneurship training programs accessible to women of diverse backgrounds.
- Support networking initiatives for more women in technology, or incubators to promote female entrepreneurship.
- Support women-led businesses by buying, sourcing from women entrepreneurs.
- Include women in marketing and campaign development to combat stereotypes.
- Ensure that women and girls play a greater role in the design of products and services to better meet their needs.
- Provide incentives to banks to promote financial access for women.

### **8 - Leadership and Diversity - Highlight the diversity of leadership and management style.**

- Encourage diverse visions of ambition.
- Fight against negative representations of women leaders.
- Diversify leadership models by highlighting varied management styles.
- Establish induction or other training activities for men and women to increase awareness on gender and diversity issues

### **9- Make initiatives for equality in the public and private sector more visible.**

- Monitor and report on the impact of gender equality policies, action plans and measures.
- Improve accountability for commitments made and ensure progress and results.
- Collect reliable and measurable data to highlight gender inequalities within organizations and encourage business partners and suppliers to do the same.
- Publicize information on progress and leverage this information for informed planning and decision-making.

### **10 - CEE societies for Gender Equality - Support positive work undertaken by civil society.**

- Promote intersectional partnerships between civil society, government organizations and the private sector.
- Collaborate with women and girls in civil society to address the root causes of inequalities in the economy.
- Establish partnerships with women-led organizations to support women's empowerment, safety and well-being.
- Promote the work of organizations, civil society initiatives that participate in a better economic inclusion of women at national, regional or local level.

### **11 - Allyship - Male Allies for Gender Equality and Economic growth.**

- Support men engaged for gender equality and initiatives with male allies engaging with youth to shift thinking on gender.
- Holding fellow male leaders to account for gender equality commitments made in party platforms and during electoral campaigns.

- Prioritize gender balance when inviting expert speakers for a meeting or conference, and recommend women when you see a gender gap in a program.
- Encourage women you know to run for election at all levels, mentor and support potential candidates, and ensure your party is proactive in seeking to run a gender-balanced ticket.
- Make space for women to rise to decision-making positions. If you have influence in a situation where a woman is being overlooked for a leadership position, present her qualifications and nominate her.
- Advocating for laws and initiatives that expand women's rights
- Encouraging colleagues to become allies and engage male colleagues in discussions about the benefits of gender equality for the economy.

**12. Support system - Improve the work-life balance to address the gaps between women and men in the labor market.**

- Develop affordable and quality childcare systems adapted to different family structures (single parents, step families etc.) as well as to more flexible forms of work.
- Set up real support towards employment after leaving parental leave.
- Develop training programs especially after childbirth and rearing.
- Provide "long" paid and non-transferable parental leave to fathers.
- Launch communication campaigns to encourage fathers to take leave childcare and generalize parenting support interviews.
- Generalize the provision of space for breastfeeding.
- Invest in digital infrastructure and render it accessible to teleworkers.
- Ensure that clear protocols exist to report and respond to sexual harassment for both parliamentarians and staff.

**13. Feminist Diplomacy and CEE countries.**

- Increase the number of women in leadership positions in diplomacy.
- Promote training, coaching mentoring for more women in Diplomacy and Security.
- Develop a proactive policy for the feminization of appointments.
- Highlight the positive role of the inclusion of women on Peace and Security issues.
- Promote advances in the empowerment and economic inclusion of women as a brand.
- Support international initiatives with UN and ILO like Generation Equality, HeforShe, Women Empowerment Principles, Equal Pay initiative International Coalition.<sup>7</sup>
- Support the global gender norms embodied in United Nations Security Council Resolution 1325 on Women, Peace and Security.
- Commit to ratifying the ILO Convention on Violence and Harassment<sup>8</sup>, the Istanbul Convention, the Council of Europe Convention on preventing and combating violence against women and domestic violence<sup>9</sup>.
- Act in favor of a stable political and social climate for women's rights.

**14. Ensure the safety and protection of the rights of women and men to ensure their wellbeing in the labor market.**

- Develop or amend the code of conduct or ethics to guarantee an equal, harassment-free work environment
- Put in place tools to train people to recognize and react to violence.
- Build an organizational culture that prioritizes flexibility and work-life balance.
- Provide equal access to good quality health care, including as a strategy to improve the recruitment and retention of women.
- Address sexist behavior in everyday life to promote an inclusive corporate culture.
- Support victims of sexual harassment and domestic violence - mitigate the effects help ensure the safety and well-being of all staff.

## Conclusion

The work presented in this paper demonstrates that because women bring new skills, are sources of talents and innovations for the labor market, gender diversity is beneficial to economic growth and productivity. Obstacles linked to the participation of women, gender inequalities are more expensive for the economies of CEE countries than a sustainable investment for a better inclusion of women in the labor market.

Another important point, the various studies cited, all suggest that greater gender diversity is likely to increase men's income. This makes discrimination against women in labor markets not only economically inefficient, but also directly costly for men.

This document illustrates the multitude of steps that can be taken now to advance gender equality in CEE countries and produce the economic growth that accompanies progress in equality. These recommendations have a dual dimension: internal and external to encourage both individual and collective responsibility.

It is necessary to underline the importance of a global strategy of integration of the gender dimension set up at the institutional level with a legal framework to obtain effective results.

Finally, a strategy for gender equality as the engine of the economy can only be reduced to certain sectors. Any gender mainstreaming strategy must be linked to targeted investments and actions in different sectors ranging from early childhood, education to politics or entrepreneurship or the tax system.

**The key message is that when women win, men win and the whole economy wins.**

The CEE countries already have in their territories the instruments for a sustainable economic recovery: women, their skills and talents. It is now up to the CEE countries to see all this economic potential.

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