



ShowCASE

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Editorial

With this edition of showCASE we are ending a journey that began over five years ago, on 07 October 2016, when the very first issue was published. Throughout the years, the bulletin evolved in its shape and form, switching from being a weekly to a monthly publication, gaining new editors and contributors, and adding new products that were complementing the main analytical articles. What has not changed, however, has been our Team's dedication to providing our readers with informative, fresh, and insightful commentaries on pressing economic, political, and social developments as they unfolded.

We would like to thank all those who contributed to showCASE over the past half decade: contributors, editors, and communications managers, as well as our readers who kept on giving us motivation to make every issue a guiltless pleasure to read.

We would also like to take this opportunity to wish all those celebrating Merry Christmas and a Happy New Year! We hope 2022 will be better than 2021 on all personal and professional fronts – and that you, dear readers, will keep on enjoying other CASE products throughout the upcoming months.

With best regards,

showCASE Editorial Team

Gender Equality in the European Union: a Differentiated Integration?

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The European Union (EU) is considered one of the global leaders in regard to promotion of equality between men and women, both inside and outside its borders. Principal documents framing European Commission's initiatives in this area are gender equality strategies. While the current **Gender Equality Strategy for years 2020-2025** sets out ambitious goals for the EU as a bloc, it does not address – despite being titled “A Union of Equality” – the significant disparities between the Member States (MS) when it comes to different dimensions of gender equality and women's rights.

The present edition of showCASE examines the progress in the key areas spotlighted in the Gender Equality Strategy 2020-2025: closing the employment and pay gaps, achieving gender balance in economic and political decision-making, and eliminating gender-based violence. Instead of focusing exclusively on the overall EU's performance, it applies the concept of an **upward convergence**, which improves when progress is observed in each Member State, with less gender-equal societies catching up with the most gender-equal ones, reducing the overall disparities. Consequently, what can be tracked is not only aggregated progress of the EU over the 5-year-period, but also the convergence between the Member States.

