DRAFT BACKGROUND NOTE
Promoting Gender Equality in Eurasia
Better Policies for Women’s Economic Empowerment
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Gender challenges in Eurasia

Investing in women increases productivity and reduces both poverty and inequality. Gender equality and the economic empowerment of women are fundamental drivers of more inclusive, equitable and prosperous societies. The OECD calculates that if women’s participation rates converged to men’s by 2030, overall GDP would rise by an estimated 12% across OECD countries (OECD, 2012). Reducing gender-based discrimination worldwide could lead to an annual increase in global GDP growth rate of between 0.03 and 0.6 percentage points by 2030. The IMF even finds a positive link between a larger number of women in decision-making positions and company performance. Using a sample of more than 2 million companies across 34 European countries, the Fund concludes that companies with greater gender diversity in senior positions experience higher return on assets. McKinsey also finds that companies in the bottom quartile for gender and ethnic diversity in leadership were 29% less likely to achieve above-average profitability.

In the Eurasia region, despite recent legal progress, women still face important institutional, economic and social barriers that maintain gender disparities, such as laws prohibiting women from taking up certain job occupations. According to the World Bank’s Women, Business and the Law 2018, Eurasia countries score low, especially regarding women’s to access credit, access to courts and protection from violence.

The OECD Social Institutions and Gender Index (SIGI), which measures discrimination against women in social institutions across 160 countries, covers four dimensions: discrimination in the family, restricted physical integrity, restricted access to productive and financial resources, and restricted civil liberties. In the 2019 results, while Eurasia countries perform relatively well overall, discrimination levels range from medium to very high in some areas, especially in access to productive and financial resources (Figure 1). Armenia and Kyrgyzstan have made notable improvements, with discrimination levels falling from medium to low levels between 2014 and 2019.
Women face both gender pay gaps and glass ceilings in the private sector, and in countries like Ukraine and Moldova these are reinforced by declining female labour-force participation (LFP). In Eurasia, women’s average wages are 70% of those of men compared to 85% in OECD member countries. Moreover, the number of women in managerial positions varies widely across Eurasia, from 40% in Mongolia to 15% in Tajikistan.

Women in the public sector also face gender pay gaps and glass ceilings. According to the World Economic Forum, most Eurasia countries rank below 100th place in terms of political representation and empowerment of women, and none are in the top 50. Women encounter a wide range of obstacles in recruitment and later in their career advancement. Furthermore, in public administration, women tend to occupy lower positions.

**Women’s economic empowerment in Eurasia**

**Gender equality in the private sector: women’s difficulties in the labour market**

Women’s economic empowerment is a cornerstone of the 2030 Agenda for Sustainable Development. The UN provides strong evidence that women lag behind men in terms of the number of female business owners, the size of women-owned businesses, and their access to economic resources. Specifically, women-owned enterprises are smaller and disadvantaged in their access to credit, resources, and assets.

Eurasia countries still benefit from decades of policies promoting equality in employment, education and health. Women represent close to half of the labour force (46% - excluding Afghanistan), with women constituting almost half of the non-agricultural workforce.
There are limited gender gaps in part-time work and vulnerable employment.\textsuperscript{13} The region has achieved two gender-related Millennium Development Goals (MDG): MDG3, eliminating gender disparity in the primary and secondary education, and MDG5, reducing maternal mortality.\textsuperscript{14}

Despite these positive regional achievements, gender inequalities in labour markets are pervasive across the Eurasia region. While male labour force participation (LFP) stands at 76.2\% in Eastern Europe and Central Asia (excluding Afghanistan), female LFP averages only 61.1\%, ranging from 73.6\% in Kazakhstan to 45.04\% in Moldova. In Afghanistan, male LFP stands at 88.5\% compared to 20.2\% for women.\textsuperscript{15} In Ukraine, the gap between male and female LFP has been widening since the late 1990s and in 2017 was roughly five percent higher than it had been 20 years earlier. Both male and female LFP declined over the period, but the decline in female LFP was greater.