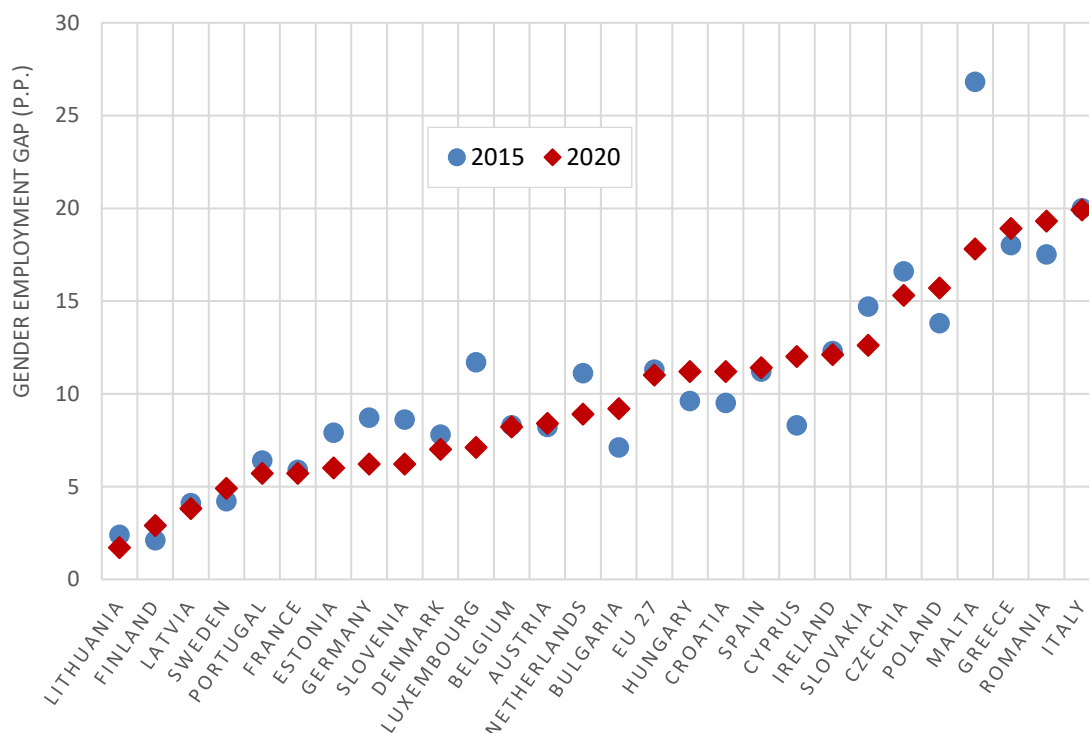
Gender employment gap

Gender employment gap, which indicates the difference between the employment rates of men and women, is one of the most often used indicators to understand situation of women on the given country's labour market, as well as the condition of the said labour market itself. In 2020, the gender employment gap in the EU amounted to 11 percentage points¹ (p.p.): the employment rate of women aged 20-64 equalled 67%, while in case of men – 78%. When compared to the 11.3 p.p. gap in 2015, this constitutes a progress of a mere 0.3 p.p. over 5 years. The smaller the gap, the better for the economy: fully closing the gender employment gap in the EU could generate a **GDP per capita increase of 3.2 to 5.5% in 2050**.

In terms of convergence, a difference between the employment rates of men and women in the Member States in 2020 varied from 1.7 p.p. in Lithuania to 19.9 in Italy – a range of 18.2 percentage points. Malta's gap in 2015 (26.8 p.p.) was exceptionally high in comparison to all other MS (see Figure 1). By increasing its employment rate of women and hence lowering the gap by remarkable 9 p.p., the country moved closer to the EU's average. In consequence, Italy – which narrowed its gap over the same time by only 0.1 p.p. – has taken the regrettable lead in gender gap statistics.

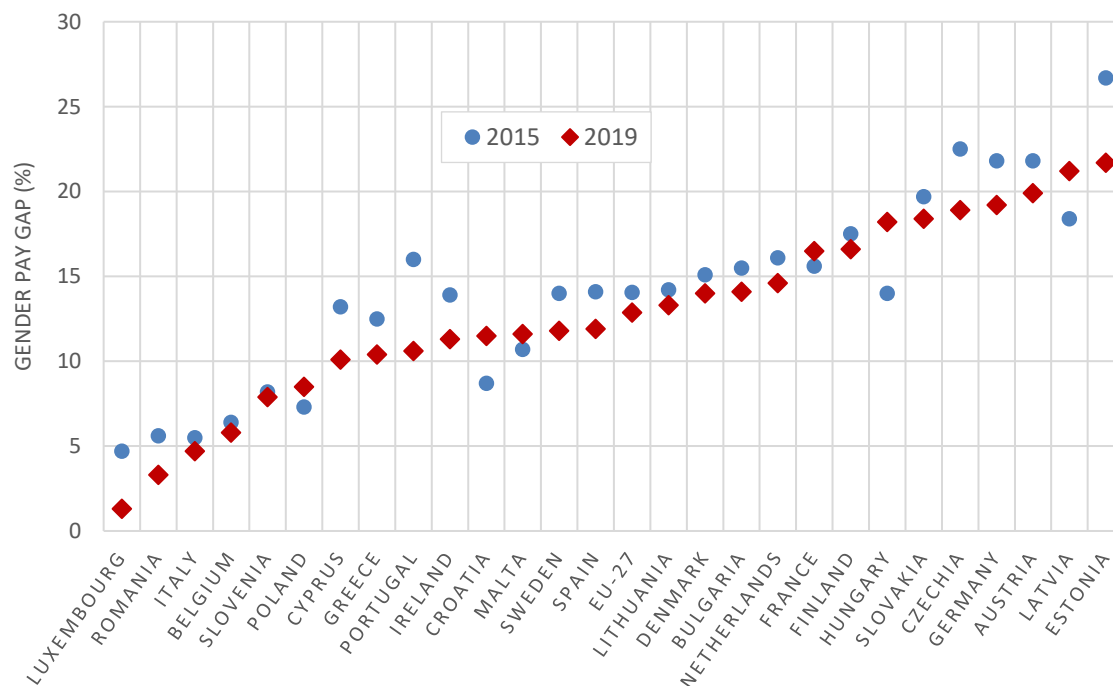
¹ Author's calculations based on Eurostat data on employment and activity by sex and age.

Figure 1 Gender Employment Gap in the EU



Source: Author's calculations based on Eurostat data.

Figure 2 Gender pay gap: 2015 and 2019*



Source: Author's calculations based on Eurostat data.

* Due to availability, data for Greece is from 2014 and 2018; for Croatia from 2014 and 2019; for Ireland from 2015 and 201.

Apart from Lithuania, Finland (2.9 p.p.) and Latvia (3.8 p.p.) remained the countries with the lowest women's labour market underrepresentation in 2020. The EU as a community has moved toward higher convergence: standard deviation of EU-27's gender gap values decreased from 5.57 in 2015 to 5.08 in 2020².

» Unpaid care duties remain a major obstacle to women's professional activity, highlighting the need to implement further structural changes necessary to accelerate progress in employment equality.

The situation has been aggravated by the COVID-19 pandemic which increased the already disproportionate care burden of women. Moreover, employment cuts related to social distancing measures had a significant impact on sectors with high female employment shares (e.g. restaurants or hospitality).

One of the European Union's measures aimed to address the women's labour market underrepresentation is the 2019 directive on work-life balance for parents and carers. It supports a more equal distribution of caring responsibilities, more equal sharing of parental leave between men and women, and more flexible work arrangements. Member States are currently in the process of transposing the directive into their legal systems.

(Un)equal pay

The principle of equal pay for men and women for work of equal value is one of the fundamental values of the European Union.

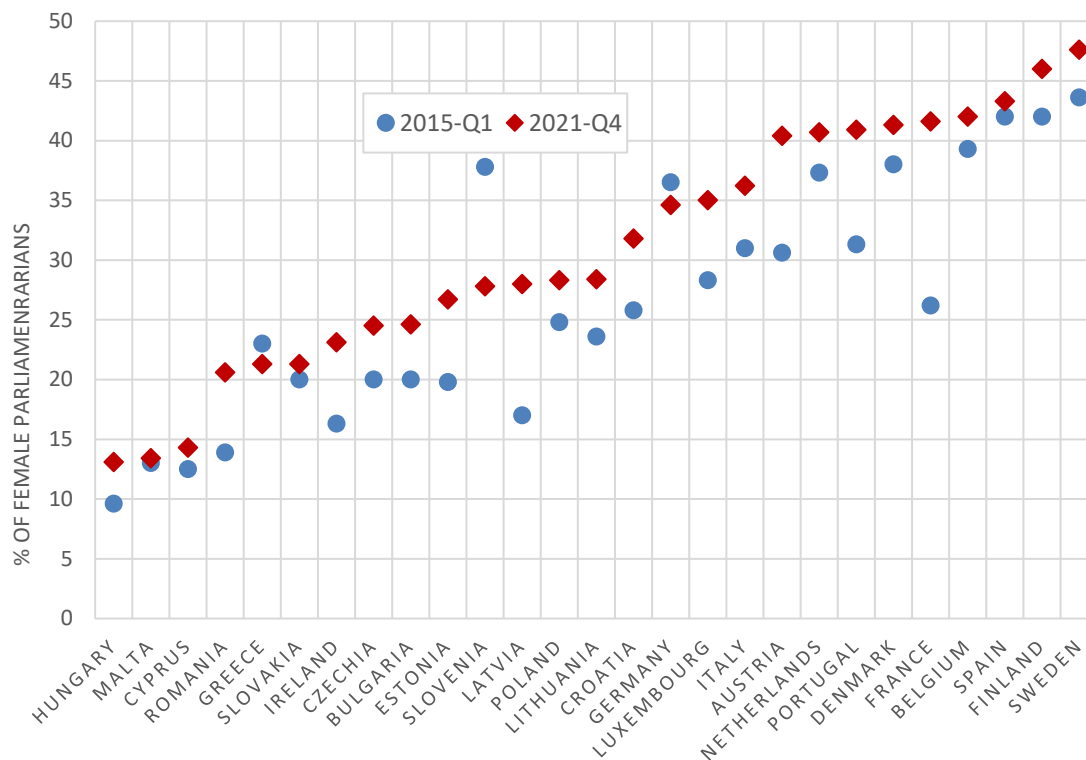
Enshrined in the founding Treaty of Rome (1957), it provided the competence to develop the first European equality directives: the Equal Pay Directive (1975) and the Equal Treatment Directive (1976). The principle has been reaffirmed in the European Pillar of Social Rights (2017).