\textit{Legal restrictions and poor availability of flexible work opportunities continue to limit women’s labour force participation}

The majority of Eurasia countries impose legal restrictions on women’s pursuit of certain economic activities and occupations. These include many occupations in transport, logistics and supply chain-related sectors. Introduced in Soviet times with the intention of protecting women’s health, these restrictions deprive women of certain career paths, which could lead to better-paid and more stable employment. At the same time, the automation of many jobs and the substantial improvements made in health and safety regulations render any initial cautiousness regarding women’s pursuit of proscribed careers outdated and unnecessary.

\textit{The gender pay gap is wider in Eurasia countries than in OECD countries}

At the current rate of progress, the overall global gender pay gap would close in 128 years in Eastern Europe and Central Asia, in comparison to 61 years in Western Europe.\textsuperscript{16} The wage gap in Eurasia remains larger than the average of OECD economies, albeit with significant variations across the regions. According to the WEF Global Gender Gap report, the highest scores in the region are achieved by Belarus and Moldova, where women’s wages represent 74.4\% and 74\% of men’s wages respectively\textsuperscript{17}. The lowest belong to Armenia, Azerbaijan and Tajikistan, averaging at about 67\%.

In general, men and women’s salaries start diverging from the onset of women’s childbearing years. This “motherhood penalty” is often followed by the “good-daughter penalty”, when elderly parents require care that is mostly provided by daughters. Women tend to carry the burden of unpaid work in the household, which limits their opportunities in the labour market in terms of entrepreneurship and wage employment.\textsuperscript{18}

Women’s employment is still very concentrated in a few (primarily public) sectors, such as social services, education and health. These tend to offer better work flexibility but lower remuneration. Some of these industrial and occupational segregation patterns is the product, at least in part, of gender specialisation in education: in the Western CIS countries, where women outnumber men in universities, they are more likely to opt for humanities, social sciences and communications, rather than STEM subjects.\textsuperscript{19} However, the impact of women’s education premium outweighs the negative impact due to industrial and occupational segregation; otherwise, gender pay gaps would be even wider.\textsuperscript{20}
The glass ceiling is a recurring phenomenon for women in Eurasia

Gender equality is still a distant prospect when it comes to managerial positions. Where in Ukraine and Mongolia women accounted for up to 40% of managers in 2016, the corresponding figures for Armenia and Tajikistan were 29 and 15% respectively. In Eastern Europe and the South Caucasus, women account for only 9% of members of the boards of central banks, 15% of members of the governing boards of trade unions, and less than 15% of board members of companies registered on the stock exchanges.

Women’s entrepreneurship is limited in most Eurasia countries

The 2017 World Bank Doing Business report shows substantial variations in the percentage of new female owners at the level of both limited liability companies (LLCs) and sole proprietorship. The report shows an average threefold difference between the number of new female LLC owners and the number of new male LLC owners.

The divergence is even more considerable with women-led firms. The regional average is 21%, with Mongolia, Belarus and Georgia leading, representing 35%, 33% and 32% respectively. Tajikistan and Azerbaijan are at the opposite end of the spectrum, with scores of 9% and 3%. Restricted access to resources and assets, such as land ownership, impair women’s entrepreneurship opportunities. A lack of collateral to access financial services, including microcredit, is an important issue for all Eurasia countries. In Uzbekistan, for example, men received 85% of all microcredit funding.

Informality is a major barrier to higher productivity, better jobs and inclusive growth. Throughout the Eurasia region, labour informality causes higher levels of corruption, poorer functioning of the judicial system, insufficient protection of property rights, and the unpredictability of changes in legislation, which in turn erodes trust and dissuades economic actors from formalising their activities. Although fewer women than men work in the informal sector, women are often more vulnerable in the informal labour market: they are far more likely to be domestic workers, home-based workers or contributing family workers. The issue of informality connected to temporary seasonal work is also substantial in Central Asian countries, and is something that concerns both female and male labour market participants. In Uzbekistan 42% of working-age people are in informal employment, and in Kazakhstan the number is 59%.

Initial suggestions for the way forward

The following initial suggestions could help further narrow the remaining gender gaps in the labour market.

1. Strengthening women’s labour force participation

- Remove legal barriers to women’s employment by revising laws preventing women from occupying certain occupations. For instance, Ukraine abolished order no.256 of the Ministry of Health restricting women from pursuing 450 professions.
- Support “non-standard work” opportunities for women, such as part-time, temporary or self-employment. This already accounts for about one in three jobs in OECD countries. Job sharing and home-based work can help to create a better work-life balance; social protection (tax & benefits) systems can be adapted to the
non-standard forms of employment. Countries with the highest shares of women working from home also tend to have high maternal employment rates for instance in Nordic countries, the Netherlands, Belgium, and France.

2. Narrow the gender pay gap

- **Support wage transparency** by disclosing the pay gap at the organisational level. In Sweden for instance, all companies with ten or more employees must annually document wage gap and make results available.27

- **Develop a system of affordable childcare** through crèches, paid and shared parental leave. OECD countries are increasingly offering more and better childcare facilities and helping with childcare costs. Moreover, the law should not limit couples to a declared option about who is undertaking the responsibility of childcare. All countries could consider ratifying the ILO Convention 183 Maternity Protection and ILO Convention 189 on Domestic Workers.28

3. Help women break the glass ceiling

- **Implement gender diversity quotas and targets as well as disclosure rules for corporate boards.** Quota systems enforce a minimum level of representation of both genders; targets constitute a voluntary measure for gender equality goals to be achieved within a specific timeframe, and disclosure rules written in state law or in corporate governance propel companies to embrace diversity policies. In line with OECD Gender Recommendations:
  - Australia, Chile, the Czech Republic, Japan, Poland, Portugal, Luxembourg, Switzerland have introduced soft gender-balanced targets on the boards of PLCs and SEOs;
  - Australia, Chile, Finland, Spain, the United Kingdom impose disclosure requirements in the governance codes; and
  - Austria, Belgium, France, Germany, Greece, Iceland, Italy, Israel Norway introduced compulsory gender quotas on PLCs and SOEs boards.

4. Support women’s entrepreneurship

- **Develop and promote targeted business development services and/or infrastructure for women.** This could include trainings, mentoring services, incubators and female business networks, which would support business growth, increase the business survival rates, and increase of women employers in an economy. The OECD has helped MENA countries improve women’s entrepreneurship skills, network and advocacy capacities, and this experience could be shared with the governments of Central Asian countries.

- Focus on policies aimed at **facilitating greater access to finance** for women entrepreneurs, credit instruments targeted to women and measures for improving financial education and inclusion.

5. Support formalisation of women’s employment and women-led businesses

- **Tackle the issue of informality.** It is crucial to analyse the barriers, which prevent women from entering the formal economy, to identify incentives and provide
policy recommendations to the governments with a focus on women, as well as provide better support for women who already are informally employed.

**Limited access to public life**

Gender equality in public life is essential, as it supports diversity and representation in a country’s institutions, policy-and law-making processes that will guide the rights and well-being of society. The OECD’s 2015 *Recommendation of the Council on Gender Equality in Public Life* provides guidelines and instruments for gender mainstreaming in government, parliament and the judicial system. OECD member economies are increasingly developing national gender strategies, regulatory gender impact assessment, gender budgeting and policies to support pay transparency and women’s access to public management positions. However, implementation is often weak and resources are often lacking.

Several Eurasia countries have adopted national gender strategies, such as the National Gender Strategy of Kazakhstan (2006-2016) and the Gender Equality Strategy and Action Plan in Georgia, and have passed legislations on promoting equal opportunities for men and women (e.g., Ukraine). However, such measures often lack clear objectives and indicators and could benefit from greater civil society involvement in their formulation and implementation. All Eurasia countries are State Parties to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

Gender budgeting, defined by the Council of Europe as a “gender based assessment of budgets incorporating a gender perspective at all levels of the budgetary process and restructuring revenues as well as expenditures in order to promote gender equality”, is largely absent. However, Ukraine plans to introduce the practice with the support of Sweden and it has been included in Kazakhstan’s 2030 Concept on Family and Gender Policy.