The gender pay gap is a measure of the difference between average earnings of male and female paid employees calculated as a percentage of male earnings. Between 2015 and 2019 (year for which the latest data is available), 27 Member States' mean gender pay gap decreased from 14.1% to 12.9%, which constitutes a marginal progress of 1.2 p.p. (see Figure 2). In 2019, it varied from 1.3% in Luxembourg to 21.7% in Estonia – a disparity amounting to 20.4 p.p. The convergence between countries has only slightly progressed from 2015 to 2019: standard deviation decreased from 5.58 to 5.37.

In March 2021, the Commission proposed a directive on pay transparency which intends to address the gender-based pay discrimination and enforce the equal pay principle by introducing binding pay transparency. It would oblige employers to indicate the initial pay level or its range for a specific position, to publish a description of the gender-neutral criteria used to define pay and career progression, to provide workers with the necessary information to assess whether they are paid in a non-discriminatory manner, and to report on pay gap. The European Parliament and the European Council are currently working on the proposal.

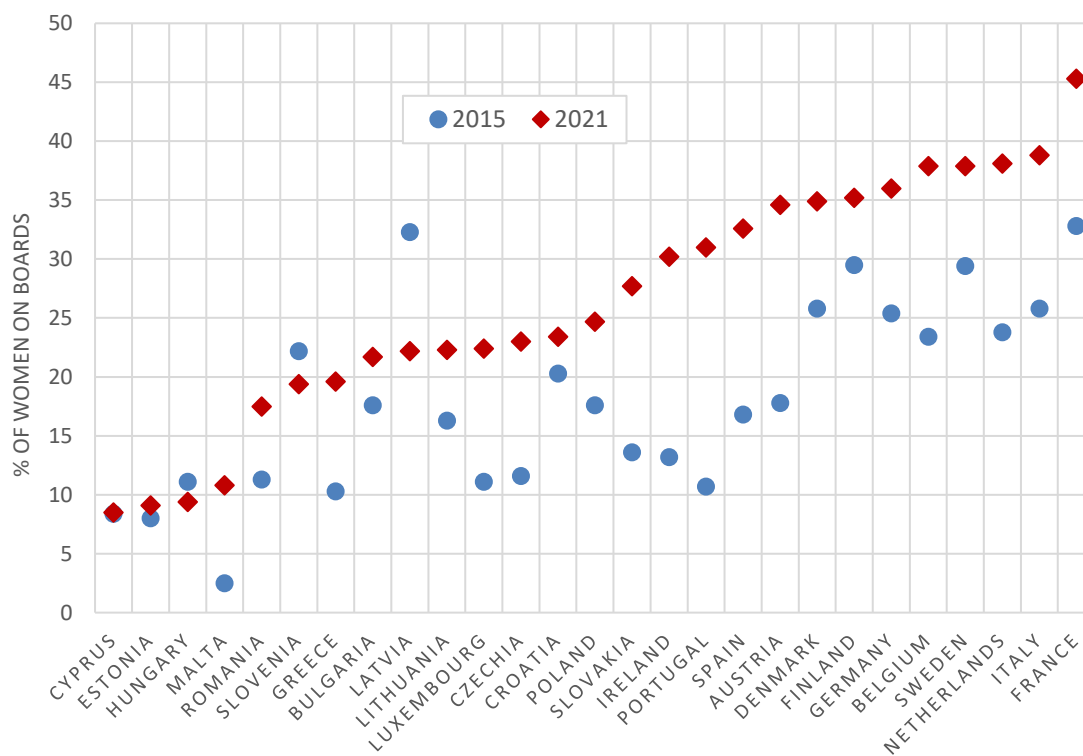
² Author's calculations based on Eurostat data.

Figure 3 Women in national parliaments (single/lower house)



Source: European Institute for Gender Equality (EIGE) Statistics Database.

Figure 4 Women on boards of largest publicly listed companies



Source: European Institute for Gender Equality (EIGE) Statistics Database.

Women in decision-making

Despite great advances in the last decades, women remain underrepresented in political and economic decision-making positions. In the EIGE's Gender Equality Index 2021, the domain of power (including political, economic and social power) remains the domain with the **lowest score** (55 out of 100 points). Disparities between the Member States in women's political representation are profound: from 13% of women in Hungarian national parliament to almost 48% in Sweden (see Figure 3). From 2015 to 2021, the vast majority of Member States has improved its gender balance – the aggregated mean of female parliamentarians in national single or lower houses of 27 Member States increased from 26.8% to 31%. There are several exceptions, with

» Although women on corporate boards **positively contribute** to companies' financial performance, female presence on boards is still a rarity in many countries.