**The glass ceiling is still unbroken in the public sector**

In Eurasia countries, women do not attain the same levels of public-sector responsibility as men; they are under-represented in national, regional and local decision-making positions. On average, less than 20% of national parliamentary deputies are women, while the estimated threshold to influence the political agenda is estimated at 30%. The proportion of seats held by women in national parliaments ranges from 27% in Kazakhstan to 16% in Georgia and Uzbekistan to just under 12% in Ukraine (2017 data). In Eastern Europe and the South Caucasus, women elected to parliament constituted only 16% of the total. Quota mechanisms are absent in almost all Eurasia countries at national and regional level.

Women are also significantly less represented in the highest grades of the civil service, while they are overrepresented in the lowest categories. For instance, in Kazakhstan women made up 56% of government administrative staff in 2016, but held only 10% of political civil service positions, while in Ukraine women represented the majority of civil servants in the lowest categories but less than 15% of the top positions. The proportion of women in public service is broadly similar in OECD countries, with women constituting the majority of the public administration, but the share of high positions occupied by women is significantly higher, though still only 29%.

When it comes to ministerial positions, in EESC, women occupied only 12% of senior ministerial posts in 2015. In comparison in OECD countries, 29% of ministers were women in 2016 with parity achieved in Finland, France, Sweden and Canada.
Women have limited access to courts

Unequal treatment and access to justice undermines women’s legal capacities as well as the distribution of resources, especially when economic rights are at stake. In several Eurasia countries, female victims of domestic violence rarely reach out to courts due to resistance from family members and lack of trust in the judicial system. The lack of affordable legal systems is also harmful for those in chronically vulnerable positions, especially women and children. In Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan the underfunding of existing legal schemes is a common phenomenon.38

Women’s access to courts remains limited in Eurasia countries according to international rankings such as the Women, Business and the Law of the World Bank. Georgia is a top performer and matches with Nordic countries while several countries of the region remain significantly behind (Figure 2). Main issues include the absence of an anti-discrimination commission, the lack of legal aid in civil/family matters, and the low weight of women testimony in courts in some cases.

Figure 2. Access to justice system in Eurasian countries and OECD member states

Note: Access to court is graded from 0 to 100 whereas the score equal to 100 describes the best performance.

In Kazakhstan, 55% of all judges are women, compared to figures for OECD countries ranging from 20% in Slovenia to 60% in the UK and Greece (2010).

Initial suggestions for the way forward

The following suggestions could help narrow the remaining gender gaps in public life at national and subnational levels, removing structural barriers and encouraging female representation in decision-making roles in the civil service and the legal system.

1. Strengthen the strategic and regulatory framework

- **Prepare national gender strategies** and include objectives, indicators and action plan to promote gender equality. **Involve civil society in the preparation of these strategies**, including women associations. The Slovak Republic adopted a national strategy for gender equality for 2014-2019 and an Action plan devised with NGOs.39

- **Increase awareness of gender** in legislation, for example by creating gender commissions in the parliament and implementing gender regulatory impact
assessments. Measures such as women group’s hearings and gender advisors to support legislative work could be considered.

- **Build capabilities** in all ministries and the public administration to raise awareness and integrate gender in programmes and policies as gender-sensitive policies need to be implemented in all fields. Sweden, for example, created a Gender mainstreaming in government agencies programme (GMGA) to promote gender in policy-making across the government.

- **Introduce gender budgeting** to help the promotion of equality through fiscal policies and support the inclusion of gender mainstreaming activities on the public institutions agenda as well as whether gender gap is gradually narrowing. In Austria’s government budget, each chapter has to include at least one gender-related objective.

2. Help break the glass ceiling in the public sector

- **Promote quotas on women in Parliament in Eurasia countries.** While quota action is not an ultimate solution to gender-balanced representation, it can positively influence women’s political representation and leadership. Thirteen of the 16 OECD countries where women’s representation reaches 30% or more in single chambers and lower houses use gender quota systems. Following OECD recommendations, from 2005 to 2015 female representation more than doubled in lower houses and single chambers in the Middle East and North Africa (MENA), with Algeria and Tunisia crossing the 30% threshold.

- **Enhance women’s employment** with affirmative promotion and career advancement action. This could include expanding leadership development and mentoring programmes for women, changing the perceptions of work-life balance measures in career patterns, as well as setting targets of 50-50 gender balance in appointments at senior levels, as in the case of the Irish civil service.

3. Enhance women’s access to courts

- **Increase awareness and training** on gender-sensitive all actors of the judiciary system, (judges, prosecutors, mediators, bars’ associations) and develop legal aid on civil and family matters. In Sweden, an *Action Plan for Integration of Gender Equality in the Courts of Sweden*, adopted in 2016, includes awareness raising activities for employees and judges.

- **Ensure that selection processes in the judicial system** are transparent and open to all and promote judicial career advancement for women to top-level positions. These mechanisms have become increasingly popular in OECD countries since 2010 in the judiciary system. For example, Spain’s General Council of the Judiciary approved the Equality Plan for Careers in the Judiciary. Designed to achieve effective gender equality in career advancement across the Spanish justice system, the plan includes equal recruitment by public entrance examination; equal opportunity training and awareness-raising; vocational training; balancing work and family life; and greater female participation in senior positions within judicial offices.

- **Assess each court’s history and achievements** in gender equality and develop targets and actions to remove any gender-based discrimination in the judicial system. Chile, for example, created a Working Group on Gender Issues composed
of members of the judiciary as well as ministers, judges and trade union representatives. The Working Group analyses and evaluates gender-based discrimination in the exercise of jurisdictional activity as well as identifying gender mainstreaming objectives in the judiciary.

**Gender disaggregated data for policy-making**

Gender-disaggregated data are essential to inform policy-making on gender equality. They must be collected in a consistent, regular manner, and be able to provide a statistical basis to identify and analyse gender gaps and address priorities such as gender pay gaps, women in management positions and women’s ownership of businesses. The OECD Gender Data Portal provides data, information and insights on gender inequalities in education, employment, entrepreneurship, health and development that can support gender-mainstreaming policies. The *Employment and Family Database* also provides over 70 cross-national indicators on the structure of families, labour market position of families, public policies for families and children and child outcomes. OECD member countries are increasingly collecting data in line with the *OECD 2013 Gender Recommendation* and most efforts now focus on disseminating these data and ensuring that they are best used for policy-making.

Eurasia countries could work towards producing gender-disaggregated data by strengthening statistical capacities, the reporting of statistics and the development of key indicators aimed at better assessing the situation of women and men in the economy.

**National statistics include limited gender-disaggregated data**

Current national statistics include limited gender-disaggregated data and little information on women generally. There is scarce data on women and no systematic possibility to disaggregate most data by gender. National surveys do not provide detailed gender-disaggregated data on individual topics (employment, health, education, living standards, businesses) and there is limited evidence of the involvement of civil society in data collection and dissemination. Reports on specific gender topics are periodically produced, such as *Women and Men in Employment in Ukraine*, but comprehensive reviews of gender sensitive topics are absent. Some countries provide information on progress against SDGs on gender-related indicators, but the information is often outdated and based on international statistics rather than nationally collected data. Public administrations do not provide regular updates nor comparisons of men and women in public employment.

There is limited use of gender-disaggregated data for policy-making in line ministries or at the centre of government in Eurasia countries. There is a need for co-ordination between statistical offices and ministries about collecting and disseminating gender data.

**There is a lack of data on women in business**

The lack of comprehensive gender-disaggregated data on business entry and ownership presents a significant obstacle to the analysis of female entrepreneurship. This is also true for international indicators. For example, only Georgia and Kazakhstan participate in the Global Entrepreneurship Monitor (GEM) and only Kazakhstan, Moldova and Ukraine to the GEDI Female Entrepreneurship Index (FEI). Surveys and analysis carried out by Chambers of Commerce and business association also contain only very limited questions and information on women in business.
Initial suggestions for the way forward on gender-disaggregated data

Eurasia countries could further carry out the identification of data gaps and the development of relevant indicators, and could encourage national statistical agencies to conduct regular statistical monitoring of gender issues. This would also support informed policy reforms and provide a more holistic view of women in the economy.