Slovenia being the most striking one – the percentage of women in the Slovak parliament has decreased by 10 p.p., from 37.8% to 27.8%. The convergence between the Member States marginally decreased: standard deviation in 2015 equalled 9.98 while in 2021 it stood at 10.06.

In Bulgaria, Estonia and Hungary, more than half of the largest companies have **no women board members at all** (see Figure 4). Female leadership on the largest companies' boards in 2021 varies from only 8.5% in Cyprus to 45.3% in France. The EU as a community remarkably improved its gender balance in corporate management: from the average of 18.1% in 2015 to 26.5% in 2021. Some countries have made great advances in this

sphere, others have seen no progress or even regressed, leading to a growing divergence among EU-27 – standard deviation increased from 8 to 10.

In 2012, the European Commission submitted a **proposal on improving the gender balance among non-executive directors of companies listed on stock exchanges**. The directive would set a minimum of 40% of non-executive boards members of the underrepresented sex. The proposal has been so far blocked in the Council of EU by a group of countries but works on the legislation are ongoing.

Moving beyond indicators: gender-based violence in the EU

According to the **WHO's estimates**, almost 1 in 3 women in the world over 14 years old has experienced physical or sexual violence at least once in their life. While there is **no comparable EU-wide data** to assess and compare levels of violence against women in Member States, cases of **domestic violence increased** after the outset of the Covid-19 pandemic. The key priority of the Gender Equality Strategy 2020-2025 in the area of eliminating gender-based violence is finalisation of the **EU's accession to the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence** (more commonly known as the Istanbul Convention).

The Convention was signed by the EU in 2017 but has not been ratified yet. The ratification, a priority for both the European Commission and the **European Parliament**, remains blocked due to the lack of consensus in the Council, i.e. among the Member States' governments. The resistance comes from the Central and Eastern European states. Bulgaria, Czechia, Hungary, Lithuania, Latvia, and Slovakia are the only countries in the EU that have not ratified the Convention.

In 2018, the Hungarian Constitutional Court ruled the Istanbul Convention unconstitutional. In 2020, the Slovak and Hungarian national parliaments rejected the Convention. In July 2020, Minister of Justice of Poland – which ratified the Istanbul Convention in 2015 – announced submission of a request to the Ministry of Family and Social Policy to start the withdrawal procedure. The reason of the CEE countries' opposition to the Council of Europe Convention is the use of the term "gender", perceived as a threat to national traditions and family values.

» With the accession likely to remain blocked, the Commission is considering new legislative options to address violence against women at EU level.

So close yet so far?

"In all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women", reads article 8 of the Treaty on the Functioning of the European Union. The article reviewed different dimensions of gender equality actions as framed by Ursula von der Leyen's Gender Equality Strategy. Economic gender equality in the EU has progressed in the recent years, yet at a snail's pace: aggregated average gender employment gap decreased by only 0.3 p.p. from 11.3 p.p. in 2015 to 11 p.p. in 2020, and gender pay gap narrowed from 14.1% in 2015 to 12.9% in 2019 (a change of 1.2 p.p.). Bigger gains can be observed in the area of political and economic decision-making: percentage of female parliamentarians in national parliaments of 27 Member States increased from 26.8% in 2015 to 31% in 2021, and gender balance on corporate boards improved from the average of 18.1% in 2015

to 26.5% in 2021. The EU has also generally moved toward convergence in terms of the discussed indicators, with the exception of a share of women on boards. Increasing divergence within the EU in this aspect is likely to be reversed should the aforementioned women on boards directive came into force.

Unfortunately, there is now way to compare the levels of gender-based violence across the EU – an issue acknowledged by the European Institute of Gender Equality which each year publishes the Gender Equality Index measuring the progress of gender equality in the EU in various domains. Although there is no comparable EU-wide data regarding violence against women, there is no doubt that the Covid-19 pandemic has escalated the problem all over the European Union. With the EU's accession to the Council of Europe's Istanbul Convention remaining blocked due to the opposition of the CEE states, the European Commission needs to act decisively towards developing better mechanisms of reporting, preventing, and combating gender-based violence at the EU level.

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