- **Identify gaps on gender data and ensure systematic collection of gender-disaggregated data** especially in national surveys and statistical offices’ requests (by region, age, sector). For instance, Spain’s Gender Equality Law states that public authorities must systematically include the sex variable in their statistics, surveys or data. These data can include percentage of women entrepreneurs, women in executive positions, women in legislatures, and the gender pay gap. A comprehensive list of indicators can be found on the OECD Gender Data Portal which cover socio-economic dimensions, including: employment (e.g. gender wage gap), education (e.g. PISA science performance), entrepreneurship (e.g. self-employed with employees), health (e.g. life expectancy at birth), development (e.g. violence against women), and governance (e.g. women in politics). Each administration could also include gender-disaggregated data in their annual reports, such as is done in Sweden.43

- **Monitor the implementation of SDGs based on gender-disaggregated data and join global indices on gender data, including:** Global Entrepreneurship Monitor (GEM), Total Early-Stage Entrepreneurship Activity (TEA), the UN Evidence and Data for Gender Equality (EDGE), the Global Entrepreneurship Index (GEI), and the GEDI Female Entrepreneurship Index (FEI).

The Way forward: how the OECD can support Eurasia on gender policies

The OECD provides global and country-specific work on gender that can support Eurasia governments with their specific gender gaps. The Organisation has long championed gender equality and has developed gender-specific instruments to provide a framework for policy action, most notably the 2013 Recommendation on Gender Equality in Education, Employment and Entrepreneurship and the 2015 Recommendation on Gender Equality in Public Life. These recommendations have been adopted by OECD members and some non-member economies, and provide policy principles, guidelines and concrete measures to advance gender equality.

The OECD has also developed gender policy toolkits, such as Mainstreaming and Implementing Gender Equality, and prepares regular gender reviews, such as the OECD Review of Gender Policy Delivery in Kazakhstan and similar work on Nordic countries44. One finding of this work, for example, was that Nordic countries managed to increase female employment rates through comprehensive social policies and they now count among the most gender-equal countries in the OECD. The research looks at the gender pay gap, at how couples tend to share paid and unpaid work, and how easily women can progress to management positions.

The OECD could help Eurasia countries to strengthen their female populations’ economic empowerment on a wide range of policy areas, ranging from making use of the available OECD toolkits, undertaking an OECD review of Gender Policy Delivery, to the adoption of recommendations for gender equality.
3 IMF (2016) Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe
4 Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.
5 World Bank (2018), Women, Business and the Law 2018
6 All 13 OECD Eurasia countries are included in the SIGI (Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan), however Uzbekistan and Turkmenistan are not ranked because of missing data.
7 Defined as an invisible barrier that keeps women from rising professionally beyond a certain level in a hierarchy.
10 2016 Report of the United Nations Secretary-General’s High-Level Panel on Women’s Economic Empowerment
11 UN Secretary-General’s High-Level Panel on Women’s Economic Empowerment. 2016. “Leave No One Behind: Taking Action for Transformational Change on Women’s Economic Empowerment.”
12 In all Eurasia countries but Afghanistan
13 UNDP, “Gender inequalities in labour markets in Central Asia”
18 UNDP (2015) “Gender and Employment in South Caucasus and Western CIS”
20 Khitarishvili, Tamar (2018) “Gender pay gaps in the former Soviet Union”
21 ADB databank, 2015
22 Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine
28 ILO, Maternity protection and the childcare systems in Central Asia: national studies in Kazakhstan and Tajikistan, 2014
30 OECD (2017), Report on the Implementation of the OECD Gender Recommendations - Some Progress on Gender Equality but Much Left to Do, Meeting of the OECD Council at the Ministerial level, 7-8 June 2017, Paris
32 Ukraine GRB project (2018), http://grbproject.org/?lang=en
34 Women in Power in the Eastern Partnership Countries, 2015


38 UNDP, Accessing Justice: Legal Aid in Central Asia and South Caucasus, 2013

39 OECD (2018), Toolkit for Mainstreaming and Implementing Gender Equality

40 ‘Gender Budgeting in OECD countries’, OECD Journal on Budgeting, Volume 2016/3

41 OECD (2018), Toolkit for Mainstreaming and Implementing Gender Equality

42 Council of Europe (2016), Strengthening Judicial Capacity to Improve Women’s Access to Justice, https://rm.coe.int/16806b585d

43 OECD (2018), Toolkit for Mainstreaming and Implementing Gender Equality